

**HUMBOLDT WASTE MANAGEMENT AUTHORITY**

**BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2023**



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**Humboldt Waste Management Authority**  
**Basic Financial Statements**  
**For the year ended June 30, 2023**

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**Humboldt Waste Management Authority**  
**Basic Financial Statements**  
**For the year ended June 30, 2023**

**Elected Officials and Administrative Personnel**

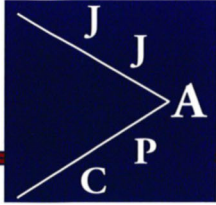
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**BOARD OF DIRECTORS**

Meredith Matthews, Chair  
Adelene Jones, Vice Chair  
Frank Wilson, Director  
Randy Cady, Director  
Michelle Bushnell, Director  
Leslie Castellano, Director

**CURRENT MANAGEMENT**

Eric Keller- Heckman – Executive Director  
Hilary Schwartz – Director of Finance



**JJACPA, Inc.**

A Professional Accounting Services Corp.

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the  
Humboldt Waste Management Authority  
Eureka, California

### Report on the Financial Statements

#### *Opinions*

We have audited the financial statements of the business-type activities of the Humboldt Waste Management Authority (Authority), as of and for the year ended June 30, 2023, 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 business-type activities of the Authority, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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 opinions.

#### *Emphasis of Matter*

As discussed in Note 1 to the financial statements, the 2023 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

#### *Other Matter*

The financial statements include partial prior-year comparative information. Such information does not include all of the information required to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Authority's financial statements for the year ended June 30, 2022, from which such partial information was derived.

### ***Management's Responsibility***

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 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 Responsibility***

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 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 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 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 District'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 District'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 Authority's Schedule of Contributions on page 25 and the Schedule of the Authority's proportionate Share of the Net Pension Liability on pages 26 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board 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 Management's Discussion and Analysis (MD&A) that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, though not a part of the basic financial statements, is required by the Governmental Accounting Standard Board 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. Our opinion on the basic financial statements is not affected by this missing information.

***Other Reporting Required by Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated February 26, 2024 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 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 Authority's internal control over financial reporting and compliance.

February 26, 2024

*JJACPA, Inc.*  
JJACPA, Inc.  
Dublin, CA

## **BASIC FINANCIAL STATEMENTS**



# Humboldt Waste Management Authority

## Statements of Net Position

June 30, 2023

(with comparative totals for June 30, 2022)

	2023	2022
<b>ASSETS AND DEFERRED OUTFLOWS</b>		
<b>Current assets:</b>		
Cash and investments	\$ 2,685,020	\$ 3,871,401
Receivables:		
Accounts receivable	1,485,154	827,997
Deposits	-	19,500
Prepaid expenses	289,275	251,858
<b>Total current assets</b>	<u>4,459,449</u>	<u>4,970,756</u>
<b>Noncurrent assets:</b>		
Capital assets:		
Property, plant and equipment, net	4,041,993	4,203,399
Waste Authority permit	221,171	221,171
<b>Total noncurrent assets</b>	<u>4,263,164</u>	<u>4,424,570</u>
<b>Total assets</b>	<u>8,722,613</u>	<u>9,395,326</u>
Deferred outflows: Pension plan	768,101	350,900
<b>Total assets and deferred outflows</b>	<u>\$ 9,490,714</u>	<u>\$ 9,746,226</u>
<b>LIABILITIES, DEFERRED INFLOWS AND NET POSITION(DEFICIT)</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued liabilities	\$ 1,136,458	\$ 1,126,307
Accrued payroll and benefits	267,399	345,444
Umpqua Bank Visa	20,705	14,800
<b>Total current liabilities</b>	<u>1,424,562</u>	<u>1,486,551</u>
<b>Noncurrent liabilities:</b>		
Lease Payable - Financial Pacific	-	11,849
Net pension liability	1,059,833	236,314
Estimated closure and post-closure care costs	9,938,832	9,945,200
<b>Total noncurrent liabilities</b>	<u>10,998,665</u>	<u>10,193,363</u>
<b>Total liabilities</b>	<u>12,423,227</u>	<u>11,679,914</u>
Deferred inflows: Pension plan	60,628	248,488
Deferred inflows: Unavailable revenue	74,057	52,822
<b>Total liabilities and deferred inflows</b>	<u>12,557,912</u>	<u>11,981,224</u>
<b>NET POSITION (DEFICIT)</b>		
Net investment in capital assets	4,263,164	4,424,570
Unrestricted (deficit)	(7,330,362)	(6,659,568)
<b>Total Net Position (Deficit)</b>	<u>(3,067,198)</u>	<u>(2,234,998)</u>
<b>Total liabilities, deferred inflows and net position</b>	<u>\$ 9,490,714</u>	<u>\$ 9,746,226</u>

The accompanying notes are an integral part of these basic financial statements.

