

HUMBOLDT TRANSIT AUTHORITY

Basic Financial Statements

Year ended June 30, 2025

HUMBOLDT TRANSIT AUTHORITY

Basic Financial Statements

Year ended June 30, 2025

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Independent Auditor's Report

Board of Directors
Humboldt Transit Authority
133 V Street
Eureka, CA 95501

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Humboldt Transit Authority (Authority) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the Authority, as of June 30, 2025, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 opinion.

Emphasis of Matter

As described further in Note 10 to the financial statements, during the year ended June 30, 2025, the Authority implemented Governmental Accounting Standards Board (GASB) Statement No. 101: Compensated Absences. As a result, the beginning net position has been restated. Additionally, beginning net position has been restated to correct an error. Our opinion is not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

The Authority's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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 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 as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- 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.

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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis, pension and other post employment benefit schedules* be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the GASB who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in

accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of American require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

The Authority's 2024 financial statements were audited by other auditors who expressed an unmodified audit opinion on those audited financial statements in a report dated February 12, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April __, 2026 on our consideration of the Authority's internal control over financial reporting and on our 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 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.

Irvine, California
April __, 2026

BASIC FINANCIAL STATEMENTS

HUMBOLDT TRANSIT AUTHORITY
Statement of Net Position
June 30, 2025
(with comparative information for prior year)

	2025	2024
Assets:		
Current Assets:		
Cash and investments (Note 2)	\$ 9,472,973	5,879,255
Accounts receivable	54,025	311,524
Due from other governments	9,344,811	2,535,221
Inventory	369,717	333,168
Prepaid items and deposits	282,497	123,782
Total Current Assets	19,524,023	9,182,950
Noncurrent Assets:		
Capital assets (Note 3):		
Capital assets, not depreciated	6,127,580	3,403,494
Capital assets being depreciated, net	7,628,248	5,279,142
Total Noncurrent Assets	13,755,828	8,682,636
Total Assets	33,279,851	17,865,586
Deferred Outflow of Resources:		
Deferred amounts related to pensions (Note 5)	1,261,747	1,583,623
Deferred amounts related to OPEB (Note 6)	432,285	651,247
Total Deferred Outflow of Resources	1,694,032	2,234,870
Liabilities:		
Current Liabilities:		
Accounts payable	860,503	239,736
Unearned revenue	9,269,529	908,180
Deposits payable	2,409	69,436
Accrued payroll	118,423	84,040
Current portion of long-term liabilities:		
Compensated absences (Note 4)	115,333	258,211
OPEB liability (Note 6)	204,208	194,218
Total Current Liabilities	10,570,405	1,753,821
Long-Term Liabilities:		
Compensated absences (Note 4)	330,778	-
Claims payable (Note 7)	155,502	-
Net pension liability (Note 5)	3,385,025	3,388,200
OPEB liability (Note 6)	5,101,059	5,713,601
Total Long-Term Liabilities	8,972,364	9,101,801
Total Liabilities	19,542,769	10,855,622
Deferred Inflow of Resources:		
Deferred amounts related to pensions (Note 5)	75,311	137,432
Deferred amounts related to OPEB (Note 6)	2,680,325	2,390,603
Total Deferred Inflow of Resources	2,755,636	2,528,035
Net Position:		
Investment in capital assets	13,755,828	8,682,636
Restricted		
SB125 TIRCP	215,257	-
Other	115,000	115,000
Unrestricted	(1,410,607)	(2,080,837)
Total Net Position	\$ 12,675,478	6,716,799

See accompanying notes to the basic financial statements.

HUMBOLDT TRANSIT AUTHORITY
Statement of Revenue, Expenditures, and Changes in Net Position
Year ended June 30, 2025
(with comparative information for prior year)

	2025	2024
Operating Revenues:		
Fares	\$ 1,110,397	927,626
Contract revenue	2,048,445	1,834,864
Other revenues	281	87,350
Total operating revenues	3,159,123	2,849,840
Operating Expenses:		
Salaries and employee benefits	6,730,925	6,172,665
Professional services	533,204	291,615
Purchased transportation	829,448	955,939
Repairs, supplies, and maintenance	1,788,726	1,158,711
Casualty and liability insurance	700,289	427,411
Facility and utilities	574,752	575,006
Miscellaneous	84,939	63,484
Travel and transportation	73,294	65,767
Advertising	51,254	20,464
Depreciation	1,277,676	1,134,626
Total operating expenses	12,644,507	10,865,688
Operating income (loss)	(9,485,384)	(8,015,848)
Nonoperating Revenues (Expenses):		
Investment income	417,880	255,066
Advertising	134,514	161,349
Other nonoperating revenue	29,079	46,703
Operating grants:		
TDA Assessments	3,311,308	2,982,417
Federal - FTA	1,966,730	1,171,341
Federal - Cares Act	96,271	-
State Operating - STAF	1,559,633	1,096,741
State Operating - SGR	240,140	198,627
State Operating - LCTOP	1,042,728	410,656
State Operating - TIRCP	385,676	375,914
State Operating - REAP	208,793	-
Gain on asset disposal	2,579	38,611
Total nonoperating revenues (expenses)	9,395,331	6,737,425
Income (loss) before capital contributions	(90,053)	(1,278,423)
Capital Grants:		
Federal Transportation (5311 and 5310)	1,021,620	495,000
State - STAF	183,299	535,042
State - SGR	-	24,157
State - TIRCP	5,009,948	1,077,570
Other capital contributions	14,199	130,928
Total capital contributions	6,229,066	2,262,697
Change in net position	6,139,013	984,274
Net position at beginning of year, as previously reported	6,716,799	5,732,525
Implementation of GASB 101 (Note 10)	(96,260)	-
Correction of error (Note 10)	(84,074)	-
Net position at beginning of year, as restated	6,536,465	5,732,525
Net position at end of year	\$ 12,675,478	6,716,799

See accompanying notes to the basic financial statements.

