

SPOKANE TRANSIT AUTHORITY
AMENDMENT TO
RFP 2026-11262 – GASB 75 OTHER POST-EMPLOYMENT BENEFITS
ACTUARIAL SERVICES

AMENDMENT NO. 1

Amendment 1 consists of this cover page and four (4) attachments with bookmarks:

- Responses to Questions from Emails

This Amendment is hereby made a part of the RFP document to the same extent as though it were originally included therein. All Proposers shall acknowledge receipt and understanding of this Amendment by completing the information required on Attachment A, Proposal Response Form, and returning the signed page with their proposal on or before the proposal due date.

Amie Blain

Amie Blain

Procurement Coordinator



Pre-Proposal Meeting
Request for Proposals 2026-11262
GASB 75 Other Post-Employment Benefits Actuarial Services

Agenda

DATE: Tuesday, October 13, 2026

TIME: 2:30 PM Pacific Time

FACILITATOR: Amie Blain, Procurement Coordinator

1. INTRODUCTION OF SPOKANE TRANSIT AUTHORITY STAFF

2. GUIDELINES

- a. Today's meeting will be recorded. All questions and answers will be captured for issuing and a written amendment will be issued.
- b. An attendance record for today's meeting is requested. Please send your name, company name, email address, and phone number to ablain@spokanetransit.com or put the info in the chat.
- c. If an amendment is issued stating any clarifications, corrections, or additions to the solicitation, all prospective Proposers who received the original RFP will receive the amendment along with those in attendance at today's pre-proposal meeting who provide STA with their contact information.
- d. Any questions received prior to the meeting (see Section 3.2 of the RFP) may be addressed at the meeting if STA has the answers to Proposers questions prior to the start of the meeting, and as time allows. Responses to such questions will also be documented in the first written amendment following the meeting. In the event of a conflict between the answers provided in the meeting and the written amendment, the written amendment shall prevail.
- e. Remarks, clarifications, or corrections to the RFP during the meeting shall not change the terms of the solicitation until an amendment is issued.
- f. Careful attention must be paid to all requirements of the RFP. Please read thoroughly and return all required forms, documentation, and information.

3. SCOPE OF WORK

- a. Summary – Tammy Johnston
- b. Questions from Proposers

4. IMPORTANT NOTES & CLARIFICATIONS

- a. Verify your proposal reflects the latest addenda to avoid disqualification.

5. At the time of Proposal submittal, as a minimum requirement for a Proposal to be deemed responsive, proposers must meet the criteria described in Section 3.1.

6. RFP TIMELINE AND NEXT STEPS

- a. Deadline to submit questions, requests for clarifications, or approved equals is **4:00 PM Pacific Time, October 20, 2026**. This includes any redline changes to the sample agreement.
- b. Proposals are due by **4:00 PM, Pacific Time, November 2, 2026**.

Question #	Document Section	Page Number	Question	STA Response
1	N/A	N/A	Please provide the two most recent GASB 75 reports.	See attachments.
2	N/A	N/A	Please provide actuarial fees paid during the two most recent fiscal years and indicate whether those fees include any special consulting projects.	Fees do not include any special consulting projects.
				Services for January 2026 - \$5,000
				Services for January 2025 - \$2,000
3	N/A	N/A	Will STA accept fixed fee pricing, as opposed to not-to-exceed pricing?	Yes.
4	1.4	3	Incorrect proposal due date in section 1.4.	Proposals will be accepted until 4:00 PM, Pacific Time, November 2, in accordance with the specifications and conditions stated in the RFP.
5	Exhibit A - Sample Agreement Redline, Section 8.A.3)	25	Commercial Professional Liability aggregate limit decrease from \$4,000,000 to \$3,000,000.	STA will accept the following Commercial Professional Liability limits: <u>Professional Liability.</u> Commercial Professional Liability insurance with minimum limits of \$2,000,000 per claim and \$3,000,000 in the aggregate. Any policy inception date, continuity date or retroactive date must be before the effective date of this Agreement. Coverage shall be maintained, or the policy shall include an “extended reporting period”, for a minimum of three (3) years following expiration of this Agreement or STA’s final acceptance of the Work, whichever occurs later.



RETIREE HEALTH PROJECTIONS
GASB STATEMENT NO. 75

FISCAL YEAR END 12/31/2025

SPOKANE TRANSIT AUTHORITY

JANUARY 30, 2026

LEWIS & ELLIS

BRIAN C. STENTZ, ASA, MAAA, FCA
ARI T. LOIBEN, ASA, MAAA, FCA, MS

January 30, 2026

Mr. Robert Hamud
Chief Financial Officer
Spokane Transit Authority
1230 West Boone Avenue
Spokane, Washington 99201

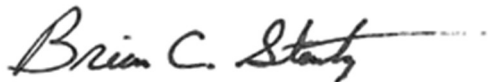
Re: GASB 75 Valuation for Fiscal Year End 12/31/2025

Dear Robert,

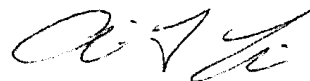
We are pleased to present our report on the analysis of the post-retirement health benefits provided by the Spokane Transit Authority. Our report includes a projection of benefit costs and a determination of disclosures as specified by GASB Statement 75.

We appreciate the opportunity to be of service. If you have any questions, please feel free to contact me.

Sincerely,



Brian C. Stentz, ASA, MAAA, FCA
Vice President & Principal



Ari T. Loiben, ASA, MAAA, FCA, MS
Vice President & Principal

Enclosures

TABLE OF CONTENTS

Executive Summary.....	1
Benefits and Contributions	1
Changes in Actuarial Assumptions	2
Discount Rate	2
Approach and Methodology	3
Notes to Financial Statement.....	3
Disclosures and Limitations.....	4
Actuarial Certification	4
Appendix A - Notes to Financial Statement	5
Appendix B - Required Supplementary Information.....	7
Appendix C - Schedule of Deferred Inflows and Outflows of Resources	8
Appendix D - Summary of Participant Data	10
Appendix E - Projection of Employer Benefit Payments.....	11
Appendix F - Actuarial Methods and Assumptions.....	12
Appendix G - Summary of Plan Provisions	16
Appendix H - Glossary of Terms	18
Appendix I - ASOP 41 Disclosures	19

EXECUTIVE SUMMARY

The Spokane Transit Authority (“the Transit Authority”) provides post-retirement medical, dental, vision and life insurance benefits as well as access to free bus passes on behalf of its eligible retirees. The Governmental Accounting Standards Board (“GASB”) adopted Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (“GASB 75”) to replace GASB 45. GASB 75 requires public employers to perform periodic actuarial valuations to measure and disclose their retiree healthcare liabilities for the financial statement of the employer.

GASB 75 allows a measurement date no earlier than one year and one day prior to the fiscal year end reporting date. For the reporting year ending December 31, 2025, we have used an actuarial valuation date of December 31, 2025, and a measurement date of December 31, 2025.

Under GASB 75, employers are also required to consider any implicit subsidy that may be occurring. Medical costs generally increase with advancing age. Therefore, the medical costs for the retiree group are higher than the medical costs for the employee group, even taking Medicare into account. Stated another way, when a plan includes both employees and retirees, the blended premiums are almost always higher than what the premiums would be for employees, and lower than what the premiums would be for retirees, if each group were rated separately. The premium rate difference is referred to as the implicit rate subsidy.

The table below sets forth the key results of the GASB 75 disclosures for the fiscal year ending December 31, 2024, compared to the 12/31/2025 results.