**Humboldt Waste Management Authority**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**For the year ended June 30, 2023**

(with comparative totals for the year ended June 30, 2022)

	<u>2023</u>	<u>2022</u>
<b>OPERATING REVENUES:</b>		
Gross waste management fees	\$ 9,424,490	\$ 8,817,721
Less: Pass-through fees	248,688	807,377
Net waste management fees	<u>9,175,802</u>	<u>8,010,344</u>
Green waste	794,792	588,279
Other fees and charges	1,709,832	1,797,133
Other operating revenues	128,672	638,452
<b>Total operating revenues</b>	<u>11,809,098</u>	<u>11,034,208</u>
<b>OPERATING EXPENSES:</b>		
Operations and maintenance	9,409,150	7,956,530
Administrative and general	3,384,995	2,719,912
Professional services	39,395	63,262
Depreciation and amortization	280,645	278,322
Burn Dump cleanup costs	-	51,119
Other expenses	23,757	51,032
<b>Total operating expenses</b>	<u>13,137,942</u>	<u>11,120,177</u>
<b>Operating income (loss)</b>	<u>(1,328,844)</u>	<u>(85,969)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>		
Interest income	1,118	73
Rent income, net	150,022	136,356
Grant revenue	251,879	51,823
Grant expense	(60,168)	(89,295)
Timber income	106,573	290,607
Interest expense	(1,738)	(15,136)
<b>Total nonoperating revenues (expenses)</b>	<u>447,686</u>	<u>374,428</u>
<b>Income (loss) before special items</b>	<u>(881,158)</u>	<u>288,459</u>
Special item: Landfill closure revaluation	6,368	179,199
<b>Change in Net Position</b>	<u>(874,790)</u>	<u>467,658</u>
<b>NET DEFICIT:</b>		
Beginning of year	(2,234,998)	(2,786,406)
Prior period adjustments	42,590	83,750
Beginning of year, as adjusted	<u>(2,192,408)</u>	<u>(2,702,656)</u>
End of year	<u>\$ (3,067,198)</u>	<u>\$ (2,234,998)</u>

The accompanying notes are an integral part of these basic financial statements.

# Humboldt Waste Management Authority

## Statements of Cash Flows

For the year ended June 30, 2023

(with comparative amounts for the year ended June 30, 2022)

	<u>2023</u>	<u>2022</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	\$ 11,241,171	\$ 11,364,991
Payments to suppliers	(10,108,472)	(8,004,518)
Payments to employees	(2,635,678)	(3,163,537)
<b>Net cash provided (used) by operating activities</b>	<u>(1,502,979)</u>	<u>196,936</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Rent received	150,022	136,356
Grants received	191,711	(37,472)
Timber income	106,573	
Principal payments on long-term debt	(11,849)	(992,791)
Interest payments on long-term debt	(1,738)	(15,136)
Acquisition of capital assets	(119,239)	(95,433)
<b>Net cash provided (used) by capital and related financing activities</b>	<u>315,480</u>	<u>(1,004,476)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest received on cash and investments	1,118	73
<b>Net cash provided (used) by investing activities</b>	<u>1,118</u>	<u>73</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>(1,186,381)</u>	<u>(807,467)</u>
Beginning of year	3,871,401	4,678,868
End of year	<u>\$ 2,685,020</u>	<u>\$ 3,871,401</u>
<b>Statement of Net Position:</b>		
Cash and investments	\$ 2,685,020	\$ 3,871,401
Total Cash and investments	<u>\$ 2,685,020</u>	<u>\$ 3,871,401</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$ (1,328,844)	\$ (85,969)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation and amortization expense	280,645	278,322
Unavailable revenue	21,235	(12,555)
Pension	218,458	(402,018)
Prior period adjustment	42,590	83,750
Change in assets and liabilities:		
Accounts receivable	(657,157)	(45,819)
Deposits	19,500	290,607
Prepaid expenses	(37,417)	(23,646)
Accounts payable and accrued liabilities	10,151	125,333
Accrued payroll	(78,045)	(25,869)
Customer deposits	5,905	14,800
<b>Net cash provided (used) by operating activities</b>	<u>\$ (1,502,979)</u>	<u>\$ 196,936</u>

The accompanying notes are an integral part of these basic financial statements.