HUMBOLDT TRANSIT AUTHORITY
Statement of Cash Flows
Year ended June 30, 2025
(with comparative information for prior year)

	<u>2025</u>	<u>2024</u>
Cash Flows from Operating Activities:		
Receipts from customers	\$ 3,327,916	3,189,851
Payments to suppliers	(4,121,430)	(3,366,805)
Employee related payments	<u>(6,526,264)</u>	<u>(6,150,558)</u>
Net cash provided by (used for) operating activities	<u>(7,319,778)</u>	<u>(6,327,512)</u>
Cash Flows from Non-Capital Financing Activities:		
Operating grant revenue	<u>10,614,839</u>	<u>6,431,447</u>
Net cash provided by (used for) non-capital financing activities	<u>10,614,839</u>	<u>6,431,447</u>
Cash Flows from Capital and Related Financing Activities:		
Capital grant revenue	6,229,066	2,262,698
Proceeds on sale of capital assets	-	38,611
Purchase of capital assets	<u>(6,348,289)</u>	<u>(3,188,435)</u>
Net cash provided by (used for) by capital and related financing activities	<u>(119,223)</u>	<u>(887,126)</u>
Cash Flows from Investing Activities:		
Investment income	<u>417,880</u>	<u>257,869</u>
Net increase (decrease) in cash and cash equivalents	3,593,718	(525,322)
Cash and cash equivalents, beginning of fiscal year	<u>5,879,255</u>	<u>6,404,577</u>
Cash and cash equivalents, end of fiscal year	<u>\$ 9,472,973</u>	<u>5,879,255</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (9,485,384)	(8,006,351)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	1,277,676	1,134,626
Other non-operating revenues	163,594	-
Change in:		
Accounts receivable	257,499	(90,999)
Inventory	(36,548)	49,942
Prepaid items and deposits	(158,217)	(72,023)
Deferred outflows	456,764	-
Accounts payable	622,599	(35,498)
Unearned revenue	(252,300)	403,573
Deposits payable	(68,860)	-
Accrued payroll	34,383	22,103
Claims payable	155,502	-
Compensated absences	91,640	-
Net pension liability	(3,175)	267,115
OPEB liability	(602,552)	-
Deferred inflows	<u>227,601</u>	<u>-</u>
Net cash provided (used) by operating activities	<u>\$ (7,319,778)</u>	<u>(6,327,512)</u>

There were no significant noncash investing, capital, and financing activities for the fiscal years ended June 30, 2025 and 2024.

See accompanying notes to basic financial statements.

HUMBOLDT TRANSIT AUTHORITY
Notes to the Basic Financial Statements
Year ended June 30, 2025

(1) Summary of Significant Accounting Policies

(a) Reporting Entity

Humboldt Transit Authority (the Authority) is a public agency created on January 28, 1975 by a joint exercise of powers agreement between Humboldt County and the cities of Arcata, Eureka, and Fortuna, later amended to include Rio Dell and Trinidad. The local transportation revenues are claimed by the parties to the agreement and, when approved by the Humboldt Transit Authority, are paid out of the County of Humboldt's Local Transportation Trust Fund to the parties. The City of Eureka relinquished all management functions and assets of Eureka Transit to the Authority. The Authority contracts with Humboldt County to provide service from Arcata to Willow Creek, and to the Southern Humboldt area. The City of Arcata also contracts with the Authority to administer its Dial-a-Ride paratransit service.

(b) Basis of Presentation

The financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to enterprise funds. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

(c) Basis of Accounting and Measurement Focus

Proprietary fund financial statements are reported using the *economic resources measurement focus* and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

The principal operating revenues of the Authority are charges for services. Operating expenses of the Authority include personnel costs, services and supplies, and depreciation expense. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

(d) Cash and Cash Equivalents

The Authority considers cash and cash equivalents to include cash on hand, demand deposit, equity in the Authority's cash and investment pool, and short-term investments with original maturities of three months or less from the date of purchase.

HUMBOLDT TRANSIT AUTHORITY
Notes to the Basic Financial Statements
Year ended June 30, 2025

(1) Summary of Significant Accounting Policies (Continued)

(e) Inventory

Inventory consists primarily of bus parts. The Authority does not hold any inventory for resale. Inventory items are valued using the first-in, first-out (FIFO) method and are valued at cost.

