



Office of the Washington State Auditor
Pat McCarthy

Financial Statements and Federal Single Audit Report

Grant County Public Transportation Benefit Area **(Grant Transit Authority)**

For the period January 1, 2024 through December 31, 2024

Published September 4, 2025

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**Office of the Washington State Auditor
Pat McCarthy**

September 4, 2025

Board of Directors
Grant Transit Authority
Moses Lake, Washington

Report on Financial Statements and Federal Single Audit

Please find attached our report on Grant Transit Authority's financial statements and compliance with federal laws and regulations.

We are issuing this report in order to provide information on the Authority's financial activities and condition.

Sincerely,

Pat McCarthy, State Auditor
Olympia, WA

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TABLE OF CONTENTS

Schedule of Findings and Questioned Costs.....	4
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	6
Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance in Accordance With the Uniform Guidance	9
Independent Auditor's Report on the Financial Statements.....	12
Financial Section.....	16
About the State Auditor's Office.....	34

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Grant Transit Authority January 1, 2024 through December 31, 2024

SECTION I – SUMMARY OF AUDITOR’S RESULTS

The results of our audit of Grant Transit Authority are summarized below in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Financial Statements

We issued an unmodified opinion on the fair presentation of the Authority’s financial statements in accordance with its regulatory basis of accounting. Separately, we issued an adverse opinion on the fair presentation with regard to accounting principles generally accepted in the United States of America (GAAP) because the financial statements are prepared using a basis of accounting other than GAAP.

Internal Control over Financial Reporting:

- *Significant Deficiencies:* We reported no deficiencies in the design or operation of internal control over financial reporting that we consider to be significant deficiencies.
- *Material Weaknesses:* We identified no deficiencies that we consider to be material weaknesses.

We noted no instances of noncompliance that were material to the financial statements of the Authority.

Federal Awards

Internal Control over Major Programs:

- *Significant Deficiencies:* We reported no deficiencies in the design or operation of internal control over major federal programs that we consider to be significant deficiencies.
- *Material Weaknesses:* We identified no deficiencies that we consider to be material weaknesses.

We issued an unmodified opinion on the Authority’s compliance with requirements applicable to its major federal program.

We reported no findings that are required to be disclosed in accordance with 2 CFR 200.516(a).

Identification of Major Federal Programs

The following program was selected as a major program in our audit of compliance in accordance with the Uniform Guidance.

<u>ALN</u>	<u>Program or Cluster Title</u>
20.509	COVID 19 - Formula Grants for Rural Areas and Tribal Transit Program

The dollar threshold used to distinguish between Type A and Type B programs, as prescribed by the Uniform Guidance, was \$750,000.

The Authority did not qualify as a low-risk auditee under the Uniform Guidance.

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

INDEPENDENT AUDITOR'S REPORT

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Grant Transit Authority January 1, 2024 through December 31, 2024

Board of Directors
Grant Transit Authority
Moses Lake, Washington

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Grant Transit Authority, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Authority's financial statements, and have issued our report thereon dated August 21, 2025.

We issued an unmodified opinion on the fair presentation of the Authority's financial statements in accordance with its regulatory basis of accounting. We issued an adverse opinion on the fair presentation with regard to accounting principles generally accepted in the United States of America (GAAP) because the financial statements are prepared by the Authority using accounting practices prescribed by state law and the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) manual described in Note 1, which is a basis of accounting other than GAAP. The effects on the financial statements of the variances between the basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

REPORT ON COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

A handwritten signature in black ink that reads "Pat McCarthy". The signature is fluid and cursive, with the first name "Pat" and last name "McCarthy" clearly distinguishable.