**Humboldt Waste Management Authority**  
**Basic Financial Statements**  
**For the year ended June 30, 2023**

**Notes to Basic Financial Statements**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Humboldt Waste Management Authority (Authority) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental enterprises classified as proprietary fund types. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. On June 15, 1987, GASB issued a codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The Authority applies all GASB pronouncements to its activities. When applicable, certain prior year amounts have been reclassified to conform to current year presentation. The following is a summary of the more significant policies:

**A. Description of the Reporting Entity**

The Humboldt Waste Management Authority (Authority) was formed on November 17<sup>th</sup>, 1999 for the purposes of economically coordinating the management of solid waste management services, the preparation and implementation of an Integrated Waste Management Plan which meets the requirements for the California Integrated Waste Management Act of 1989, and the disposal of waste generated in the incorporated and unincorporated areas of Humboldt County and the safe closure and long-term postclosure maintenance of the Cummings Road Landfill. The Authority received all assets, liabilities and responsibilities from the Humboldt County Waste Management Authority, which was dissolved November 8, 2000. The Authority is a regional agency and its members include the cities of Arcata, Blue Lake, Eureka, Ferndale, Rio Dell and the County of Humboldt. Each member has one representative on the Authority's Board of Directors which governs the Authority.

Oversight responsibility, the ability to conduct independent financial affairs, issue debt instruments, approve budgets, and otherwise influence operations and account for fiscal matters is exercised by the Authority's Board of Directors. The Authority is a separate reporting entity for financial reporting purposes and the accompanying financial statements reflect the assets, liabilities, net position, revenues, and expenses of the Authority only.

As defined by GASB Statements No. 14, *The Financial Reporting Entity* (as Updated by GASB Statement 61) the Authority is not financially accountable for any other entity other than itself, nor are there any other entities for which the nature and significance of their relationship with the Authority are such that exclusion would cause the Authority's financial statements to be misleading or incomplete.

In addition, based upon the above criteria, the Authority is not aware of any entity which would be financially accountable for the Authority, which would result in the Authority being considered a component of the entity.

**Humboldt Waste Management Authority**  
**Basic Financial Statements**  
**For the year ended June 30, 2023**

**Notes to Basic Financial Statements, Continued**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**B. Fund Accounting Classification and Basis of Accounting**

On the Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net position, business-like activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of net income, financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Fund equity is classified as net position.

Authority funds are classified as enterprise funds, which account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The acquisition and capital improvement of the physical plant facilities required to provide these goods and services are financed from existing cash resources, the issuance of bonds, and cash flow from operations.

**C. Cash and Investments**

For the purposes of the Statement of Net position and Statement of Cash Flows, “cash equivalents and investments” includes all demand, savings accounts, and certificates of deposits or short-term investments with an original maturity of three months or less.

Fair value is based on quoted market price. Additional cash and investment disclosures are presented in Note 2.

**D. Accounts Receivables**

Accounts receivable are reported net of an allowance for doubtful accounts. The allowance is estimated based on historical collection experience and management's judgment.

Revenues are recognized when earned. Metered water accounts are read and billed during the month on a monthly cycle. Unbilled charges are accrued for the period are included in accounts receivable. Unbilled accounts receivable amounted to \$1,485,154 at June 30, 2023.

**E. Capital Assets**

All fixed assets purchased for over \$5,000 by the Authority are capitalized at historical cost or estimated cost if actual cost is not available. The cost of normal maintenance and repairs that do not add value to the asset or materially extend asset lives are not capitalized and are expensed as incurred. Improvements are capitalized. Contributed assets are valued at their estimated fair market value on the date contributed. Depreciation is calculated over the estimated useful lives of assets using the straight-line method. The estimated useful lives are as follows:

Hawthorne Street transfer station	20 years
Other assets	5 – 30 years

**Humboldt Waste Management Authority**  
**Basic Financial Statements**  
**For the year ended June 30, 2023**

**Notes to Basic Financial Statements, Continued**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**F. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

**G. Accrued Vacation and Sick Leave**

Accumulated unpaid employee vacation are recognized as liabilities of the Authority. The liability for vested vacation pay is recorded as an expense when the vacation is earned. Vacation, which is based on the employee's length of service, may be accumulated and carried over up to a maximum of the amount earned in the preceding 24-month period.

Employee sick leave benefits are not recognized as liabilities as benefits do not vest.

**H. Pension**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the net position of the Authority's California Public Employees' Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan's net position has been determined on the same basis as it is reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

**I. Reclassifications**

Certain amounts from the prior year have been reclassified to conform to the current year's presentation.