(f) Capital Assets

Capital assets are defined by the Authority as assets with an initial individual cost of more than \$10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost. Contributed or donated capital assets are reported at acquisition value. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

The Authority uses the straight-line method in the financial statements for depreciating capital assets over their estimated useful lives. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the Statement of Net Position. The range of lives used for depreciation purposes for each capital asset class is as follows:

<u>Item</u>	<u>Useful Life</u>
Buildings and improvements	39 years
Transportation equipment:	
Buses	3 – 10 years
Other transportation equipment	3 – 15 years
Office equipment	3 – 15 years
Other equipment	3 – 15 years

(g) Prepaid Items

Certain payments to vendors reflecting costs applicable to future accounting periods are recorded as prepaid items. The cost of prepaid items is recorded as expenses when consumed rather than when purchased.

(h) Compensated Absences

The Authority records an employee benefits payable liability for unused vacation and similar compensatory leave balances. The employee's entitlement to these balances is attributable to services already rendered and it is more likely than not that the balances will be liquidated by either paid time off or payments upon termination or retirement.

HUMBOLDT TRANSIT AUTHORITY
Notes to the Basic Financial Statements
Year ended June 30, 2025

(1) Summary of Significant Accounting Policies (Continued)

(i) Net Position

Net investment in capital assets consists of capital assets reduced by accumulated depreciation and by any outstanding debt incurred to acquire, construct, or improve those assets.

Restricted net position consists of those restricted assets reduced by liabilities related to those assets.

Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment of capital assets or the restricted component of net position.

(j) Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Authority's California Public Employees' Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS.

For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. The following timeframes are used for pension reporting:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Measurement Period	June 30, 2022 to June 30, 2023

(k) Other Post-Employment Benefits

For purposes of measuring the net Other Post Employment Benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, and information about the plan (OPEB Plan), have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms.

HUMBOLDT TRANSIT AUTHORITY

Notes to the Basic Financial Statements

Year ended June 30, 2025

(1) Summary of Significant Accounting Policies (Continued)

Generally accepted accounting principles require that the reported results must pertain to the liability information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2024
Measurement Date	June 30, 2025
Measurement Period	July 1, 2024 to June 30, 2025

(l) Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net positions that applies to a future period and so will not be recognized as an outflow of resources (expense) until then. The Authority has two items that qualify for reporting in this category, deferred outflows related to pensions and OPEB.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and will not be recognized as an inflow (revenue) until that time. The Authority has two items that qualify for reporting in this category, deferred inflows related to pensions and OPEB.

(m) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(n) Use of Restricted Resources

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, and then unrestricted resources as they are needed.

(o) Comparative Data

Selected information regarding the prior year has been included in the accompanying financial statements. This information has been included for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's prior year financial statements, from which this selected financial data was derived.

HUMBOLDT TRANSIT AUTHORITY

Notes to the Basic Financial Statements

Year ended June 30, 2025

(2) Cash and Investments

Cash and investments as of June 30, 2025 consisted of the following:

Cash	\$ 9,011,964
Investments	461,009
Total Cash and Investments	<u>\$ 9,472,973</u>

Investments Authorized by the Authority's Investment Policy

The table below identifies the investment types that are authorized for the Humboldt Transit Authority by the California Government Code.

Investment Types Authorized by State Law	Authorized by Investment Policy	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer*
U.S. Treasury Obligations	Yes	5 years	100%	None
U.S. Agency Securities	Yes	5 years	60%	35% per agency
Supernational Securities	Yes	5 years	20%	10% per issuer
Banker's Acceptances	Yes	180 days	20%	5% per issuer
Commercial Paper	Yes	270 days	20%	5%
Certificates of Deposit	Yes	5 years	30%	5%
Negotiable Certificates of Deposit	Yes	5 years	30%	250,000
Repurchase Agreements	Yes	92 days	20%	20%
Medium-Term Notes	Yes	5 years	30%	5%
Money Market Mutual Funds	Yes	None	20%	20% per fund
Local Agency Investment Fund	Yes	None	100%	75,000,000

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Authority manages its exposure to interest rate risk is by depositing the cash in deposits with financial institutions. The Authority does not have a formal policy related to interest rate risk for investments.

Investment Type	Total	Remaining Maturity (in Months)	
		12 Months or Less	13 to 24 Months
LAIF	\$ 453,479	453,479	-
County Pooled Investments	7,530	7,530	-
Total	<u>\$ 461,009</u>	<u>461,009</u>	<u>-</u>

HUMBOLDT TRANSIT AUTHORITY
Notes to the Basic Financial Statements
Year ended June 30, 2025

(2) Cash and Investments (Continued)

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Authority minimizes its exposure to credit risk by depositing the cash in deposits with financial institutions. The Authority does not have a formal policy related to credit risk for investments.

<u>Investment Type</u>	<u>Total</u>	<u>Minimum Legal Rating</u>	<u>Not Rated</u>
LAIF	\$ 453,479	N/A	453,479
County Pooled Investments	<u>7,530</u>	N/A	<u>7,530</u>
Total	<u>\$ 461,009</u>		<u>461,009</u>

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. Amounts with financial institutions are first covered by Federal Deposit Insurance Corporation (FDIC) insurance and amounts exceeding the limit are collateralized. The minimum collateralization is 102% of the public deposit.