	GASB 75	GASB 75
Valuation as of	12/31/2023	12/31/2025
Measurement Date	12/31/2024	12/31/2025
Reporting Date	12/31/2024	12/31/2025
Discount Rate	4.22%	4.42%
Total OPEB Liability (TOL)	\$5,509,989	\$6,959,959
OPEB Expense	\$1,190,426	\$959,862
Deferred Inflows of Resources	\$3,317,707	\$2,534,797
Deferred Outflows of Resources	\$3,320,154	\$3,179,522

BENEFITS AND CONTRIBUTIONS

The Transit Authority maintains fully-insured medical (one Premiera and three Kaiser plan options offered to pre-65 individuals and two options for those post-65 – a Premiera and Kaiser plan), dental, vision and life insurance coverage for eligible employees and retired employees and their dependents. The Transit Authority also offers access to free bus passes for retirees and their spouses meeting the eligibility requirements. The retiree life insurance benefit is \$5,000. The medical, dental and vision premiums are funded 100% by retiree contributions. Due to the immaterial implicit rate subsidy for dental and vision coverage, these benefits have been excluded from our valuation. In addition, after a

thorough review of the bus pass program offered to retirees, those liabilities have also been deemed immaterial and have been excluded from our valuation. For retirees eligible for Medicare, they have the option to remain in the fully-insured Premiera plan (same plan as active employees and under-65 retirees; however, the plan pays secondary to Medicare) or enroll in a Kaiser Medicare Supplement (Med Supp) plan. Because retirees pay 100% of the Kaiser Med Supp plan and no implicit rate subsidy exists, this coverage has been excluded from our valuation. Therefore, the projected liabilities reflected in the valuation are based on the pre-65 medical, post-65 Premiera and the life insurance benefits.

To be eligible to continue coverage under the Transit Authority's plan, employees must satisfy the retirement eligibility requirements outlined in Appendix G. Retiree contributions are collected for medical coverage. A summary of the current retiree contributions is included in Appendix G as well.

CHANGES IN ACTUARIAL ASSUMPTIONS

Our valuation of the Transit Authority's plan is based on assumptions with regard to the survival of plan members, the average per-capita claims costs, when current employees are expected to retire, and so forth. The assumptions were derived from a combination of plan experience and actuarial judgement and are disclosed in Appendix F attached to this report.

- **Claim Costs and Retiree Contributions:** We have revised the claim costs assumptions based on the actual premium rates being offered to plan members, age adjusted for the risk characteristics of the current covered group. In addition, we updated the retiree contributions using the same rates. This resulted in an increase in the Total OPEB Liability.
- **Plan Participation for Future Retirees:** We updated the distribution of participation by plan for future retirees based on the current plan uptake of the current group. This resulted in an increase in the Total OPEB Liability.
- **Discount Rate:** The discount rate was increased from 4.22% to 4.42%. See the next section for more details. This resulted in a decrease in the Total OPEB Liability.
- **Age Setback for Spouses:** Based on the current group, we revised the age setback for wives. We revised the assumption so that wives are expected to be two years younger than their husbands. The previous assumption was three years. This resulted in a decrease in the Total OPEB Liability.
- **Mortality Rates:** The Society of Actuaries Research Institute's Retirement Plans Experience Committee released the Pub-2016 Public Retirement Plans Mortality Tables. The primary focus of the study was a comprehensive review of recent mortality experience of public retirement plans in the United States. Therefore, we revised the mortality rates from the PubG.H-2010 tables to the PubG.H-2016 tables, but continued to use a generational projection with Projection Scale MP-2021. This resulted in a decrease in the Total OPEB Liability.

DISCOUNT RATE

One of the most important assumptions is the discount rate, which is used by the model to compute the present value of future post-retirement benefits. The higher the discount rate, the lower the present

values, and therefore the OPEB cost. For plans that are not funded through irrevocable trusts, paragraph 36 of GASB 75 requires that the discount rate equal the “expected yield or index rate for 20-year, tax-exempt obligation municipal bonds with an average rating of AA/Aa or higher...” determined as of the measurement date, which in this case is December 31, 2025.

For the valuation, we used the average of the Fidelity Municipal Bond AA 20 Year Yield (4.41%) and the S&P Municipal Bond 20-Year High Grade Index (4.43%) as of the measurement date, which is 4.42%.

APPROACH AND METHODOLOGY

Our general approach is to apply assumed retirement probabilities and survivorship factors to the current profile of covered members, along with projected benefits, expenses, and retiree contributions, to estimate total OPEB benefits for future retirees and their dependents over each individual’s respective lifetime.

Our projections of the benefits are based on employee census information, historical and expected claims experience, historical and expected fully-insured premiums, retiree contribution rates and other information provided by the Transit Authority. We have reviewed the data for reasonableness but have not audited it. To the extent that there are material inaccuracies in the data, our results are accordingly affected.

The Transit Authority provided us with a census as of the valuation date of current active employees, including age, current plan elected, and dependent status. The data was taken as of December 31, 2025. As of the start of our projection, there were 776 eligible active members and 144 retirees and beneficiaries currently receiving post-employment medical, life and bus pass benefits.

Our actuarial model computes a present value of all future net costs (after recognition of retiree contributions) and allocates a portion of that present value to the current fiscal year. The methodology of that allocation is called an “Actuarial Cost Method.” GASB 75 requires the use of the Entry Age, Level Percent of Pay method.

For current employees, the Entry Age cost method spreads the actuarial present value of future benefits (“PVB”) from the employee’s date of hire to the expected retirement date as a level percent of expected salary. The portion of the PVB attributable to the current fiscal year is called the Service Cost under GASB 75. The portion attributable to service prior to the current fiscal year is called the Total OPEB Liability (“TOL”) under GASB 75.

NOTES TO FINANCIAL STATEMENT

Paragraphs 50 through 58 of Statement 75 describe the information that employers should include in the notes to their financial statements.

We have provided the actuarial information that is required to be disclosed in the Notes to the Financial Statement in Appendix A and Appendix B. We are available to discuss any other aspects of the required disclosures, as needed by the Transit Authority.

DISCLOSURES AND LIMITATIONS

See Appendix I.

ACTUARIAL CERTIFICATION

This actuarial valuation has been prepared and presented in accordance with the terms of GASB Statements No. 75. I make no representation to the applicability of this report for any purpose other than that for which it was originally provided and accept no responsibility or liability in this regard.

In preparing the results presented in this report, I have relied upon information provided by the Transit Authority regarding plan provisions and plan participants. I have reviewed this information for reasonableness but have not audited it. The accuracy of the results presented in this letter is dependent upon the accuracy and completeness of the underlying information.

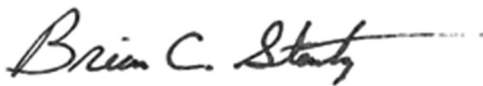
All costs, liabilities and other factors under the plan were determined in accordance with generally accepted actuarial principles and procedures using assumptions that I believe reasonably estimate the anticipated experience of the plan. The calculations reported herein are consistent with my understanding of the provisions of GASB Statement 75.