**J. Use of Estimates**

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Humboldt Waste Management Authority**  
**Basic Financial Statements**  
**For the year ended June 30, 2023**

**Notes to Basic Financial Statements, Continued**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**K. Comparative Data**

Comparative data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the Authority's financial position and operations.

**L. Prior Period Adjustments**

During the fiscal year 2022/23, the Authority made several adjustment to correct errors and omissions in the financial statements of the previous period. These adjustments, which are not reflective of the current year operations, have been recognized directly in net position.

The following is a reconciliation of the total net position as previously reported at July 1, 2022 to the restated net position:

Net Position at June 30, 2022	\$ (2,234,998)
Adjustments:	
Worker's compensation overpaid	9,654
For the exercise of a land purchase option	(19,500)
Allowance for doubtful accounts removed	55,000
Disposal of an asset, not recorded previously	<u>(2,564)</u>
Total Adjustments	<u>42,590</u>
Net Position at July 1, 2022, as adjusted	<u>\$ (2,192,408)</u>

The total impact of these prior period adjustments is an increase of \$42,590 in the net position at July 1, 2022.

**Humboldt Waste Management Authority**  
**Basic Financial Statements**  
**For the year ended June 30, 2023**

**Notes to Basic Financial Statements, Continued**

**2. CASH AND INVESTMENTS**

**A. Composition**

The Authority's cash and temporary investments are carried at market value, and include:

	Maturities (in years)			Deposits	Fair Market Value
	< 1	1 to 2	> 2		
<u>Cash equivalents and investments pooled</u>					
Pooled cash, at fair value:					
Cash in bank - Checking	\$ -	\$ -	\$ -	\$ 2,128,491	\$ 2,128,491
Cash in bank - Savings	-	-	-	550,994	550,994
Petty cash	-	-	-	35	35
Change funds	-	-	-	5,500	5,500
Total pooled items	-	-	-	2,685,020	2,685,020
Total cash and cash equivalents	\$ -	\$ -	\$ -	\$ 2,685,020	\$ 2,685,020
Financial Statement presentation:					
Cash and cash equivalents					\$ 2,685,020
Total					\$ 2,685,020

California Law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the Authority's cash on deposit or first trust deed mortgage notes with a value of 150% of the Authority's cash on deposit as collateral for these deposits. Under California Law this collateral is held in an investment pool by an independent financial institution in the Authority's name and places the Authority ahead of general creditors of the institution pledging the collateral. The Authority has waived collateral requirements for the portion of deposits covered by federal deposit insurance.

The Authority's investments are carried at fair value, as required by generally accepted accounting principles. The Authority adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

**B. Deposits**

The carrying amount of the Authority's deposits as of June 30, 2023, and 2022 was \$2,679,485 and \$3,871,401 respectively. The bank balance of deposits as of June 30, 2023, and 2022 was \$2,774,762 and \$3,862,001, of which \$250,000 was covered by federal depository insurance. The difference between the carrying amount and the bank balance is primarily due to checks outstanding at June 30, 2023 and 2022. The remaining balance above \$250,000 was collateralized with securities held by the pledging financial institutions in the Authority's name.

**C. Fair Value Measurements**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Agency categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to



**Humboldt Waste Management Authority**  
**Basic Financial Statements**  
**For the year ended June 30, 2023**

**Notes to Basic Financial Statements, Continued**

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**2. CASH AND INVESTMENTS, Continued**

**C. Composition, Continued**

measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

**D. Authorized Investments**

The Authority’s Investment Policy and the California Government Code allow the Authority to invest in the following, provided the credit ratings of the issuers are acceptable to the Authority and approved percentages and maturities are not exceeded.

The table below also identifies certain provisions of the California Government Code, or the Authority’s Investment Policy where the Authority’s Investment Policy is more restrictive.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio
U.S. Treasury Obligations	10 years	None
Negotiable Certificates of Deposit	1 year	30%

**E. Interest Rate and Credit Risk**

**Interest rate risk** is the risk that changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

**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.

**Humboldt Waste Management Authority**  
**Basic Financial Statements**  
**For the year ended June 30, 2023**

**Notes to Basic Financial Statements, Continued**

**3. CAPITAL ASSETS**

Capital assets are stated at cost less accumulated depreciation, which is provided on the straight-line basis over the estimated useful lives of the respective assets. Changes in capital assets and depreciation were as follows:

	July 1, 2022	Additions	Deletions	Transfer/ Adjustments	June 30, 2023
<b>Nondepreciable assets:</b>					
Land	\$ 2,809,140	\$ -	\$ -	\$ -	\$ 2,809,140
<b>Total nondepreciable assets</b>	<u>2,809,140</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,809,140</u>
<b>Depreciable assets:</b>					
Land improvements	2,348,765	20,335	-	-	2,369,100
Buildings and improvements	4,350,226	38,026	-	-	4,388,252
Equipment	2,576,536	63,442	(50,385)	-	2,589,593
<b>Total depreciable assets</b>	<u>9,275,527</u>	<u>121,803</u>	<u>(50,385)</u>	<u>-</u>	<u>9,346,945</u>
<b>Total</b>	<u>12,084,667</u>	<u>121,803</u>	<u>(50,385)</u>	<u>-</u>	<u>12,156,085</u>
<b>Accumulated depreciation:</b>					
Land improvements	(1,872,266)	(37,387)	-	-	(1,909,653)
Buildings and improvements	(3,981,876)	(73,894)	-	-	(4,055,770)
Equipment	(2,027,126)	(169,364)	50,385	(2,564)	(2,148,669)
<b>Total accumulated depreciation</b>	<u>(7,881,268)</u>	<u>(280,645)</u>	<u>50,385</u>	<u>(2,564)</u>	<u>(8,114,092)</u>
<b>Net depreciable assets</b>	<u>1,394,259</u>	<u>(158,842)</u>	<u>-</u>	<u>(2,564)</u>	<u>1,232,853</u>
<b>Total capital assets</b>	<u>\$ 4,203,399</u>	<u>\$ (158,842)</u>	<u>\$ -</u>	<u>\$ (2,564)</u>	<u>\$ 4,041,993</u>

Depreciation expense was \$280,645 and \$278,322 for the years ended June 30, 2023 and 2022, respectively.

Cummings Road Landfill assets received in the original agreement from City Garbage of Eureka were valued at zero. These assets include the landfill, several operating methane gas wells, a workshop structure, an office structure, and various pieces of equipment such as generators and pumps. No attempt was made to place a fair market value on these assets at the time of acquisition. Improvements to the landfill since the agreement have been recorded at cost.

**4. CUMMINGS ROAD LANDFILL ACQUISITION**

On June 16, 2000, the Authority acquired Cummings Road Landfill (Landfill) through the acquisition of the Hawthorne Street Transfer Station from Eureka City Garbage, Inc. Transfer of ownership of the Landfill was done as part of a property agreement, with the value of the Landfill set at \$0. The Landfill had 3,449,667 cubic yards of capacity to retain waste. The amount of 420,506 cubic yards of the total Landfill remained unused. The Landfill ceased receiving municipal solid waste on June 2000, with small volume inert wastes accepted until 2003. This was primarily concrete/ asbestos. As stated in the California Code of Regulations, Division 2 Title 27 Article 2 Section 21180, "a) the landfill shall be maintained and monitored for a period of not less than thirty (30) years after the completion of closure of the entire solid waste landfill." Therefore, the Authority is responsible for post-closure and maintenance care for 30 years after the Final Quality Assurance Report related to construction closure is approved.

**Humboldt Waste Management Authority**  
**Basic Financial Statements**  
**For the year ended June 30, 2023**

**Notes to Basic Financial Statements, Continued**

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**4. CUMMINGS ROAD LANDFILL ACQUISITION, Continued**

In 1993, the North Coast Regional Water Quality Control Board (NCRWQCB), via Waste Discharge Requirements (WDR) WDR 93-46, required that Cummings Road Landfill be closed by 1998 as a corrective action measure “because of groundwater contamination caused by the Site”. The Joint Technical Document (JTD) for the Final Closure of the Landfill detailed a two-phased closure, that also accommodated placement of adjacent burn-ash site debris into the landfill for permanent disposal, was approved by the NCRWQCB in 2012. Cummings Road Landfill Construction Closure Phase 1 was completed in the summer of 2013, with the construction activities related to the Corrective Action Plan for the Cummings Road Burn Ash Debris site completed by October 2014. Phase 2 construction closure was completed in October 2015.

Landfill closure and post-closure costs are recorded following the provisions of Governmental Accounting Standards Board (GASB) Statement No. 18 Accounting for Municipal Solid Waste Landfill Closure and Post-Closure Care Costs. The standards require that estimated closure and post-closure care costs be recognized as current operating costs although these costs will not actually be incurred until some future operating cycle.

Estimates of the closure and post-closure care costs are on a current value basis revised as of October 2022, as provided by consulting engineers.

As of June 30, 2023, the amount of \$9,938,832 was recorded as Estimated Closure and Post-Closure Costs based on 100% capacity of the Landfill. The Estimated Closure and Post-Closure Costs are an estimate and subject to changes resulting from inflation/deflation, technology, or changes in applicable laws or regulations. The Estimated Closure and Post-Closures costs will be reevaluated and recalculated at the end of every other fiscal year.