Fair Value Measurement

The Authority categorizes its fair value investments within the fair value hierarchy established by generally accepted accounting principles. The Authority has the following recurring fair value measurements as of June 30, 2025:

<u>Investment Type</u>	<u>Investments not Subject to Fair Value Hierarchy</u>	<u>Fair Value Hierarchy</u>			<u>Total</u>
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
LAIF	\$ 453,479	-	-	-	453,479
County Pooled Investments	<u>7,530</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,530</u>
Total	<u>\$ 461,009</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>461,009</u>

Investment in State Investment Pool

The Authority is a voluntary participant in the Local Agency Investment Fund (LAIF) which is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the Authority's investment in this pool is reported in the accompanying financial statements at amounts based upon the Authority's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost

HUMBOLDT TRANSIT AUTHORITY

Notes to the Basic Financial Statements

Year ended June 30, 2025

(2) Cash and Investments (Continued)

of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. LAIF is not registered with the Securities and Exchange Commission and is not rated. Deposits and withdrawals to and from LAIF are transferred on the basis of \$1 and not fair value. Accordingly, under the fair value hierarchy, LAIF is based on inputs not categorized as Level 1, Level 2, or Level 3. This external pool has no limitations or restrictions on participant withdrawals.

(3) Capital Assets

Capital assets business-type activity for the year ended June 30, 2025 was as follows:

	Balance June 30, 2024	Additions	Deletions	Balance June 30, 2025
Capital assets not being depreciated:				
Land	\$ 2,111,837	-	-	2,111,837
Construction in progress	1,238,663	5,278,778	(2,501,698)	4,015,743
Total capital assets not being depreciated	<u>3,350,500</u>	<u>5,278,778</u>	<u>(2,501,698)</u>	<u>6,127,580</u>
Capital assets being depreciated:				
Buildings and improvements	3,618,968	-	(64,795)	3,554,173
Equipment	2,917,374	21,675	(108,714)	2,830,335
Vehicles	14,543,898	3,552,583	(598,584)	17,497,897
Total capital assets being depreciated	<u>21,080,240</u>	<u>3,574,258</u>	<u>(772,093)</u>	<u>23,882,405</u>
Less accumulated depreciation:				
Structures and improvements	(2,866,257)	(38,486)	64,795	(2,839,948)
Equipment	(1,547,229)	(78,595)	108,241	(1,517,583)
Vehicles	(11,334,615)	(1,160,595)	598,584	(11,896,626)
Total accumulated depreciation	<u>(15,748,101)</u>	<u>(1,277,676)</u>	<u>771,620</u>	<u>(16,254,157)</u>
Total capital assets being depreciated, net	<u>5,332,139</u>	<u>2,296,582</u>	<u>(473)</u>	<u>7,628,248</u>
Capital assets, net	<u>\$ 8,682,639</u>	<u>7,575,360</u>	<u>(2,502,171)</u>	<u>13,755,828</u>

Depreciation expense was \$1,277,676 for the year ended June 30, 2025.

(4) Changes in Long-Term Liabilities

A summary of changes in long-term liabilities balances for the fiscal year ended June 30, 2025 are as follows:

	Balance June 30, 2024	Additions	Deletions	Balance June 30, 2025	Due Within One Year
Compensated absences	\$ 354,470	91,641	-	446,111	115,333

The beginning balance of compensated absences has been restated to reflect the implementation of GASB Statement No. 101. Additionally, additions and deletions have been netted.

HUMBOLDT TRANSIT AUTHORITY
Notes to the Basic Financial Statements
Year ended June 30, 2025

(5) Defined Benefit Pension Plan

General Information about the Pension Plans

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Authority's Miscellaneous Employee Pension Plan ("Plan"), a cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees' Retirement System ("CalPERS").

Benefit provisions under the Plan are established by State statute and may be amended by the Authority resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions, and membership information. These reports can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan operates under the provisions of the California Public Employees' Retirement Law ("PERL"), the California Public Employees' Pension Reform Act of 2013 ("PEPRA"), and the regulations, procedures and policies adopted by the CalPERS Board of Administration. The Plans' authority to establish and amend the benefit terms are set by the PERL and PEPRA and may be amended by the California state legislature and in some cases require approval by the CalPERS Board.

The Plan's provisions and benefits in effect at June 30, 2025 are summarized as follows:

	Miscellaneous Plans	
	Classic Tier 1	PEPRA Tier 2
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefits payments	monthly for life	monthly for life
Retirement age	55	62
Monthly benefits, as a % of eligible compensation	2.000%	2.000%
Required employee contribution rates	6.930%	7.750%
Required employer contribution rates	11.940%	7.960%

HUMBOLDT TRANSIT AUTHORITY

Notes to the Basic Financial Statements

Year ended June 30, 2025

(5) Defined Benefit Pension Plan (Continued)

Members covered by Benefit Terms

At June 30, 2023 (Valuation Date), the following members were covered by the benefit terms:

Plan Members	Total
Active members	50
Transferred and terminated members	65
Retired members and beneficiaries	43
Total plan members	158

Contribution Description

Section 20814(c) of the California Public Employees’ Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS’ annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements are classified as plan member contributions.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ending June 30, 2024 (the measurement date) the total pension liability was determined by the June 30, 2023 valuation. The June 30, 2024 pension liability was based on the following actuarial methods and assumptions.