The determination of present values, cost allocations and future cash flows have been performed in accordance with generally accepted actuarial principles as set forth in the following Actuarial Standards of Practice:

- ASOP No. 6 – Measuring Retiree Group Benefit Obligations
- ASOP No. 21 – Responding to or Assisting Auditors or Examiners in Connection with Financial Statements for All Practice Areas
- ASOP No. 23 – Data Quality
- ASOP No. 41 – Actuarial Communications

The undersigned actuary is a member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

I believe the contents of this report fully and fairly disclose the actuarial position of the plan. I am available to respond to any questions on the information contained in the results and to provide explanation or further details as may be appropriate.



Brian C. Stentz, ASA, MAAA, FCA
Vice President & Principal
Lewis & Ellis, LLC

APPENDIX A

NOTES TO FINANCIAL STATEMENT

Assumptions and Other Inputs	
Actuarial Assumptions: The Total OPEB Liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.	
Measurement Date	December 31, 2025
Actuarial Valuation Date:	December 31, 2025
Inflation:	2.00%
Salary Increases:	2.00%
Discount Rate:	4.42%
Prior Year Discount Rate:	4.22%
Health Care Cost Trend Rates:	See Appendix F
Retirees' Share of Benefit-Related Costs:	See Appendix G
The discount rate was based on the average 12/31/2025 Fidelity Municipal Bond AA 20-Year Yield and the 12/31/2025 S&P Municipal Bond 20-Year High Grade Index.	
Mortality rates for active employees were based on the PubG.H-2016 Employee Mortality Table, Generational with Projection Scale MP-2021 for males or females, as appropriate.	
Mortality rates for retirees/disabled employees were based on the PubG.H-2016 Healthy Retiree Mortality Table, Generational with Projection Scale MP-2021 for males or females, as appropriate.	
OPEB Plan - Number of Employees Covered	
Inactive employees currently receiving benefits payments	144
Inactive employees entitled to but not yet receiving benefit payments	0
Active Employees	776
Total	920
Changes in Total OPEB Liability	
Balance at 12/31/2024	\$5,509,989
Changes for the year:	
Service Cost	343,463
Interest	243,805
Differences between expected and actual experience	131,673
Changes in Assumptions/Inputs	883,199
Change in Benefit Terms	0
Benefit payments	(152,170)
Administrative Expense	0
Net Changes	\$1,449,970
Balance at 12/31/2025	\$6,959,959

APPENDIX A

NOTES TO FINANCIAL STATEMENT

Sensitivity of the Total OPEB Liability			
	1% Decrease	No Change	1% Increase
Discount Rate:	\$8,305,052	\$6,959,959	\$5,896,443
Healthcare Cost Trend Rates:	\$5,853,854	\$6,959,959	\$8,411,495

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB			
OPEB Expense			
Service Cost			\$343,463
Interest on Liabilities			\$243,805
Difference between Actual and Expected Experience			(\$223,882)
Changes in Assumptions/Inputs			\$596,477
Change in Benefit Terms			\$0
Total OPEB Expense			\$959,862
Deferred Outflows and Inflows			
	Outflows	Inflows	
Differences between actual and expected experience	\$454,647	\$1,139,530	
Changes of assumptions or other inputs	\$2,724,875	\$1,395,267	
Employer amounts for OPEB subsequent to measurement date	\$0	\$0	
Total Deferred Outflows and Inflows	\$3,179,522	\$2,534,797	
Amounts reported and deferred outflows of resources and deferred inflows of resources related to OPEB expense will be recognized in OPEB expense as follows:			
Year Ended December 31:			
2026	\$372,595		
2027	\$372,595		
2028	(\$324,376)		
2029	(\$82,815)		
2030	\$53,008		
Thereafter	\$253,718		

APPENDIX B

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in the Total OPEB Liability and Related Ratios								
	2018	2019	2020	2021	2022	2023	2024	2025
Total OPEB Liability								
Service Cost	\$91,402	\$171,746	\$217,466	\$221,815	\$447,018	\$255,950	\$366,436	\$343,463
Interest	\$58,224	\$47,063	\$58,381	\$66,151	\$164,572	\$247,975	\$213,874	\$243,805
Changes of benefit terms	\$0	\$0	\$0	\$0	\$0	\$0	\$364,380	\$0
Differences btwn expected and actual experience	\$321,393	\$0	\$834,400	(\$1,131,451)	(\$12,972)	(\$1,413,351)	(\$4,298)	\$131,673
Changes in assumptions or other inputs	\$185,464	(\$25,705)	\$89,126	\$5,661,667	(\$2,386,308)	\$462,591	(\$512,660)	\$883,199
Change in Actuarial Cost Method	(\$130,339)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Benefit payments	(\$67,875)	(\$85,485)	(\$126,796)	(\$135,535)	(\$136,094)	(\$97,327)	(\$98,713)	(\$152,170)
Net Change in Total OPEB Liability	\$458,269	\$107,619	\$1,072,577	\$4,682,647	(\$1,923,784)	(\$544,162)	\$329,019	\$1,449,970
Total OPEB Liability - beginning	\$1,327,804	\$1,786,073	\$1,893,692	\$2,966,269	\$7,648,916	\$5,725,132	\$5,180,970	\$5,509,989
Total OPEB Liability - end	\$1,786,073	\$1,893,692	\$2,966,269	\$7,648,916	\$5,725,132	\$5,180,970	\$5,509,989	\$6,959,959
Covered Employee Payroll	\$32,680,465	\$35,421,230	\$38,893,413	\$39,206,523	\$45,482,154	\$54,381,284	\$57,955,614	\$61,795,083
Total OPEB Liability as a percentage of covered employee payroll	5.5%	5.3%	7.6%	19.5%	12.6%	9.5%	9.5%	11.3%
Notes to Schedule:								
<i>Changes of Benefit Terms:</i>	None							
<i>Changes of Assumptions:</i>	The summary of the key actuarial assumptions is included in Appendix F.							
	The following assumptions have been revised: claim costs, contributions, age setback for spouses, future retiree participation by plan, mortality rates and discount rate.							
	Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:							
	2018	4.10%						
	2019	2.74%						
	2020	2.12%						
	2021	2.05%						
	2022	4.18%						
	2023	3.89%						
	2024	4.22%						
	2025	4.42%						

APPENDIX C
 SCHEDULE OF DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES
 DUE TO ECONOMIC/DEMOGRAPHIC GAINS/LOSSES

Deferred Outflows of Resources										
Fiscal Year Ending December 31	2018	2019	2020	2021	2022	2023	2024	2025	Total - Sum by Layer	Balance December 31
Amortization Period	10.3	9.3	8.8	7.0	7.0	7.0	7.0	8.0		
Deferred Amount	321,393	-	834,400	-	-	-	-	131,673	1,287,466	
2018	31,173	-	-	-	-	-	-	-	31,173	290,220
2019	31,173	-	-	-	-	-	-	-	31,173	259,047
2020	31,173	-	94,496	-	-	-	-	-	125,669	967,778
2021	31,173	-	94,496	-	-	-	-	-	125,669	842,109
2022	31,173	-	94,496	-	-	-	-	-	125,669	716,440
2023	31,173	-	94,496	-	-	-	-	-	125,669	590,771
2024	31,173	-	94,496	-	-	-	-	-	125,669	465,102
2025	31,173	-	94,496	-	-	-	-	16,459	142,128	454,647
2026	31,173	-	94,496	-	-	-	-	16,459	142,128	312,519
2027	31,173	-	94,496	-	-	-	-	16,459	142,128	170,391
2028	9,664	-	78,432	-	-	-	-	16,459	104,554	65,837
2029	-	-	-	-	-	-	-	16,459	16,459	49,378
2030	-	-	-	-	-	-	-	16,459	16,459	32,919
2031	-	-	-	-	-	-	-	16,459	16,459	16,459
2032	-	-	-	-	-	-	-	16,459	16,459	-
2033	-	-	-	-	-	-	-	-	-	-
Total Amount	321,393	-	834,400	-	-	-	-	131,673	1,287,466	