Funds restricted for closure and post-closure costs at June 30, 2023 are comprised of the following:

Closure/Post-Closure	
Annual Cost	\$414,118.00
Years of Maintenance	x 24
Total Post-Closure Liability	<u>\$ 9,938,832</u>

Total Landfill Closure/Post-Closure Liability \$9,938,832

As of March 2020, the Authority’s landfill closure plan and Construction Quality Assurance documents were approved by the NCRWCQB, the Humboldt County Local Enforcement Agency, and the California Integrated Waste Management Board (CIWMB) which is now known as the Department of Resources Recycling and Recovery (CalRecycle). The Landfill is now in post-closure maintenance, and long-term liabilities related to the Landfill are reduced annually by the engineer's post-closure maintenance estimates.

**Humboldt Waste Management Authority**  
**Basic Financial Statements**  
**For the year ended June 30, 2023**

**Notes to Basic Financial Statements, Continued**

**5. LONG-TERM DEBT**

**A. Long-Term Debt Activity**

	Original Issue Amount	Balance July 1, 2022	Additions	Retirements	Balance June 30, 2023
Capital Lease-Purchase	\$ 522,750	\$ 11,849	\$ -	\$ (11,849)	\$ -
Total	<u>\$ 522,750</u>	<u>\$ 11,849</u>	<u>\$ -</u>	<u>\$ (11,849)</u>	<u>\$ -</u>
Amount due within one year		\$ -			\$ -
Amount due after one year		11,849			-
		<u>\$ 11,849</u>			<u>\$ -</u>

**Capital Lease-Purchase**

On June 8, 2018, the Authority entered into a lease-purchase agreement "Lease" with Financial Pacific Leasing, Inc. for financing the acquisition of an excavator valued at \$311,145 and a loader truck valued at \$211,605. These trucks have 8-years estimated useful life. Title reverts to the Authority after payment of the minimum lease payments, and, therefore, have been recorded at the present value of future minimum lease payments. As of June 30, 2023, the lease-purchase agreement has been fully satisfied and paid in full.

**6. NET POSITION**

Net position at June 30, 2023 consisted of the following:

Description	Balance as of June 30, 2023
Net investment in capital assets	\$ 4,263,164
Unrestricted (deficit)	<u>(7,330,362)</u>
Total unrestricted net position	<u>\$ (3,067,198)</u>

*Net Investment in Capital Assets* - This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.

*Unrestricted* - This amount is all net assets that do not meet the definition of "*net investment in capital assets*".

**7. RISK MANAGEMENT AND SELF-INSURANCE**

The Authority is exposed to various risks of loss related to torts, theft of, damage and destruction of assets, errors and omissions, and natural disasters. The Authority participates in risk pools with the Special District Risk Management Authority (SDRMA) which provides property and liability insurance to its member districts. The Authority pays premiums commensurate with the levels of coverage requested. The Authorities are governed by boards consisting of members elected from the participating districts, which control the operations of the authorities independent of any influence by the Authority beyond the Authority's representation on the governing board. The Authority's share of year-end assets, liabilities, or fund equity is not calculated by the Joint Powers Authorities.

**Humboldt Waste Management Authority**  
**Basic Financial Statements**  
**For the year ended June 30, 2023**

**Notes to Basic Financial Statements, Continued**

**8. PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)**

**A. General Information about the Pension Plans**

**Plan Descriptions** - All qualified full-time employees are eligible to participate in the Authority's Miscellaneous First Tier Plan and Miscellaneous PEPRA Plan (collectively, "The Plans"), agent multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that 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 10 years of service. The death benefit is 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's provisions and benefits in effect at June 30, 2023, are summarized as follows:

	Miscellaneous Plan	
	First Tier	PEPRA
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	1.4% to 2.4%	1.0% to 2.5%
Required employee contribution rates	7%	6.25%

**Contributions** - Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan is determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is based on 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 Authority is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

**Humboldt Waste Management Authority**  
**Basic Financial Statements**  
**For the year ended June 30, 2023**

**Notes to Basic Financial Statements, Continued**

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**8. PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS), Continued**

**A. General Information about the Pension Plans, Continued**

For the year ended June 30, 2023, the contributions recognized as part of pension expense for the Plan were as follows:

	<u>Miscellaneous</u>
Contributions - employer	\$ 147,653
Contributions - employee (paid employer)	<u>113,990</u>
Total	<u><u>\$ 261,643</u></u>

The Authority's average required contribution rate was 14.360 percent of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Authority were \$261,643 for the year ended June 30, 2023.

***Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions***

As of June 30, 2023, the Authority reported a net pension liability for its proportionate shares of the net pension liability of the Plan as follows:

	<u>Proportionate Share</u> <u>of Net Pension Liability</u>
Miscellaneous	\$ 1,059,833
Total Net Pension Liability	<u><u>\$ 1,059,833</u></u>

The Authority's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2022, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. The Authority's 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.

**Humboldt Waste Management Authority**  
**Basic Financial Statements**  
**For the year ended June 30, 2023**

**Notes to Basic Financial Statements, Continued**

**8. PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS), Continued**

The Authority's proportionate share of the net pension liability for the Plan as of June 30, 2023 was as follows:

	Miscellaneous
Proportion - June 30, 2022	0.01245%
Proportion - June 30, 2023	0.02265%
Change - Increase (Decrease)	0.01020%

For the year ended June 30, 2023, the Authority recognized pension expense of \$218,459. At June 30, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 21,284	\$ 14,255
Changes of Assumptions	108,602	-
Differences between Projected and Actual Investment Earnings	194,133	-
Differences between Employer's Contributions and Proportionate Share of Contributions	-	46,373
Change in Employer's Proportion	182,439	-
Pension Contributions Made Subsequent to Measurement Date	261,643	-
	\$ 768,101	\$ 60,628

\$261,643 reported as deferred outflows of resources related to contributions subsequent to the measurement date and changes in proportions will be recognized as a reduction of the net pension liability in the year ended June 30, 2024.

**Humboldt Waste Management Authority**  
**Basic Financial Statements**  
**For the year ended June 30, 2023**

**Notes to Basic Financial Statements, Continued**

**8. PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS), Continued**

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	
2024	\$ 142,554
2025	120,230
2026	64,307
2027	118,738
2028	-
Thereafter	-

*Actuarial Assumptions* - The June 30, 2022, valuation was rolled forward to determine the June 30, 2023 total pension liability based on the following actuarial methods and assumptions.

Actuarial Assumptions	
Valuation date	June 30, 2021
Measurement date	June 30, 2022
Actuarial cost method	Entry-age normal cost method
Actuarial assumptions:	
Discount rate	6.90%
Inflation	2%
Salary increases	Varies by entry age and service
Investment Rate of Return	7.50% net pension plan investment and administrative expenses; includes inflation
Post-retirement benefit increase	Contract COLA up to 2% until purchasing power protection allowance floor on purchasing power applies, 2. % thereafter.

The underlying mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details, please refer to the 2014 experience study report.

All other actuarial assumptions used in the June 30, 2014, valuation were based on the results of an actuarial experience study for the fiscal years 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study can be obtained at CalPERS' website under Forms and Publications.



**Humboldt Waste Management Authority**  
**Basic Financial Statements**  
**For the year ended June 30, 2023**

**Notes to Basic Financial Statements, Continued**

**8. PUBLIC EMPLOYEES’ RETIREMENT SYSTEM (PERS), Continued**

**Discount Rate** - The discount rate used to measure the total pension liability was 6.90 percent for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 6.90 percent discount rate is adequate, and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 6.90 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of 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. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds’ asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 <sup>1</sup>	Real Return Year 11+ <sup>2</sup>
Global Equity	47%	5.25%	5.71%
Global Fixed Income	19%	0.99%	2.43%
Inflation Sensitive	6%	0.45%	3.36%
Private Equity	12%	6.83%	6.95%
Real Estate	11%	4.50%	5.13%
Infrastructure and Forestland	3%	4.50%	5.09%
Liquidity	2%	-0.55%	-1.05%
	100%		

(1) An expected inflation of 2.5% used for this period.

(2) An expected inflation of 3.0% used for this period.

**Humboldt Waste Management Authority**  
**Basic Financial Statements**  
**For the year ended June 30, 2023**

**Notes to Basic Financial Statements, Continued**

**8. PUBLIC EMPLOYEES’ RETIREMENT SYSTEM (PERS), Continued**

***Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

The following presents the Authority’s proportionate share of the net pension liability for the Plan, calculated using the discount rate for Plan, as well as what the Authority’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
Miscellaneous	\$ 1,878,262	\$ 1,059,833	\$ 386,468

***Pension Plan Fiduciary Net Position*** - Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

At June 30, 2023, the Authority had no outstanding payable amounts for contributions to the pension plan required for the year ended June 30, 2023.

**9. COMMITMENTS AND CONTINGENCIES**

The Authority is subject to general risk and exposure due to normal operations in the course of business. These risks involve various claims against the Authority, both asserted and unasserted, all of which management considers to be immaterial to these financial statements.