Pat McCarthy, State Auditor

Olympia, WA

August 21, 2025

INDEPENDENT AUDITOR'S REPORT

Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance

Grant Transit Authority January 1, 2024 through December 31, 2024

Board of Directors
Grant Transit Authority
Moses Lake, Washington

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

Opinion on Each Major Federal Program

We have audited the compliance of Grant Transit Authority, with the types of compliance requirements identified as subject to audit in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended December 31, 2024. The Authority's major federal programs are identified in the auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination on the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Authority's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program as a whole.

Performing an audit in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance includes the following responsibilities:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances;
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed; and
- We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.



Pat McCarthy, State Auditor

Olympia, WA

August 21, 2025

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Grant Transit Authority January 1, 2024 through December 31, 2024

Board of Directors
Grant Transit Authority
Moses Lake, Washington

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Unmodified and Adverse Opinions

We have audited the financial statements of Grant Transit Authority, as of and for the year ended December 31, 2024, and the related notes to the financial statements, as listed in the financial section of our report.

Unmodified Opinion on the Regulatory Basis of Accounting (BARS Manual)

As described in Note 1, the Authority has prepared these financial statements to meet the financial reporting requirements of state law and accounting practices prescribed by the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) Manual. Those accounting practices differ from accounting principles generally accepted in the United States of America (GAAP). The differences in these accounting practices are also described in Note 1.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash and investments of Grant Transit Authority, and its changes in cash and investments, for the year ended December 31, 2024, on the basis of accounting described in Note 1.

Adverse Opinion on U.S. GAAP

The financial statements referred to above were not intended to, and in our opinion, they do not, present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Grant Transit Authority, as of December 31, 2024, or the changes in financial position or cash flows thereof for the year then ended, because of the significance of the matter discussed below.

Basis for Unmodified and Adverse Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and *Government Auditing Standards*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit unmodified and adverse opinions.

Matter Giving Rise to Adverse Opinion on U.S. GAAP

Auditing standards issued by the American Institute of Certified Public Accountants (AICPA) require auditors to formally acknowledge when governments do not prepare their financial statements, intended for general use, in accordance with GAAP. As described in Note 1 of the financial statements, the financial statements are prepared by the Authority in accordance with state law using accounting practices prescribed by the BARS Manual, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of state law and the BARS Manual described in Note 1. This includes determining that the basis of accounting is acceptable for the presentation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and

Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Performing an audit in accordance with GAAS and *Government Auditing Standards* includes the following responsibilities:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed;
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements;
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time; and
- We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The Schedule of Liabilities is also presented for purposes of additional analysis, as required by the prescribed BARS manual. These schedules are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and

certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated August 21, 2025 on our consideration of the Authority's internal control over financial reporting and on the tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

A handwritten signature in black ink, reading "Pat McCarthy". The signature is fluid and cursive, with the first name "Pat" and last name "McCarthy" clearly distinguishable.

Pat McCarthy, State Auditor

Olympia, WA

August 21, 2025

FINANCIAL SECTION

Grant Transit Authority January 1, 2024 through December 31, 2024

FINANCIAL STATEMENTS

Fund Resources and Uses Arising from Cash Transactions – 2024
Notes to Financial Statements – 2024

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Liabilities – 2024
Schedule of Expenditures of Federal Awards – 2024
Notes to the Schedule of Expenditures of Federal Awards – 2024

**Grant County Public Transportation Benefit Area
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2024**

Beginning Cash and Investments

308	Beginning Cash and Investments	13,218,637
388 / 588	Net Adjustments	-

Revenues

310	Taxes	8,610,237
320	Licenses and Permits	-
330	Intergovernmental Revenues	6,404,212
340	Charges for Goods and Services	79,198
350	Fines and Penalties	-
360	Miscellaneous Revenues	514,534
Total Revenues:		15,608,181

Expenditures

510	General Government	-
520	Public Safety	-
530	Utilities	-
540	Transportation	5,802,122
550	Natural/Economic Environment	-
560	Social Services	-
570	Culture and Recreation	-
Total Expenditures:		5,802,122
Excess (Deficiency) Revenues over Expenditures:		9,806,059