Deferred Inflows of Resources										
Fiscal Year Ending December 31	2018	2019	2020	2021	2022	2023	2024	2025	Total - Sum by Layer	Balance December 31
Amortization Period	10.3	9.3	8.8	7.0	7.0	7.0	7.0	8.0		
Deferred Amount	-	-	-	1,131,451	12,972	1,413,351	4,298	-	2,562,072	
2018	-	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-
2021	-	-	-	161,636	-	-	-	-	161,636	969,815
2022	-	-	-	161,636	1,853	-	-	-	163,489	819,298
2023	-	-	-	161,636	1,853	201,907	-	-	365,396	1,867,253
2024	-	-	-	161,636	1,853	201,907	614	-	366,010	1,505,541
2025	-	-	-	161,636	1,853	201,907	614	-	366,010	1,139,530
2026	-	-	-	161,636	1,853	201,907	614	-	366,010	773,520
2027	-	-	-	161,636	1,853	201,907	614	-	366,010	407,510
2028	-	-	-	-	1,853	201,907	614	-	204,374	203,135
2029	-	-	-	-	-	201,907	614	-	202,521	614
2030	-	-	-	-	-	-	614	-	614	-
2031	-	-	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-	-	-
Total Amount	-	-	-	1,131,451	12,972	1,413,351	4,298	-	2,562,072	

APPENDIX C
SCHEDULE OF DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES
DUE TO CHANGES IN ASSUMPTIONS AND INPUTS

Deferred Outflows of Resources										
Fiscal Year Ending December 31	2018	2019	2020	2021	2022	2023	2024	2025	Total - Sum by Layer	Balance December 31
Amortization Period	10.3	9.3	8.8	7.0	7.0	7.0	7.0	8.0		
Deferred Amount	185,464	-	89,126	5,661,667	-	462,591	-	883,199	7,282,047	
2018	17,989	-	-	-	-	-	-	-	17,989	167,475
2019	17,989	-	-	-	-	-	-	-	17,989	149,487
2020	17,989	-	10,094	-	-	-	-	-	28,082	210,530
2021	17,989	-	10,094	808,810	-	-	-	-	836,892	5,035,305
2022	17,989	-	10,094	808,810	-	-	-	-	836,892	4,198,413
2023	17,989	-	10,094	808,810	-	66,084	-	-	902,976	3,758,028
2024	17,989	-	10,094	808,810	-	66,084	-	-	902,976	2,855,052
2025	17,989	-	10,094	808,810	-	66,084	-	110,400	1,013,376	2,724,875
2026	17,989	-	10,094	808,810	-	66,084	-	110,400	1,013,376	1,711,499
2027	17,989	-	10,094	808,810	-	66,084	-	110,400	1,013,376	698,122
2028	5,577	-	8,378	-	-	66,084	-	110,400	190,438	507,684
2029	-	-	-	-	-	66,084	-	110,400	176,484	331,200
2030	-	-	-	-	-	-	-	110,400	110,400	220,800
2031	-	-	-	-	-	-	-	110,400	110,400	110,400
2032	-	-	-	-	-	-	-	110,400	110,400	-
2033	-	-	-	-	-	-	-	-	-	-
Total Amount	185,464	-	89,126	5,661,667	-	462,591	-	883,199	7,282,047	

Deferred Inflows of Resources										
Fiscal Year Ending December 31	2018	2019	2020	2021	2022	2023	2024	2025	Total - Sum by Layer	Balance December 31
Amortization Period	10.3	9.3	8.8	7.0	7.0	7.0	7.0	8.0		
Deferred Amount	-	25,705	-	-	2,386,308	-	512,660	-	2,924,673	
2018	-	-	-	-	-	-	-	-	-	-
2019	-	2,761	-	-	-	-	-	-	2,761	22,944
2020	-	2,761	-	-	-	-	-	-	2,761	20,183
2021	-	2,761	-	-	-	-	-	-	2,761	17,422
2022	-	2,761	-	-	340,901	-	-	-	343,662	2,060,068
2023	-	2,761	-	-	340,901	-	-	-	343,662	1,716,406
2024	-	2,761	-	-	340,901	-	73,237	-	416,899	1,812,166
2025	-	2,761	-	-	340,901	-	73,237	-	416,899	1,395,267
2026	-	2,761	-	-	340,901	-	73,237	-	416,899	978,368
2027	-	2,761	-	-	340,901	-	73,237	-	416,899	561,468
2028	-	856	-	-	340,901	-	73,237	-	414,994	146,474
2029	-	-	-	-	-	-	73,237	-	73,237	73,237
2030	-	-	-	-	-	-	73,237	-	73,237	-
2031	-	-	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-	-	-
Total Amount	-	25,705	-	-	2,386,308	-	512,660	-	2,924,673	

APPENDIX D SUMMARY OF PARTICIPANT DATA

Active Members

Age	Years of Service									Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 +	
0-19	-	-	-	-	-	-	-	-	-	-
20-24	8	-	-	-	-	-	-	-	-	8
25-29	45	2	-	-	-	-	-	-	-	47
30-34	63	13	2	-	-	-	-	-	-	78
35-39	55	28	7	1	-	-	-	-	-	91
40-44	63	20	15	11	1	-	-	-	-	110
45-49	48	27	11	5	3	1	-	-	-	95
50-54	41	27	10	12	7	1	-	-	-	98
55-59	42	21	14	12	12	10	6	-	-	117
60-64	28	18	14	13	7	5	4	1	1	91
65-69	8	10	2	5	3	2	2	-	-	32
70-74	2	1	1	-	1	-	1	2	1	9
75 & over	-	-	-	-	-	-	-	-	-	-
Total	403	167	76	59	34	19	13	3	2	776

Retirees & Beneficiaries

Age	Count
<49	1
50-54	-
55-59	1
60-64	10
65-69	42
70-74	43
75-79	27
80+	20
Total	144

APPENDIX E
PROJECTION OF EMPLOYER BENEFIT PAYMENTS

Fiscal Year Ending December 31	Benefit Payments
2026	\$161,112
2027	\$159,267
2028	\$158,763
2029	\$184,818
2030	\$212,832
2031	\$239,854
2032	\$262,232
2033	\$290,624
2034	\$309,544
2035	\$333,461

APPENDIX F

ACTUARIAL METHODS AND ASSUMPTIONS

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The required schedule of funding progress immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future.

Actuarial calculations reflect a long-term perspective.

Valuation Date:	December 31, 2025
Measurement Date:	December 31, 2025
Discount Rate:	4.42%
Inflation Rate:	2.00%
Salary Scale:	2.00%
Medical Plan Elections:	Future retirees are assumed to enroll in plans based on combined active employee and retiree plan elections (35% Premiera, 45% Kaiser Buy Up, 15% Kaiser Core and 5% Kaiser CDHP). Current retirees plan elections assumed to persist.
Life Insurance:	The cost of life insurance is estimated from net premiums computed using the interest and mortality assumptions disclosed in this Appendix F. The benefit is described in Appendix G.