**10. NEW ACCOUNTING PRONOUNCEMENTS**

The GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32. The requirements of this Statement are effective for reporting periods beginning after June 30, 2022. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

**Humboldt Waste Management Authority**  
**Basic Financial Statements**  
**For the year ended June 30, 2023**

**Notes to Basic Financial Statements, Continued**

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**10. NEW ACCOUNTING PRONOUNCEMENTS, Continued**

The GASB Statement No. 100, “*Accounting Changes and Error Corrections*—an amendment of GASB Statement No.62”. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). For periods that are earlier than those included in the basic financial statements, information presented in RSI or SI should be restated for error corrections, if practicable, but not for changes in accounting principles. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The Authority implemented this statement, as applicable, to its financial statements for the year ending June 30, 2023.

The GASB Statement No. 101, “*Compensated Absences.*” This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement requires that liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that liability for specific types of compensated absences not be recognized until the leave is used. The Authority will implement this statement, as applicable, to its financial statements for the year ending June 30, 2025.

**11. SUBSEQUENT EVENTS**

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through February 26, 2024, which is the date the accompanying independent auditor’s report and the date the financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY INFORMATION**

## Humboldt Waste Management Authority

### Required Supplementary Information - Schedule of Contributions

#### Miscellaneous Plan

Last 10 Fiscal Years\*

Fiscal Year Ended June 30,	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution (actuarially determined)	\$ 261,643	\$ 214,445	\$ 173,747	\$ 137,108	\$ 93,349	\$ 106,222	\$ 103,221
Contributions in relation to the actuarially determined contributions	(261,643)	(214,445)	(173,747)	(137,108)	(93,349)	(106,222)	(103,221)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 1,782,995	\$ 1,874,887	\$ 1,894,542	\$ 1,757,011	\$ 1,694,678	\$ 1,503,974	\$ 1,412,145
Contribution as a percentage of covered-employee payroll	14.67%	11.44%	9.17%	7.80%	5.51%	7.06%	7.31%

#### Notes to Schedule

1) Covered employee payroll represents compensation earnable and pensionable compensation. Only compensation earnable and pensionable compensation that would possibly go into the determination of retirement benefits are included.

\* Due to a change in CalPERS reporting information, less than 10 years were available. Additional years will be presented as they become available.

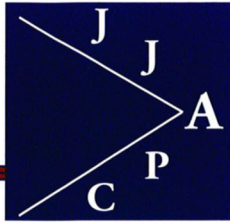
**Humboldt Waste Management Authority**  
**Required Supplementary Information - Schedule of the Authority's Proportionate**  
**Share of the Net Pension Liability**  
Miscellaneous Plan  
Last 10 Fiscal Years\*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Plan's Proportion of the Net Pension Liability/(Asset)	0.02265%	0.01245%	0.00738%	0.00672%	0.00608%	0.00630%	0.01337%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$ 1,059,833	\$ 236,314	\$ 803,301	\$ 688,877	\$ 586,002	\$ 604,579	\$ 476,183
Plan's Covered-Employee Payroll	\$ 1,782,995	\$ 1,874,887	\$ 1,894,542	\$ 1,757,011	\$ 1,694,678	\$ 1,503,974	\$ 1,412,145
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll	59.44%	12.60%	42.40%	39.21%	34.58%	40.20%	33.72%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	82.35%	95.35%	82.95%	84.05%	84.32%	81.46%	82.17%
Plan's Proportionate Share of Aggregate Employer Contribution	\$ 261,643	\$ 214,445	\$ 173,747	\$ 137,108	\$ 93,349	\$ 106,222	\$ 103,221

**Notes to Schedule**

1) Covered employee payroll represents compensation earnable and pensionable compensation. Only compensation earnable and pensionable compensation that would possibly go into the determination of retirement benefits are included.

\* Due to a change in CalPERS reporting information, less than 10 years were available. Additional years will be presented as they become available.



JJACPA, Inc.

A Professional Accounting Services Corp.

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**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**

Board of Directors  
Humboldt Waste Management Authority  
Eureka, California

We have audited, in accordance with the auditing standard 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 Humboldt Waste Management Authority (Authority) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Humboldt Waste Management Authority's basic financial statements, and have issued our report thereon dated February 26, 2024.

**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 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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 in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Board of Directors  
Humboldt Waste Management Authority  
Eureka, California

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of 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 determination of financial statement amounts. 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

February 26, 2024

*JJACPA, Inc.*

JJACPA, Inc.  
Dublin, CA