Actuarial Cost Method	Entry Age Normal in accordance with the requirement of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	Derived using CalPERS’ Membership Data for all Funds.
Post Retirement Benefit Increase	The lesser of contract COLA up to 2.3% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

HUMBOLDT TRANSIT AUTHORITY

Notes to the Basic Financial Statements

Year ended June 30, 2025

(5) Defined Benefit Pension Plan (Continued)

The mortality table used was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report that can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach.

The expected real rates of return by asset class are as follows:

Asset Class ¹	Assumed Asset Allocation	Real Return ^{1,2}
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-Cap weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
	100.00%	

¹An expected inflation of 2.30% used for this period.

²Figures are based on the 2021-22 Asset Liability Management study.

HUMBOLDT TRANSIT AUTHORITY

Notes to the Basic Financial Statements

Year ended June 30, 2025

(5) Defined Benefit Pension Plan (Continued)

Allocation of Net Pension Liability and Pension Expense to Individual Employers

The following table shows the Authority's proportionate share of the net pension liability over the measurement period.

The proportion of the net pension liability was based on a projection of the Authority's long term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The Authority's proportionate share of the net pension liability for the plan as of June 30, 2024 and 2025 was as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c) = (a) - (b)
Balance at June 30, 2023	\$ 14,782,484	11,394,224	3,388,260
Balance at June 30, 2024	<u>15,424,293</u>	<u>12,039,268</u>	<u>3,385,025</u>
Net changes during 2023-24	<u>\$ 641,809</u>	<u>\$ 645,044</u>	<u>\$ (3,235)</u>

	Percentage Share of Risk Pool		
	Fiscal Year Ending June 30, 2025	Fiscal Year Ending June 30, 2024	Change Increase/ (Decrease)
Measurement Date	June 30, 2024	June 30, 2023	
Percentage of Risk Pool Net Pension Liability	0.00064%	0.00065%	-0.00001%

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Plan as of the Measurement Date, calculated using the discount rate of 6.90 percent, as well as what the net pension liability would be if it were calculated using a discount that is one percentage-point lower (5.90 percent) or one percentage point higher (7.90 percent) than the current rate:

	Plan's Net Pension Liability		
Plan Type	Discount Rate - 1% 5.90%	Current Discount Rate 6.90%	Discount Rate + 1% 7.90%
Miscellaneous Plan	\$ 5,466,385	3,385,025	1,671,759

HUMBOLDT TRANSIT AUTHORITY

Notes to the Basic Financial Statements

Year ended June 30, 2025

(5) Defined Benefit Pension Plan (Continued)

Amortization of Deferred Outflows and Deferred Inflows of Resources

Under GASB 68, actuarial gains and losses related to changes in total pension liability and fiduciary net pension are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

<p>Net difference between projected and actual earnings</p>	<p>5-year straight-line amortization</p>
<p>All other amounts</p>	<p>Straight-line amortization over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.</p>

Deferred outflows of resources and deferred inflows of resources relating to Differences Between Expected and Actual Experience, Changes of Assumptions and employer-specific amounts should be amortized over the EARSL of members provided with pensions through the Plan. The EARSL for the Plan for the measurement date ending June 30, 2024 is 3.8 years, which was obtained by dividing the total service years of 630,177 (the sum of remaining service lifetimes of the active employees) by 166,163 (the total number of participants: active, inactive, and retired). Inactive employees and retirees have remaining service lifetimes equal to zero. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2025, the Authority recognized pension expense of \$759,687 for the Plan. As of June 30, 2025, the Authority reports deferred outflows of resources and deferred inflows of resources related to pensions as follows:

Account Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions made after the measurement date	\$ 587,181	-
Difference between actual and proportionate share of employer contributions	-	63,891
Changes of assumptions	87,002	-
Differences between expected and actual experience	292,666	11,420
Differences between projected and actual earnings on pension plan investments	194,872	-
Change in employer's proportion	100,026	-
Total Deferred Outflows/(Inflows) of Resources	\$ 1,261,747	75,311

HUMBOLDT TRANSIT AUTHORITY

Notes to the Basic Financial Statements

Year ended June 30, 2025

(5) Defined Benefit Pension Plan (Continued)

\$587,181 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2026.

Other amounts reported as deferred outflows and deferred inflows of resources in the previous chart will be recognized in future pension expense as follows:

Period Fiscal Year Ended June 30	Deferred Outflows/(Inflows) of Resources
2026	\$ 208,491
2027	446,123
2028	11,423
2029	<u>(66,780)</u>
Total	<u>\$ 599,257</u>

(6) Other Post-Employment Benefits (OPEB)

General Information about the OPEB Plan

Plan Description

The Authority sponsors the Humboldt Transit Authority Retiree Healthcare Plan (HC Plan), as single employer plan. The HC Plan has not established or accumulated any assets in a trust. A separate financial report is not prepared for the HC Plan.