Benefit Type	2026 Rate
Life	\$1.14

APPENDIX F

ACTUARIAL METHODS AND ASSUMPTIONS

Claim Costs: Age-adjusted premiums were used for claims costs. They were derived from the premiums and adjusted for the risk characteristics of the group. An illustration of the claim costs per member per month (before the application of trend factors) at quinquennial ages is as follows.

Sample Age	Premera		Kaiser Buy Up		Kaiser Core		Kaiser CDHP	
	Male	Female	Male	Female	Male	Female	Male	Female
55	\$1,454.04	\$1,463.46	\$1,085.75	\$1,092.78	\$925.96	\$931.96	\$897.83	\$903.65
60	\$1,964.47	\$1,774.23	\$1,466.89	\$1,324.84	\$1,251.01	\$1,129.87	\$1,213.00	\$1,095.54
65	\$1,385.92	\$1,192.55	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
70	\$1,577.90	\$1,359.51	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
75	\$1,721.40	\$1,475.96	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
80	\$1,803.89	\$1,520.85	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
85	\$1,825.89	\$1,537.69	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Participation by Retirees: 15% of future eligible retirees are assumed to choose to participate in the plan at retirement. Current retirees are assumed to persist in all future years prior to death.

Dependent Status: 40% of future retirees are assumed to have a covered spouse. Current marital status for current retirees is assumed to persist in all future years. Husbands are assumed to be three years older than wives. Retirees are assumed to have zero children.

Pre-Retirement Mortality: PubG.H-2016 Employee Mortality Table, Generational with Projection Scale MP-2021.

Post-Retirement Mortality: PubG.H-2016 Healthy Retiree Mortality Table, Generational with Projection Scale MP-2021.

APPENDIX F

ACTUARIAL METHODS AND ASSUMPTIONS

Claim Cost Trend:

It is assumed healthcare costs and retiree contributions increase at the same rate based on the rates shown below.

Year	Trend
2026	7.0%
2027	6.5%
2028	6.0%
2029	5.5%
2030	5.0%
2031	4.5%
2032+	4.0%

Employee Turnover:

Based on the most recent tables from the 2013-2018 Demographic Experience Study, published June 2020, and performed by the Washington State Public Retirement Systems.

Years of Service	PERS2	PERS3
0	26.0%	30.0%
1	15.0%	19.0%
2	10.5%	13.0%
3	8.0%	10.0%
4	6.5%	8.5%
5	6.0%	7.0%
6	5.5%	6.5%
7	5.0%	6.0%
8	4.5%	5.5%
9	4.0%	5.5%
10	4.0%	4.0%
11	3.5%	3.5%
12-15	3.0%	3.0%
16	2.5%	2.5%
17-21	2.0%	2.0%
22-25	1.5%	1.5%
26-30	1.0%	1.0%

APPENDIX F

ACTUARIAL METHODS AND ASSUMPTIONS

Employee Retirement:

Based on the most recent tables from the 2013-2018 Demographic Experience Study, published June 2020, and performed by the Washington State Public Retirement Systems.

Attained Age	YOS < 30		YOS 30+	
	PERS2	PERS3	PERS2	PERS3
<55	0%	0%	0%	0%
55	1%	1%	8%	4%
56	1%	1%	8%	4%
57	2%	1%	8%	4%
58	2%	1%	8%	5%
59	4%	2%	10%	10%
60	5%	2%	15%	12%
61	8%	6%	20%	15%
62	15%	12%	40%	35%
63	20%	12%	30%	25%
64	40%	20%	35%	30%
65	35%	35%	45%	45%
66	30%	30%	40%	40%
67	27%	27%	30%	30%
68-79	25%	25%	30%	30%
80	100%	100%	100%	100%

APPENDIX G

SUMMARY OF PLAN PROVISIONS

Eligibility for Retiree Benefits:

Retirees are eligible to continue medical, dental, vision and life insurance coverage. In addition, retirees are offered bus passes. To be eligible for medical, dental and vision coverage after retirement, employees must be covered as an active employee in the Transit Authority health program at the time of retirement, and meet the following conditions:

- For employees eligible to retire through PERS1,
 - Age 60 with 5 Years of Service
 - Any age with 30 Years of Service
- For employees eligible to retire through PERS2,
 - Age 65 with 5 Years of Service
 - Any age with 30 Years of Service
- For employees eligible to retire through PERS3,
 - Age 65 with 5 Years of Service
 - Age 55 with 10 Years of Service

To be eligible for the bus passes employees must satisfy one of the following requirements:

- Age 55 with 15 Years of Service
- Age 65 with 10 Years of Service
- Permanently and/or Totally Disabled with 15 Years of Service

To be eligible for the life insurance benefit employees must satisfy the following requirement:

- Amalgamated Transit Union Local 1015 member with 25 Years of Service

Dependent Eligibility:

Spouses and children of the retiree are eligible for the plan. Benefits continue upon the death of the retiree.

Dental and Vision Benefits:

Due to the immaterial implicit rate subsidy, dental and vision benefits have been excluded from the valuation.

Life Insurance Benefits:

The life insurance benefit is \$5,000 for eligible current and future retirees. Those eligible were indicated in the census. Retirees do not contribute to the cost of life insurance.

APPENDIX G

SUMMARY OF PLAN PROVISIONS

Medical Benefits:

Retirees can continue in the medical plan and can choose between the following plans. Upon becoming Medicare eligible (if applicable) retirees have the option of remaining in the Premera plan or moving to a fully-insured Kaiser Medicare Supplement plan.

- Premera (plan pays secondary once retirees qualify for Medicare)
- Kaiser Buy Up
- Kaiser Core
- Kaiser CDHP
- Kaiser Medicare Supplement (for retirees in Kaiser plans and eligible for Medicare)

Retirees pay 100% of the premiums. Retiree contributions are shown below. Due to the lack of an implicit rate subsidy, the Kaiser Medicare Supplement post-65 benefits have been excluded from the valuation.

Bus Passes:

Eligible retirees are offered free bus passes. However, due to the immateriality of this benefit, the impact was excluded from the valuation.

Retiree Contributions:

Monthly contributions for retirees effective 1/1/2026 for benefits included in the valuation are as follows:

Category	Single	Two Person
Premera	\$1,231.24	\$2,462.59
Kaiser Buy Up	\$808.19	\$1,616.38
Kaiser Core	\$689.25	\$1,378.50
Kaiser CDHP	\$668.31	\$1,336.62
Premera Medicare	\$706.97	\$1,414.01
Premera One On & One Off Medicare	N/A	\$1,938.26

APPENDIX H

GLOSSARY OF TERMS

Actuarial Present Value of Future Benefits (PVB):	The value of all benefits expected to be paid by the employer, net of expected retiree contributions, discounted to reflect the expected effects of the time value (present value) of money and the probabilities of payment.
Actuarial Accrued Liability (AAL):	The liability for past service, as determined by a particular Actuarial Cost Method.
Actuarial Cost Method:	A procedure for determining the Actuarial Present Value of benefits and expenses and for developing an actuarially equivalent allocation of such value to time periods, usually in the form of a Normal Cost (NC) and an Actuarial Accrued Liability (AAL)
Entry Age Normal Actuarial Cost Method:	A method under which the Actuarial Present Value (PVB) of the Projected Benefits of each individual included in the Actuarial Valuation is allocated on a level basis over the earnings of the individual between entry age and assumed exit age(s).
Net OPEB Liability:	The positive excess of the Actuarial Accrued Liability over the assets on the measurement date.
OPEB Expense:	The amount of expense recognized by the employer during the fiscal year. Equals the change to the OPB liability during the measurement period, with adjustment for deferral of experience and investment gains or losses.
Pay-as-You-Go:	A method of financing an OPEB plan under which the contributions to the plan are generally made at about the same time and in about the same amount as benefit payments and expenses becoming due.
Service Cost:	The portion of the Actuarial Present Value (PVB) which is allocated to a valuation year by the Actuarial Cost Method. Also referred to as Normal Cost.
Total OPEB Liability (TOL):	The Actuarial Accrued Liability on the measurement date.