Other Increases in Fund Resources

391-393, 596	Debt Proceeds	-
397	Transfers-In	-
385	Special or Extraordinary Items	-
381, 382, 389, 395, 398	Other Resources	64,622
Total Other Increases in Fund Resources:		64,622

Other Decreases in Fund Resources

594-595	Capital Expenditures	1,780,463
591-593, 599	Debt Service	-
597	Transfers-Out	-
585	Special or Extraordinary Items	-
581, 582, 589	Other Uses	-
Total Other Decreases in Fund Resources:		1,780,463

Increase (Decrease) in Cash and Investments: **8,090,218**

Ending Cash and Investments

50821	Nonspendable	-
50831	Restricted	-
50841	Committed	-
50851	Assigned	21,308,854
50891	Unassigned	-
Total Ending Cash and Investments		21,308,854

The accompanying notes are an integral part of this statement.

**GRANT TRANSIT AUTHORITY
MCAG NO. 1137
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided under the Revised Code of Washington (RCW) 36.57 applicable to a regional transit authority, the Grant County Public Transportation Benefit Area dba: Grant Transit Authority (GTA) was authorized in November 1996 and operates under the laws of the state of Washington applicable to a Public Transportation Benefit Area (PTBA). GTA provides public transportation services within the transportation benefit area of Grant County, Washington.

Reporting Entity

GTA is a special purpose government district supported primarily through local sales tax revenue. In addition, GTA receives operating and capital funding from federal, state and local agencies.

GTA is governed by a nine-member board appointed from the 14 incorporated towns and cities within Grant County and 1 non-voting ATU representative.

GTA is considered a primary government and does not have any component unit relationships. Conversely, GTA is not considered a component unit of any primary government.

GTA reports financial activity in accordance with the *Cash Basis Budgeting, Accounting and Reporting System* (BARS) Manual prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW. This manual prescribes a financial reporting framework that differs for generally accepted accounting principles (GAAP) in the following manner:

- Financial transactions are recognized on a cash basis of accounting as described below.
- Component units are required to be disclosed but are not included in the financial statements.
- Government-wide statements, as defined in GAAP, are not presented.
- All funds are presented, rather than the focus of major funds.
- The *Schedule of Liabilities* is required to be presented with the financial statements as supplementary information.
- Supplementary information required by GAAP is not presented.
- Ending balances are not presented using the classifications defined in GAAP.

Fund Accounting

Financial transactions of the GTA are reported in a single enterprise fund, which accounts for all financial resources for operations providing goods and services to the general public.

Sales tax revenues include taxes on retail sales of goods and services. This tax is levied within the benefit area at a rate of 2/10 of 1% of the sales tax collected. These taxes are collected on GTA's behalf by the Department of Revenue and are recorded when received. Operating revenues consist primarily of local sales tax revenue, and state and federal funding, which are recognized in the period in which they are received, and expenses are recognized in the period in which they are paid.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting and Measurement Focus

Financial statements are prepared using the cash basis of accounting and measurement focus. Revenues are recognized when cash is received, and expenditures are recognized when paid.

Cash and Investments

Cash and cash equivalents consist of cash on hand and investments in the Grant County Investment Pool, which is managed by the Grant County Finance Division. See Note 2, Deposits and Investments.

Capital Assets

Capital assets are assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of one year. Capital assets and inventory are recorded as capital expenditures when paid. The capital asset policy was updated effective February 21, 2025, with the threshold for capital assets being increased to a purchase price of greater than \$5,000.

Compensated Absences/Employee Leave Benefits

Compensated absences are absences for which employees will be paid, such as paid time off (PTO) and Washinton Paid Sick Leave (WPSL).

PTO accrues and may be carried over at a maximum of up to 480 hours at year end. PTO is payable at 50% upon separation or retirement.