Benefits Provided

The Authority provides post-retirement health care benefits, in accordance with State statutes, to all retired employees with at least 5 years of service. For represented employees hired after December 19, 2012, at least 15 years of services are required. The Authority's contribution percentage ranges for eligible employees depends on factors such as date of hire and years of service and range from 50% to 100%.

Plan Membership

At June 30, 2024 (valuation date), membership consisted of the following:

Active members	63
Inactive plan members or beneficiaries currently receiving benefit payments	<u>28</u>
Total plan members	<u><u>91</u></u>

HUMBOLDT TRANSIT AUTHORITY
Notes to the Basic Financial Statements
Year ended June 30, 2025

(6) Other Post-Employment Benefits (OPEB) (Continued)

Contributions

The contribution requirements of Plan members and the Authority are established and amended by the Authority. The required contribution is based on projected pay-as-you-go financing requirements.

Total OPEB Liability

The Authority's Total OPEB liability was measured as of June 30, 2025 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of June 30, 2024.

Actuarial Assumptions

The Total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age, Level Percent of Pay
Actuarial Assumptions:	
Recognition of deferred inflows and outflows of resources	Closed period equal to the average of the expected remaining service lives of all employees provided with OPEB
Salary increases	2.75 percent
Inflation rate	2.50 percent
Healthcare cost trend rate	4.00 percent

Mortality rates were based on the most recent experience study for CalPERS members. The actuarial assumptions used in the June 30, 2024 valuation were based on the results of the most recent applicable experience study and a review of plan experience during the period of July 1, 2022 to June 30, 2024.

Discount Rate

GASB 75 requires the use of a discount rate that considers the availability of the OPEB plan's fiduciary net position associated with the OPEB of current active and inactive employees and the investment horizon of those resources.

OPEB plans with irrevocable trust accounts can utilize a discount rate equal to the long-term expected rate of return to the extent that the OPEB plan's fiduciary net position is projected to be sufficient to make projected benefit payments and the OPEB plan assets are expected to be invested using a strategy to achieve that return.

To determine if the OPEB plan assets are sufficient, a calculation of the projected fiduciary net position and the amount of projected benefit payments is compared in each period. When OPEB plan assets are determined to not be sufficient, a blended rate is calculated.

HUMBOLDT TRANSIT AUTHORITY

Notes to the Basic Financial Statements

Year ended June 30, 2025

(6) Other Post-Employment Benefits (OPEB) (Continued)

For OPEB plans that do not have irrevocable trust accounts, GASB 75 requires a discount rate equal to the yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

The Authority does not have an irrevocable trust account for prefunding OPEB liabilities. The discount rate used to measure the total OPEB liability was based on the Bond Buyer 20-year municipal index.

The discount rate used to measure the Total OPEB liability was 5.20 percent. The Authority's Total OPEB liability is based on these requirements and the following information:

<u>Reporting Date</u>	<u>Measurement Date</u>	<u>Bond Buyer 20 Years Municipal Index</u>	<u>Discount Rate</u>
June 30, 2025	June 30, 2025	5.20%	5.20%

Schedule of Changes in Total OPEB Liability (June 30, 2023 to June 30, 2024)

Total OPEB Liability	
Service Cost	\$ 339,850
Interest	235,039
Difference between expected and actual	-
Changes of assumptions	(983,223)
Benefit payments ¹	<u>(194,218)</u>
Net Change in total OPEB Liability	(602,552)
Total OPEB Liability - June 30, 2024 (a)	<u>5,907,819</u>
Total OPEB Liability - June 30, 2025 (b)	<u><u>\$ 5,305,267</u></u>

¹ Amount includes any implicit subsidy associated with benefits paid.

Sensitivity of the Total OPEB liability to changes in the discount rate

The following presents the Total OPEB liability, as well as what the Total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage-point higher than the current discount rate:

	<u>1% Decrease 4.20%</u>	<u>Discount Rate 5.20%</u>	<u>1% Increase 6.20%</u>
Total OPEB liability \$	6,064,697	5,305,267	4,727,459

HUMBOLDT TRANSIT AUTHORITY

Notes to the Basic Financial Statements

Year ended June 30, 2025

(6) Other Post-Employment Benefits (OPEB) (Continued)

Sensitivity of the Total OPEB liability to changes in the healthcare cost trend rates

The following presents the Total OPEB liability, as well as what the Total OPEB liability would be if it were calculated using a healthcare trend rate one percentage point lower or one percentage point higher than the current rate:

	<u>1% Decrease</u>	<u>Trend Rate</u>	<u>1% Increase</u>
Total OPEB liability \$	4,529,176	5,305,267	6,190,369

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The Authority's OPEB expense was \$100,350 for the fiscal year ended June 30, 2025. As of fiscal year ended June 30, 2025, the Authority's deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources are:

<u>Account Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	976,522
Changes in assumptions or other inputs	<u>432,285</u>	<u>1,703,803</u>
Total	<u>\$ 432,285</u>	<u>2,680,325</u>

Amount reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

<u>Fiscal Year Ended June 30</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2026	\$ (474,539)
2027	(504,969)
2028	(499,857)
2029	(334,601)
2030	(158,853)
Thereafter	<u>(275,221)</u>
Total	<u>\$ (2,248,040)</u>

(7) Commitments and Contingencies

The Humboldt Transit Authority has been a recipient of State and Federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies. Therefore, to the extent that the Humboldt Transit Authority had not complied with the rules and regulations governing the grants, the Humboldt Transit Authority's rights to grant money

HUMBOLDT TRANSIT AUTHORITY

Notes to the Basic Financial Statements

Year ended June 30, 2025

(7) Commitments and Contingencies (Continued)

received may be impaired. In the opinion of the Humboldt Transit Authority, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants. Therefore, no provision has been made in the accompanying financial statements for such contingencies.