APPENDIX I

ASOP 41 DISCLOSURES

The Actuarial Standards Board (ASB), vested by the U.S.-based actuarial organizations¹, promulgates actuarial standards of practice (ASOPs) for use by actuaries when providing professional services in the United States. Each of these organizations requires its members, through its Code of Professional Conduct², to observe the ASOPs of the ASB when practicing in the United States.

The ASOPs are not narrowly prescriptive and neither dictate a single approach nor mandate a particular outcome. ASOPs are intended to provide actuaries with a framework for performing professional assignments and to offer guidance on relevant issues, recommended practices, documentation, and disclosure. Each ASOP articulates a process of analysis, documentation, and disclosure that, in the ASB's judgment, constitutes appropriate practice within the scope and purpose of the ASOP.

ASOP 41 provides guidance to actuaries with respect to actuarial communications and requires certain disclosures which are contained in this Appendix.

Identification of the Responsible Actuary

The responsible actuary is Brian C. Stentz, ASA, MAAA, FCA, Vice President & Principal of Lewis & Ellis, LLC. This actuary is available to provide supplementary information and explanation.

Identification of Actuarial Documents

The date of this document is January 30, 2026, its subject is the Spokane Transit Authority's GASB 75 OPEB liabilities, and the document version identification is Version #2.

Disclosures in Actuarial Reports

- The contents of this report are intended for the use of the officers, employees, and elected officials of the Transit Authority and the Transit Authority's appointed auditor. The Transit Authority may distribute this report to those parties that have a legal right to require the Transit Authority to provide it, in which case it will be provided in its entirety including all assumptions, caveats, and limitations. In addition, we request that the Transit Authority notify Lewis & Ellis, LLC, to whom it was distributed.
- The purpose of this engagement was to provide the Transit Authority with analysis of the GASB 75 OPEB liabilities.
- The responsible actuary identified above is qualified as specified in the *Qualification Standards* of the American Academy of Actuaries.

¹ The American Academy of Actuaries (Academy), the American Society of Pension Professionals and Actuaries, the Casualty Actuarial Society, the Conference of Consulting Actuaries, and the Society of Actuaries.

² These organizations adopted identical *Codes of Professional Conduct* effective January 1, 2001

APPENDIX I

ASOP 41 DISCLOSURES

- Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.
- Actuarial computations under GASB 75 are for purposes of fulfilling financial accounting requirements of the Transit Authority. Determinations for purposes other than meeting these financial accounting requirements may be significantly different from the results contained in this report. These communications should not be relied upon for any other purpose.
- The Spokane Transit Authority has agreed to pay Lewis & Ellis, LLC, a fee for preparing this report. Other than with regard to that contract, we are financially and organizationally independent from the Transit Authority and any entity or individual related to the Transit Authority. There is nothing in our relationship with the Transit Authority that would impair or seem to impair the objectivity of our work.
- The Transit Authority provided the employee/retiree data, premium rates and other information used to prepare our report. We have reviewed the data for reasonableness but have not audited it. To the extent that there are material inaccuracies in the data, our results may be accordingly affected.
- The date through which data or other information has been considered in developing the findings included in this report is December 31, 2025.
- We are not aware of any subsequent events that may have a material effect on the actuarial findings.
- The various documents comprising the actuarial report are contained within the document to which these disclosures are attached.

Actuarial Findings

The actuarial findings of the report can be found in the report to which these disclosures are attached.

Methods, Procedures, Assumptions, and Data

The methods, procedures, assumptions and data used by the actuary can be found in the report to which these disclosures are attached.

Assumptions or Methods Prescribed by Law

While not legally binding, our determinations were made in accordance with our understanding of Statement No. 75 of the Governmental Accounting Standards Board. Actuarial computations under GASB 75 are for purposes of fulfilling employer accounting requirements. Determinations for purposes other than meeting such requirements may be significantly different from these results. Accordingly, additional determinations may be needed for other purposes.

APPENDIX I

ASOP 41 DISCLOSURES

Responsibility for Assumptions and Methods

The actuary does not disclaim responsibility for any material assumption(s) or method(s).

Deviation from the Guidance of an ASOP

The actuary has not deviated materially from the guidance set forth in an applicable ASOP.



RETIREE HEALTH PROJECTIONS
GASB STATEMENT NO. 75

FISCAL YEAR END 12/31/2024

SPOKANE TRANSIT AUTHORITY

JANUARY 20, 2025

LEWIS & ELLIS

BRIAN C. STENTZ, ASA, MAAA
ARI T. LOIBEN, ASA, MAAA, FCA, MS

January 20, 2025

Ms. Monique Liard
Chief Financial Officer
Spokane Transit Authority
1230 West Boone Avenue
Spokane, Washington 99201

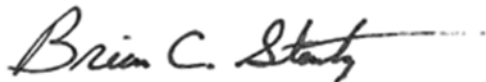
Re: GASB 75 Valuation for Fiscal Year End 12/31/2024

Dear Monique,

We are pleased to present our report on the analysis of the post-retirement health benefits provided by the Spokane Transit Authority. Our report includes a projection of benefit costs and a determination of disclosures as specified by GASB Statement 75.

We appreciate the opportunity to be of service. If you have any questions, please feel free to contact me.

Sincerely,



Brian C. Stentz, ASA, MAAA
Vice President & Principal



Ari T. Loiben, ASA, MAAA, FCA, MS
Vice President & Principal

Enclosures

TABLE OF CONTENTS

Executive Summary.....	1
Benefits and Contributions	1
Changes in Actuarial Assumptions	2
Discount Rate	2
Approach and Methodology	2
Notes to Financial Statement.....	3
Disclosures and Limitations.....	3
Actuarial Certification	4
Appendix A - Notes to Financial Statement	5
Appendix B - Required Supplementary Information.....	7
Appendix C - Schedule of Deferred Inflows and Outflows of Resources	8
Appendix D - Summary of Participant Data	10
Appendix E - Projection of Employer Benefit Payments.....	11
Appendix F - Actuarial Methods and Assumptions.....	12
Appendix G - Summary of Plan Provisions	16
Appendix H - Glossary of Terms	18
Appendix I - ASOP 41 Disclosures	19

EXECUTIVE SUMMARY

The Spokane Transit Authority (“the Transit Authority”) provides post-retirement medical, dental, vision and life insurance benefits as well as access to free bus passes on behalf of its eligible retirees. The Governmental Accounting Standards Board (“GASB”) adopted Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (“GASB 75”) to replace GASB 45. GASB 75 requires public employers to perform periodic actuarial valuations to measure and disclose their retiree healthcare liabilities for the financial statement of the employer.

GASB 75 allows a measurement date no earlier than one year and one day prior to the fiscal year end reporting date. For the reporting year ending December 31, 2024, we have used an actuarial valuation date of December 31, 2023, and a measurement date of December 31, 2024. The Total OPEB Liability was updated from the actuarial valuation date to the measurement date using standard actuarial roll-forward techniques.