WPSL is accrued separately and accrued at 1 hour for every 40 hours worked and can be carried over at a maximum of 40 hours at year end. WPSL is not payable upon separation or retirement.

NOTE 2 DEPOSITS AND INVESTMENTS

Deposits

GTA's US Bank checking account balance was \$346,229 on December 31, 2024.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, GTA would not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. GTA's deposits and certificates of deposits are mostly covered by the Federal Deposit Insurance Corporation (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Investments in Grant County Investment Pool

GTA is a participant in the Grant County Investment Pool, an external county investment pool. GTA reports its investment in the pool at amortized cost rather than fair value, as the difference between amortized cost and fair value is insignificant. The responsibility for managing the pool resides with the county treasurer.

The pool was established from RCW 36.29 which authorizes the county treasurer to invest the funds of participants. The county external investment pool does not have a credit rating and had a weighted average maturity of 340 days as of December 31, 2024.

The Grant County Investment Pool is not registered with the SEC and is not subject to any formal oversight other than that provided by the Grant County Finance Division. The Finance Division is responsible for adopting investment objectives and policies, for hiring investment advisors, and for monitoring policy implementation and investment performance. The Division’s primary role is to oversee the allocation of the Pool’s portfolio among the asset classes, investment vehicles, and investment managers.

As of December 31, 2024, GTA had \$20,962,625 invested in the Grant County Investment Pool.

Summary of Deposit and Investment Balances

Reconciliation of GTA’s deposits and investment balances as of December 31, 2024, is as follows:

Deposits

Current:

Cash and Cash Equivalents	\$ 346,229
Total Deposits	\$ 346,229

Investments

Current:

Grant County Investment Pool	\$ 20,962,625
Total Investments	20,962,625
Total Deposits and Investments	\$ 21,308,854

NOTE 3 OTHER POST EMPLOYMENT BENEFITS (OPEB)

General Information About the OPEB Plan

Plan Description

GTA is a participating employer in the state’s Public Employees Benefits Board (PEBB) program, a defined benefit plan administered by the Washington State Health Care Authority. The plan provides medical, dental, vision and life insurance benefits for public employees and retirees and their dependents on a pay-as-you-go basis. District employees who end public employment are eligible to continue PEBB insurance as a retiree.

Benefits Provided

The Washington State Health Care Authority (HCA) administers PEBB plan benefits. For medical insurance coverage, the HCA has two claim pools: one covering employees and non-Medicare eligible retirees, and the other covering retirees enrolled in Medicare Parts A and B. Each participating employer pays a portion of the premiums for active employees. The plan provides OPEB benefits through both explicit and implicit subsidies. The explicit subsidy is a set dollar amount that lowers the monthly premium paid by members over the age of 65 enrolled in Medicare Parts A and B. PEBB determines the amount of the explicit subsidy annually. The implicit subsidy results from the inclusion of active and non-Medicare eligible retirees in the same pool when determining premiums. There is an implicit subsidy from active employees since the premiums paid by retirees are lower than they would have been if the retirees were insured separately.

Employees Covered by Benefit Terms

On June 30, 2024, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefit Payments	1
Inactive Employees Entitled to But Not Yet	
Receiving Benefit Payments	-
Active Employees	39

GTA contributed \$473,969 to the plan for the year ending December 31, 2024.

NOTE 4 PENSION PLANS

State-Sponsored Pension Plans

Substantially all GTA’s full-time and qualifying part-time employees participate in one of the following statewide retirement systems administered by the Washington State Department of Retirement Systems, under cost-sharing, multi-employer public employee defined benefit and defined contribution retirement

plans PERS 1 and PERS 2/3. State legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available annual comprehensive financial report (ACFR) that includes financial statements and required supplementary information for each plan.

The DRS ACFR may be downloaded from the DRS website at www.drs.wa.gov.