(8) Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended June 30, 2025, the Authority purchased insurance through the California Transit Insurance Pool (CalTip), a joint powers insurance authority, to cover these risks with various limits as follows. The coverage includes general, automobile, and public officials' errors and omissions liability, as well as vehicle physical damage insurance to a total of \$40 million, with a deductible of \$50,000 per occurrence.

The Authority has had no settled claims resulting from these risks that exceeded its commercial coverage in any of the past three fiscal years and there were no reductions in the Authority's insurance coverage during the years ending June 30, 2025. Liabilities are recorded when it is probable that a loss has been incurred, and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR).

(9) Fare Box Recovery Ratio

Under Sections 6633.2 and 6633.5 of the Transportation Development Act regulations, the fixed route and demand response services must maintain specific fare box recovery ratios. Assembly Bill 90, approved by Governor Newsom June 29, 2020, provided a waiver for the imposition of penalties for not maintaining the required ratio of fare revenue to operating costs through June 30, 2025. Below is the farebox recovery ratio calculation for the Humboldt Transit Authority for the years ended June 30, 2025 and 2024.

	Section 6633.2	
	2025	2024
Total operating costs	\$ 12,644,508	10,865,690
Less: Depreciation	(1,277,676)	(1,134,626)
Less: Insurance premiums per Section 99268.17	(700,289)	(427,411)
Net operating costs	\$ 10,666,543	\$ 9,303,653
Required fare box recovery ratio %	10.0%	10.0%
Required minimum fares	\$ 1,066,654	\$ 930,365
Actual fares collected	\$ 1,110,678	\$ 1,014,976
Actual fare box recovery ratio % achieved	10.41%	10.91%
Requirement met	Yes	Yes

HUMBOLDT TRANSIT AUTHORITY

Notes to the Basic Financial Statements

Year ended June 30, 2025

(10) TDA Fund Eligibility

Fund eligibility under Section 6634 of the California Administrative Code is determined by subtracting actual are revenue, depreciation, and any federal or state operating funds received from total operating costs. This amount represents the maximum allowable TDA funding for operating expenses as follows:

	<u>2025</u>	<u>2024</u>
Operating cost	\$ 12,644,508	10,865,690
Less: Depreciation	(1,277,676)	(1,134,626)
Less: Fair revenue and contrat revenue	(1,110,678)	(1,014,976)
Less: STAF operating funds	(1,559,633)	(1,096,741)
Less: Federal operating funds	<u>(1,966,730)</u>	<u>(1,171,341)</u>
Maximum TDA fund eligibility	6,729,791	6,448,006
TDA funds received	<u>3,311,308</u>	<u>2,982,417</u>
No excess TDA funds received	<u>\$ 3,418,483</u>	<u>3,465,589</u>

(11) Restatement

During the year ended June 30, 2025, the Authority adopted new accounting guidance by implementing the provisions of GASB 101. As a result of this implementation, additional compensated absences resulted from the addition of payroll-related taxes and benefits associated with the accrued leave. Additionally, the Authority recorded a restatement related to accounting for Net Pension balances. The following summarizes the net effects on beginning net position:

Net Position, beginning of year, as previously reported	\$ 6,716,799
Implementation of GASB 101	(96,260)
Correction of Error	<u>(84,074)</u>
Net Position, beginning of year, as restated	<u>\$ 6,536,465</u>

(12) Subsequent Event

Affective July 1, 2025, the City of Arcata transferred and relinquished all management, functions, and assets of the Arcata & Mad River Transit System to the Authority.

REQUIRED SUPPLEMENTARY INFORMATION

HUMBOLDT TRANSIT AUTHORITY
Schedule of Proportionate Share of the Net Pension Liability
June 30, 2025

Measurement Date	<u>6/30/2024</u>	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>
Proportion of the collective net pension liability	0.27910%	0.02716%	0.02633%	0.02203%	0.02295%
Proportionate share of the collective net pension liability	\$ 3,385,025	3,388,200	3,041,585	1,191,282	2,496,596
Covered payroll	\$ 3,270,951	2,276,983	2,605,891	2,501,758	2,333,508
Proportionate share of the collective net pension liability as a percentage of covered payroll	103.49%	148.80%	116.72%	47.62%	106.99%
Plan fiduciary net position as a percentage of the total pension liability	78.05%	77.08%	77.87%	90.11%	77.98%

Notes to schedule:

Summary of Changes of Benefits or Assumptions:

Agency Pool. However, individual employers in the Plan may have provided a benefit improvement to their employees by granting Two Years Additional Service Credit to members retiring during a specified time period (a.k.a Golden Handshakes).