Under GASB 75, employers are also required to consider any implicit subsidy that may be occurring. Medical costs generally increase with advancing age. Therefore, the medical costs for the retiree group are higher than the medical costs for the employee group, even taking Medicare into account. Stated another way, when a plan includes both employees and retirees, the blended premiums are almost always higher than what the premiums would be for employees, and lower than what the premiums would be for retirees, if each group were rated separately. The premium rate difference is referred to as the implicit rate subsidy.

The table below sets forth the key results of the GASB 75 disclosures for the fiscal year ending December 31, 2023, compared to the 12/31/2024 results.

	GASB 75	GASB 75
Valuation as of	12/31/2023	12/31/2023
Measurement Date	12/31/2023	12/31/2024
Reporting Date	12/31/2023	12/31/2024
Discount Rate	3.89%	4.22%
Total OPEB Liability (TOL)	\$5,180,970	\$5,509,989
OPEB Expense	\$823,512	\$1,190,426
Deferred Inflows of Resources	\$3,583,658	\$3,317,707
Deferred Outflows of Resources	\$4,348,799	\$3,320,154

BENEFITS AND CONTRIBUTIONS

The Transit Authority maintains fully-insured medical (one Premiera and three Kaiser plan options offered to pre-65 individuals and two options for those post-65 – a Premiera and Kaiser plan), dental, vision and life insurance coverage for eligible employees and retired employees and their dependents. The Transit Authority also offers access to free bus passes for retirees and their spouses meeting the eligibility requirements. The medical, dental and vision premiums are funded 100% by retiree

contributions. Due to the immaterial implicit rate subsidy for dental and vision coverage, these benefits have been excluded from our valuation. In addition, after a thorough review of the bus pass program offered to retirees, those liabilities have also been deemed immaterial and have been excluded from our valuation. For retirees eligible for Medicare, they have the option to remain in the fully-insured Premera plan (same plan as active employees and under-65 retirees; however, the plan pays secondary to Medicare) or enroll in a Kaiser Medicare Supplement (Med Supp) plan. Because retirees pay 100% of the Kaiser Med Supp plan and no implicit rate subsidy exists, this coverage has been excluded from our valuation. Therefore, the projected liabilities reflected in the valuation are based on the pre-65 medical, post-65 Premera and the life insurance benefits.

The retiree life insurance benefit was increased from \$2,000 to \$5,000 in 2025. This resulted in an increase in the Total OPEB Liability and was included as a Change in Benefit Terms.

To be eligible to continue coverage under the Transit Authority's plan, employees must satisfy the retirement eligibility requirements outlined in Appendix G. Retiree contributions are collected for medical coverage. A summary of the current retiree contributions is included in Appendix G as well.

CHANGES IN ACTUARIAL ASSUMPTIONS

Our valuation of the Transit Authority's plan is based on assumptions with regard to the survival of plan members, the average per-capita claims costs, when current employees are expected to retire, and so forth. The assumptions were derived from a combination of plan experience and actuarial judgement and are disclosed in Appendix F attached to this report.

- **Discount Rate:** The discount rate was increased from 3.89% to 4.22%. See the next section for more details. This resulted in a decrease in the Total OPEB Liability.

Medical Trend: We updated the first-year medical trends applied to claim costs and retiree contributions consistent with actual premium changes from 2024 to 2025. This resulted in a decrease in the Total OPEB Liability.

DISCOUNT RATE

One of the most important assumptions is the discount rate, which is used by the model to compute the present value of future post-retirement benefits. The higher the discount rate, the lower the present values, and therefore the OPEB cost. For plans that are not funded through irrevocable trusts, paragraph 36 of GASB 75 requires that the discount rate equal the "expected yield or index rate for 20-year, tax-exempt obligation municipal bonds with an average rating of AA/Aa or higher..." determined as of the measurement date, which in this case is December 31, 2024.

For the valuation, we used the average of the Fidelity Municipal Bond AA 20 Year Yield (4.16%) and the S&P Municipal Bond 20-Year High Grade Index (4.28%) as of the measurement date, which is 4.22%.

APPROACH AND METHODOLOGY

Our general approach is to apply assumed retirement probabilities and survivorship factors to the current profile of covered members, along with projected benefits, expenses, and retiree contributions,

to estimate total OPEB benefits for future retirees and their dependents over each individual's respective lifetime.

Our projections of the benefits are based on employee census information, historical and expected claims experience, historical and expected fully-insured premiums, retiree contribution rates and other information provided by the Transit Authority. We have reviewed the data for reasonableness but have not audited it. To the extent that there are material inaccuracies in the data, our results are accordingly affected.

The Transit Authority provided us with a census as of the valuation date of current active employees, including age, current plan elected, and dependent status. The data was taken as of December 31, 2023. As of the start of our projection, there were 715 eligible active members and 149 retirees and beneficiaries currently receiving post-employment medical, life and bus pass benefits.

Our actuarial model computes a present value of all future net costs (after recognition of retiree contributions) and allocates a portion of that present value to the current fiscal year. The methodology of that allocation is called an "Actuarial Cost Method." GASB 75 requires the use of the Entry Age, Level Percent of Pay method.

For current employees, the Entry Age cost method spreads the actuarial present value of future benefits ("PVB") from the employee's date of hire to the expected retirement date as a level percent of expected salary. The portion of the PVB attributable to the current fiscal year is called the Service Cost under GASB 75. The portion attributable to service prior to the current fiscal year is called the Total OPEB Liability ("TOL") under GASB 75.

NOTES TO FINANCIAL STATEMENT

Paragraphs 50 through 58 of Statement 75 describe the information that employers should include in the notes to their financial statements.

We have provided the actuarial information that is required to be disclosed in the Notes to the Financial Statement in Appendix A and Appendix B. We are available to discuss any other aspects of the required disclosures, as needed by the Transit Authority.

DISCLOSURES AND LIMITATIONS

See Appendix I.

ACTUARIAL CERTIFICATION

This actuarial valuation has been prepared and presented in accordance with the terms of GASB Statements No. 75. I make no representation to the applicability of this report for any purpose other than that for which it was originally provided and accept no responsibility or liability in this regard.

In preparing the results presented in this report, I have relied upon information provided by the Transit Authority regarding plan provisions and plan participants. I have reviewed this information for reasonableness but have not audited it. The accuracy of the results presented in this letter is dependent upon the accuracy and completeness of the underlying information.

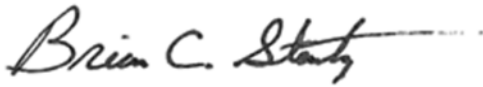
All costs, liabilities and other factors under the plan were determined in accordance with generally accepted actuarial principles and procedures using assumptions that I believe reasonably estimate the anticipated experience of the plan. The calculations reported herein are consistent with my understanding of the provisions of GASB Statement 75.

The determination of present values, cost allocations and future cash flows have been performed in accordance with generally accepted actuarial principles as set forth in the following Actuarial Standards of Practice:

- ASOP No. 6 – Measuring Retiree Group Benefit Obligations
- ASOP No. 21 – Responding to or Assisting Auditors or Examiners in Connection with Financial Statements for All Practice Areas
- ASOP No. 23 – Data Quality
- ASOP No. 41 – Actuarial Communications

The undersigned actuary is a member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

I believe the contents of this report fully and fairly disclose the actuarial position of the plan. I am available to respond to any questions on the information contained in the results and to provide explanation or further details as may be appropriate.