On June 30, 2024 (the measurement date of the plans), GTA's proportionate share of the collective net pension liabilities, as reported on the Schedule of Liabilities, was as follows:

	Employer Contributions	Allocation %	Liability/Asset
PERS 1	\$ 68,776	.011489	204,141
PERS 2/3	\$ 147,410	.014976	(493,695)

Only the net pension liabilities are reported on Schedule of Liabilities.

NOTE 5 LEASE LIABILITIES

Grant Transit Authority (GTA) has a general obligation for a "Bundled Equipment Trunking Communications Systems Agreement" with a combined lease between TRBOWest Digital Network and Day Wireless for radio airtime, the radio equipment, installation of equipment and instant replacement of radios which are installed on all our buses. This lease agreement is for a period of 5 years beginning on 8/20/2023 and billed monthly at a current rate of \$2,057 plus tax with a payment amount after 5 years totaling \$133,894.

The lease agreement automatically renews after the initial 5-year contract in one-year increments unless terminated by either party with 30 days' written notice.

The following is a table showing the lease payments over the course of the initial 5-year agreement:

Lease Liability Payment Schedule

Month	2023	2024	2025	2026	2027	2028	1/1/2024 Beginning Balance	Additions	2024 Reductions	12/31/24 Ending Balance
Jan		2,230	2,232	2,232	2,232	2,232				
Feb		2,230	2,232	2,232	2,232	2,232				
Mar		2,230	2,232	2,232	2,232	2,232				
Apr		2,232	2,232	2,232	2,232	2,232				
May		2,232	2,232	2,232	2,232	2,232				
Jun		2,232	2,232	2,232	2,232	2,232				
Jul		2,232	2,232	2,232	2,232	2,232				
Aug	2,230	2,232	2,232	2,232	2,232	-				
Sep	2,230	2,232	2,232	2,232	2,232	-				
Oct	2,230	2,232	2,232	2,232	2,232	-				
Nov	2,230	2,232	2,232	2,232	2,232	-				
Dec	2,230	2,232	2,232	2,232	2,232	-				
Annual Total Payments	11,149	26,776	26,782	26,782	26,782	15,623	122,638	107	26,776	95,969

**Additional Includes Current Tax Rate
of 8.5% Effective April 1, 2024

NOTE 6 RISK MANAGEMENT

Grant Transit Authority (GTA) is a member of the Washington State Transit Insurance Pool (WSTIP). WSTIP is a 25-member governmental risk pool located in Olympia, Washington. WSTIP supplies Grant Transit Authority auto liability, general liability, public officials' liability coverage, all risk property coverage, auto physical damage coverage, boiler and machinery coverage, employee fidelity/crime coverage, cyber liability coverage, and terrorism.

At the end of 2024, GTA retained \$5,000 for its all-risk property coverage which includes auto physical damage. GTA has a \$5,000 deductible for public official's liability coverage and has no deductible for general and auto liability risks covered by WSTIP.

NOTE 6 RISK MANAGEMENT (CONTINUED)

The Washington State Transit Insurance Pool (WSTIP) was established on January 1, 1989, under Washington state laws RCW 48.61 and 39.34. WSTIP helps member transit agencies by enabling them to:

- Pool resources for self-insurance
- Jointly purchase insurance
- Hire or contract for personnel to provide risk management, claims handling, and administrative services.

Transit agencies that join WSTIP must remain members for at least three years. After this initial period, members can withdraw by giving six months' written notice and then withdrawing at the end of the fiscal year. Agencies that withdraw are not eligible to rejoin for another three years. The Pool is governed by a Board of Directors which is comprised of designated representatives from every Member. An Executive Committee is elected at the Annual Meeting and is responsible for conducting WSTIP's business affairs.

Transit agencies may apply for WSTIP membership, which is granted upon approval by a simple majority vote of the WSTIP Board of Directors. WSTIP's underwriting and rate-setting policies are established based on actuarial consultation. WSTIP members may be subject to supplemental assessments in the event of funding deficiencies. If WSTIP's assets were to be exhausted, Members would be responsible for WSTIP's liabilities. WSTIP is regulated by the Washington State Risk Manager and audited annually by the Washington State Auditor.