Changes in Assumptions: There were no assumption changes in 2024.

HUMBOLDT TRANSIT AUTHORITY
Schedule of Proportionate Share of the Net Pension Liability
June 30, 2025

Measurement Date	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>
Proportion of the collective net pension liability	0.02224%	0.02143%	0.02143%	0.02091%	0.01995%
Proportionate share of the collective net pension liability	2,278,561	2,065,232	2,123,612	1,809,418	1,369,306
Covered payroll	2,213,417	2,379,782	2,143,796	1,962,831	1,845,624
Proportionate share of the collective net pension liability as a percentage of covered payroll	102.94%	86.78%	99.06%	92.18%	74.19%
Plan fiduciary net position as a percentage of the total pension liability	77.73%	78.40%	76.64%	77.68%	82.07%

HUMBOLDT TRANSIT AUTHORITY
Schedule of Proportionate Contributions to the Pension Plan
June 30, 2025

Fiscal Year End	<u>6/30/2025</u>	<u>6/30/2024</u>	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>
Actuarially determined contribution	\$ 587,181	503,225	417,039	419,983	383,573
Contribution in relation to the actuarially determined contribution	<u>587,181</u>	<u>503,225</u>	<u>417,039</u>	<u>419,983</u>	<u>383,573</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered payroll	\$ 3,528,304	3,270,951	2,276,983	2,605,891	2,501,758
Contributions as a percentage of covered payroll	16.64%	15.38%	18.32%	16.12%	15.33%

Notes to schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for the fiscal year ended June 30, 2025 were from the June 30, 2022 public agency valuations.

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	Level of Percent of Payroll
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table ¹	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increases	Contract COLA up to 2.30% until Purchasing Power Protection Floor on Purchasing Power applies

¹The mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.

HUMBOLDT TRANSIT AUTHORITY
Schedule of Proportionate Contributions to the Pension Plan
June 30, 2025

	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>
Actuarially determined contribution	365,024	311,687	267,536	243,840	203,417
Contribution in relation to the actuarially determined contribution	<u>365,024</u>	<u>311,687</u>	<u>267,536</u>	<u>243,840</u>	<u>203,417</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered payroll	2,246,615	2,379,782	2,143,796	1,962,831	1,845,624
Contributions as a percentage of covered payroll	16.25%	13.10%	12.48%	12.42%	11.02%

HUMBOLDT TRANSIT AUTHORITY
Schedule of Changes in Total OPEB Liability and Related Ratios
June 30, 2025

Measurement Date	<u>6/30/2025</u>	<u>6/30/2024</u>	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>
Total OPEB Liability					
Service cost	\$ 339,850	284,938	284,340	460,504	443,850
Interest on the Total OPEB liability	235,039	213,961	198,924	167,781	159,347
Changes in benefit terms	-	-	-	-	-
Difference between expected and actual experience	-	-	-	(1,187,943)	-
Changes in assumptions	(983,223)	(199,853)	(97,992)	(1,360,288)	54,344
Experience gains/losses	-	(35,503)	-	-	-
Benefit payments	<u>(194,218)</u>	<u>(150,383)</u>	<u>(135,508)</u>	<u>(145,088)</u>	<u>(137,474)</u>
Net change in Total OPEB liability	(602,552)	113,160	249,764	(2,065,034)	520,067
Total OPEB liability - beginning	<u>5,907,819</u>	<u>5,794,659</u>	<u>5,544,895</u>	<u>7,609,929</u>	<u>7,089,861</u>
Total OPEB liability - ending	<u>\$ 5,305,267</u>	<u>5,907,819</u>	<u>5,794,659</u>	<u>5,544,895</u>	<u>7,609,928</u>
Plan fiduciary net position as a percentage of the Total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	\$ 3,955,225	3,727,250	3,155,445	2,381,060	2,825,927
Total OPEB liability as a percentage of covered-employee payroll	134.13%	158.50%	183.64%	232.88%	269.29%

*Future years' information will be displayed up to 10 years as information becomes available.

HUMBOLDT TRANSIT AUTHORITY
Schedule of Changes in Total OPEB Liability and Related Ratios
June 30, 2025

Measurement Date	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
Total OPEB Liability			
Service cost	455,270	413,251	402,191
Interest on the Total OPEB liability	238,741	210,871	211,000
Changes in benefit terms	-	-	-
Difference between expected and actual experience	(1,525,606)	-	-
Changes in assumptions	1,411,177	311,858	-
Experience gains/losses	-	-	-
Benefit payments	<u>(166,485)</u>	<u>(154,978)</u>	<u>(149,017)</u>
Net change in Total OPEB liability	413,097	781,002	464,174
Total OPEB liability - beginning	<u>6,676,764</u>	<u>5,895,762</u>	<u>5,431,588</u>
Total OPEB liability - ending	<u>7,089,861</u>	<u>6,676,764</u>	<u>5,895,762</u>
Plan fiduciary net position as a percentage of the Total OPEB liability	0.00%	0.00%	0.00%
Covered-employee payroll	2,780,735	2,560,973	2,379,782
Total OPEB liability as a percentage of covered-employee payroll	254.96%	260.71%	247.74%