WSTIP utilizes a combination of self-insurance, reinsurance and excess insurance to provide the limits noted in the summary below. Carriers include Government Entities Mutual, Munich Reinsurance of America, Hallmark Specialty Insurance Company, and Allied World Assurance Company for the liability lines; Evanston and The Burlington Insurance Company for auto physical damage; American International Group Inc (AIG)/National Union Fire Insurance for the crime policy; Beazley Cyber Services for the cyber liability policy, and terrorism liability insurance from Price Forbes. The excess property carrier for all risk property and boiler and machinery is the Alliant Property Insurance Program provided by Alliant Insurance Services.

Grant Transit Authority has not presented any claims to WSTIP in the last year that are expected to exceed its current coverage limits through WSTIP.

The following is a summary of coverage provided in 2024:

RISK / EXPOSURE		COVERAGE	DEDUCTIBLE
GENERAL LIABILITY:			
Bodily Injury & Property Damage	\$25 million	Per occurrence	\$0
Personal Injury and Advertising Injury	\$25 million	Per offense	\$0
Contractual liability	\$25 million	Per occurrence	\$0
Vanpool Driver Medical Expense Protection	\$35,000	Per occurrence	\$0
Underinsured Motorist Coverage (by mode)	\$60,000	Per occurrence	\$0
Permissive Use of a Member-Owned Motor Vehicle	\$100,000 for property damage and \$300,000 for bodily injury	Per occurrence	\$0
Agency, rental, and personal/private vehicle occupants not covered by workers compensation or transit passengers	\$100,000 for property damage and \$300,000 for bodily injury	Per occurrence Per occurrence	\$0 \$0
Endorsement 1:			
COMMUNICABLE DISEASE LIABILITY:	\$500,000	Per occurrence	\$0
Annual aggregate for all Members or Additional Covered Parties	\$2 million		
Endorsement 2:			
The Use of Force via a Conducted Energy Weapon	1.5 million	Per Occurrence	\$1.5 million per occurrence
*Uninsured and underinsured motorist coverage was purchased on the following mode: <ul style="list-style-type: none"> RideShare 			
RISK / EXPOSURE		COVERAGE	DEDUCTIBLE
PUBLIC OFFICIALS' LIABILITY	\$25 million	Per occurrence and aggregate	\$5,000
Endorsement 1:			
VIOLATIONS OF WAGE & HOUR LAWS	\$250,000	Per Occurrence	\$25,000

Annual aggregate per Member	\$250,000		
PROPERTY COVERAGE			
All perils subject to the following sublimit:	\$500 million	Per occurrence, all perils and insureds/ members combined	\$5,000
Flood zones A & V – annual aggregate	\$10 million	Per occurrence, annual aggregate	\$500,000
All flood zones except A & V – annual aggregate	\$50 million	Per occurrence, annual aggregate	\$500,000
Earthquake, volcanic eruption, landslide, and mine subsidence --	\$35 million	Per occurrence, annual aggregate	5% subject to \$500,000 minimum per occurrence per unit
AUTO PHYSICAL DAMAGE			
Auto Physical Damage (below \$250,000 in value)	Fair market value		\$5,000
Auto Physical Damage for all vehicles valued over \$250,000 and less than 10 years old	Replacement Cost	Limited to \$1,750,000 to any one vehicle	\$5,000
BOILER AND MACHINERY	\$100 million		\$250,000 or \$350,000 depending on size of boiler
RISK / EXPOSURE		COVERAGE	DEDUCTIBLE
CRIME / PUBLIC EMPLOYEE DISHONESTY including Faithful performance. Also includes:			
Employee theft	\$2 million	Per occurrence	\$10,000
Forgery or alteration	\$2 million	Per occurrence	\$10,000
Inside the premises – theft of money and securities	\$2 million	Per occurrence	\$10,000

Inside the premises – robbery or safe burglary of other property	\$2 million	Per occurrence	\$10,000
Outside premises	\$2 million	Per occurrence	\$10,000
Computer fraud	\$2 million	Per occurrence	\$10,000
Funds Transfer Fraud	\$2 million	Per occurrence	\$10,000
Money orders and counterfeit money	\$2 million	Per occurrence	\$10,000

CYBER LIABILITY INSURANCE		Coverage	Deductible
Annual Policy and Program Aggregate Limit of Liability for all policy holders (not just WSTIP members)	\$75 million		
Insured/Member Annual Aggregate Limit of Liability	\$2 million		\$5,000
BREACH RESPONSE COSTS	\$500,000	Aggregate for each insured/member (limit is increased to \$1 million if Beazley Nominated Service Providers are used)	
FIRST PARTY LOSS			
Business Interruption			
Resulting from Security Breach	\$750,000	Aggregate limit	
Resulting from System Failure	\$500,000	Aggregate limit	
Dependent Business Loss			
Resulting from Security Breach	\$750,000	Aggregate limit	
Resulting from System Failure	\$100,000	Aggregate limit	
Cyber Extortion Loss	\$750,000	Aggregate limit	
Data Recovery Costs	\$750,000	Aggregate limit	
LIABILITY			
Data & Network Liability	\$2 million	Aggregate limit	
Regulatory defense and penalties	\$2 million	Aggregate limit	
Payment Card Liabilities & Costs	\$2 million	Aggregate limit	
Media Liability	\$2 million	Aggregate limit	

eCRIME			
Fraudulent Instruction	\$75,000	Aggregate limit	
Funds Transfer Fraud	\$75,000	Aggregate limit	
Telephone Fraud	\$75,000	Aggregate limit	
CRIMINAL REWARD	\$25,000	Limit	
CYBER LIABILITY INSURANCE (Continued)		Coverage	Deductible
COVERAGE ENDORSEMENTS			
Reputation Loss	\$100,000	Limit of Liability	
Claims Preparation Costs for Reputation Loss Claims Only	\$50,000	Limit of Liability	
Computer Hardware Replacement Costs	\$100,000	Limit of Liability	
Invoice Manipulation	\$100,000	Limit of Liability	
Cryptojacking	\$25,000	Limit of Liability	

NOTE 6 RISK MANAGEMENT (CONTINUED)

Covered Locations Pollution Liability Insurance Policy

Grant Transit Authority purchases a Covered Locations Pollution Liability insurance policy. The policy term is from April 4, 2024, to April 4, 2027. The carrier is Beazley Eclipse. The insuring agreement has coverage parts for covered location pollution liability coverage – new pollution conditions, covered location pollution liability coverage – existing pollution conditions, transportation pollution liability, and non-owned disposal site pollution liability. The policy covers cleanup costs, damages, and claims expenses. The limit of coverage is \$5 million for each pollution condition – includes claims expenses with a \$5 million aggregate including claims expenses. GTA has a \$100,000 deductible per pollution condition. Locations must be listed to be covered.

New in 2024 – Terrorism Policy

Starting April 1, 2024, the WSTIP Board approved a group purchase for a stand-alone Terrorism policy. This policy covers terrorism and sabotage insurance including the loss of rent. Members participating in the property coverage program are part of this coverage.

Terrorism Policy

Grant Transit Authority purchases a stand-alone terrorism policy. The policy is underwritten by Price Forbes and has a \$25,000 deductible.

Coverage Limits:

- Section 1 (Terrorism & Sabotage): \$20,000,000 per occurrence and in the annual aggregate.
- Section 2 (Terrorism Liability): \$10,000,000 per occurrence and in the annual aggregate.

Definitions:

- Act of Terrorism means an act or series of acts, including the use of force or violence, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s), committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes.
- Act of Sabotage means a subversive act or series of such acts committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes

Coverage Details:

- Section 1: covers all real and personal property of every description belonging to Grant Transit Authority or for which Grant Transit Authority is responsible to insure including property of others in their care, custody or control and loss rent.
- Section 2: provides coverage for Grant Transit Authority's legal liability arising from acts of terrorism (see policy for complete details).

NOTE 7 CONTINGENCIES

GTA participates in several federal and state-assisted programs. These grants are subject to audit by the grantors and representatives. Such audits could result in requests for reimbursement to grantor agencies for expenditures disallowed under the terms of the grants. Other than the instances described above, GTA's management believes such disallowances, if any, will be immaterial.

NOTE 8 LIABILITIES

The accompanying Schedule of Liabilities provides details of GTA's outstanding liabilities and summarizes the liability transactions for the year ending December 31, 2024.

Grant County Public Transportation Benefit Area
Schedule of Liabilities
For the Year Ended December 31, 2024

ID. No.	Debt ID Title	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities							
263.56	Leases, SBITA, and PPPs	Radio Equipment - Day Wireless / TRBOWEST	8/20/2028	122,638	107	26,776	95,969
Total General Obligation Debt/Liabilities:				122,638	107	26,776	95,969
Revenue and Other (non G.O.) Debt/Liabilities							
259.12	Compensated Absences	Compensated Absences		219,179	312,589	278,287	253,481
264.30	Pension Liabilities	Net Pension Liabilities - PERS 1 and 2	12/31/2024	278,105	-	73,964	204,141
264.40	OPEB Liabilities	OPEB Liabilities		1,186,331	19,370	-	1,205,701
Total Revenue and Other (non G.O.) Debt/Liabilities:				1,683,615	331,959	352,251	1,663,323
Total Liabilities:				1,806,253	332,066	379,027	1,759,292

**Grant County Public Transportation Benefit Area
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024**

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
FEDERAL TRANSIT ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Federal Transit Administration, Transportation Department of (via WSDOT))	COVID 19 - Formula Grants for Rural Areas and Tribal Transit Program	20.509	COVID-19- PTD0231	2,251,660	-	2,251,660	-	1.2.3
FEDERAL TRANSIT ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Federal Transit Administration, Transportation Department of (via WSDOT))	COVID 19 - Formula Grants for Rural Areas and Tribal Transit Program	20.509	COVID-19- PTD0324	99,928	-	99,928	-	1.2.3
Total ALN 20.509:				2,351,588	-	2,351,588	-	
Transit Services Programs Cluster								
FEDERAL TRANSIT ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Federal Transit Administration, Transportation Department of (via WSDOT))	Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	PTD0325	240,800	-	240,800	-	1.2.3
Total Transit Services Programs Cluster:				240,800	-	240,800	-	
Federal Transit Cluster								

The accompanying notes are an integral part of this schedule.

**Grant County Public Transportation Benefit Area
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024**

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
FEDERAL TRANSIT ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Federal Transit Administration, Transportation Department of (via WSDOT))	Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	20.526	PTD0485	9,750	-	9,750	-	1.2.3
Total Federal Transit Cluster:				9,750	-	9,750	-	
Total Federal Awards Expended:				2,602,138	-	2,602,138	-	

The accompanying notes are an integral part of this schedule.

**GRANT TRANSIT AUTHORITY
MCAG NO 1137
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
December 31, 2024**

Note 1 BASIS OF ACCOUNTING

This Schedule is prepared on the same basis of accounting as the Grant Transit Authority's financial statements. The Grant Transit Authority uses the Cash Basis of Accounting.

Note 2 Federal Indirect Cost Rate

The Grant Transit Authority has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 3 Program Costs

The amounts shown as current year expenditures represent only the federal award portion of the program costs. Entire program costs, including the Grant Transit Authority portion, are more than shown. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

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