Brian C. Stentz, ASA, MAAA
Vice President & Principal
Lewis & Ellis, LLC

APPENDIX A

NOTES TO FINANCIAL STATEMENT

Assumptions and Other Inputs	
Actuarial Assumptions: The Total OPEB Liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.	
Measurement Date	December 31, 2024
Actuarial Valuation Date:	December 31, 2023
Inflation:	2.00%
Salary Increases:	2.00%
Discount Rate:	4.22%
Prior Year Discount Rate:	3.89%
Health Care Cost Trend Rates:	See Appendix F
Retirees' Share of Benefit-Related Costs:	See Appendix G
The discount rate was based on the average 12/31/2024 Fidelity Municipal Bond AA 20-Year Yield and the 12/31/2024 S&P Municipal Bond 20-Year High Grade Index.	
Mortality rates for active employees were based on the PubG.H-2010 Employee Mortality Table, Generational with Projection Scale MP-2021 for males or females, as appropriate.	
Mortality rates for retirees/disabled employees were based on the PubG.H-2010 Healthy Retiree Mortality Table, Generational with Projection Scale MP-2021 for males or females, as appropriate.	

OPEB Plan - Number of Employees Covered	
Inactive employees currently receiving benefits payments	149
Inactive employees entitled to but not yet receiving benefit payments	0
Active Employees	715
Total	864

Changes in Total OPEB Liability	
Balance at 12/31/2023	\$5,180,970
Changes for the year:	
Service Cost	366,436
Interest	213,874
Differences between expected and actual experience	(4,298)
Changes in Assumptions/Inputs	(512,660)
Change in Benefit Terms	364,380
Benefit payments	(98,713)
Administrative Expense	0
Net Changes	\$329,019
Balance at 12/31/2024	\$5,509,989

APPENDIX A
NOTES TO FINANCIAL STATEMENT

Sensitivity of the Total OPEB Liability			
	1% Decrease	No Change	1% Increase
Discount Rate:	\$6,566,252	\$5,509,989	\$4,674,369
Healthcare Cost Trend Rates:	\$4,627,904	\$5,509,989	\$6,670,782

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB		
OPEB Expense		
Service Cost		\$366,436
Interest on Liabilities		\$213,874
Difference between Actual and Expected Experience		(\$240,341)
Changes in Assumptions/Inputs		\$486,077
Change in Benefit Terms		\$364,380
Total OPEB Expense		\$1,190,426
Deferred Outflows and Inflows		
	Outflows	Inflows
Differences between actual and expected experience	\$465,102	\$1,505,541
Changes of assumptions or other inputs	\$2,855,052	\$1,812,166
Employer amounts for OPEB subsequent to measurement date	\$0	\$0
Total Deferred Outflows and Inflows	\$3,320,154	\$3,317,707
Amounts reported and deferred outflows of resources and deferred inflows of resources related to OPEB expense will be recognized in OPEB expense as follows:		
Year Ended December 31:		
2025	\$245,736	
2026	\$245,736	
2027	\$245,736	
2028	(\$451,235)	
2029	(\$209,674)	
Thereafter	(\$73,851)	

APPENDIX B
REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in the Total OPEB Liability and Related Ratios							
	2018	2019	2020	2021	2022	2023	2024
Total OPEB Liability							
Service Cost	\$91,402	\$171,746	\$217,466	\$221,815	\$447,018	\$255,950	\$366,436
Interest	\$58,224	\$47,063	\$58,381	\$66,151	\$164,572	\$247,975	\$213,874
Changes of benefit terms	\$0	\$0	\$0	\$0	\$0	\$0	\$364,380
Differences btwn expected and actual experience	\$321,393	\$0	\$834,400	(\$1,131,451)	(\$12,972)	(\$1,413,351)	(\$4,298)
Changes in assumptions or other inputs	\$185,464	(\$25,705)	\$89,126	\$5,661,667	(\$2,386,308)	\$462,591	(\$512,660)
Change in Actuarial Cost Method	(\$130,339)	\$0	\$0	\$0	\$0	\$0	\$0
Benefit payments	(\$67,875)	(\$85,485)	(\$126,796)	(\$135,535)	(\$136,094)	(\$97,327)	(\$98,713)
Net Change in Total OPEB Liability	\$458,269	\$107,619	\$1,072,577	\$4,682,647	(\$1,923,784)	(\$544,162)	\$329,019
Total OPEB Liability - beginning	\$1,327,804	\$1,786,073	\$1,893,692	\$2,966,269	\$7,648,916	\$5,725,132	\$5,180,970
Total OPEB Liability - end	\$1,786,073	\$1,893,692	\$2,966,269	\$7,648,916	\$5,725,132	\$5,180,970	\$5,509,989
Covered Employee Payroll			\$38,893,413	\$39,206,523	\$39,990,653	\$47,524,051	\$57,955,614
Total OPEB Liability as a percentage of covered employee payroll			7.6%	19.5%	14.3%	10.9%	9.5%
Notes to Schedule:							
<i>Changes of Benefit Terms:</i>	The life insurance benefit increased from \$2,000 to \$5,000 for those eligible for the benefit.						
<i>Changes of Assumptions:</i>	The summary of the key actuarial assumptions is included in Appendix F.						
	The following assumptions have been revised: discount rate and healthcare cost trends.						
	Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:						
	2018	4.10%					
	2019	2.74%					
	2020	2.12%					
	2021	2.05%					
	2022	4.18%					
	2023	3.89%					
	2024	4.22%					

APPENDIX C

SCHEDULE OF DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES
DUE TO ECONOMIC/DEMOGRAPHIC GAINS/LOSSES

Deferred Outflows of Resources									
Fiscal Year Ending December 31	2018	2019	2020	2021	2022	2023	2024	Total - Sum by Layer	Balance December 31
Amortization Period	10.3	9.3	8.8	7.0	7.0	7.0	7.0		
Deferred Amount	321,393	-	834,400	-	-	-	-	1,155,793	
2018	31,173							31,173	290,220
2019	31,173	-						31,173	259,047
2020	31,173	-	94,496					125,669	967,778
2021	31,173	-	94,496	-				125,669	842,109
2022	31,173	-	94,496	-	-			125,669	716,440
2023	31,173	-	94,496	-	-	-		125,669	590,771
2024	31,173	-	94,496	-	-	-	-	125,669	465,102
2025	31,173	-	94,496	-	-	-	-	125,669	339,433
2026	31,173	-	94,496	-	-	-	-	125,669	213,764
2027	31,173	-	94,496	-	-	-	-	125,669	88,095
2028	9,664	-	78,432	-	-	-	-	88,095	-
2029	-	-	-	-	-	-	-	-	-
2030	-	-	-	-	-	-	-	-	-
2031	-	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-	-
Total Amount	321,393	-	834,400	-	-	-	-	1,155,793	

Deferred Inflows of Resources									
Fiscal Year Ending December 31	2018	2019	2020	2021	2022	2023	2024	Total - Sum by Layer	Balance December 31
Amortization Period	10.3	9.3	8.8	7.0	7.0	7.0	7.0		
Deferred Amount	-	-	-	1,131,451	12,972	1,413,351	4,298	2,562,072	
2018	-							-	-
2019	-	-						-	-
2020	-	-	-					-	-
2021	-	-	-	161,636				161,636	969,815
2022	-	-	-	161,636	1,853			163,489	819,298
2023	-	-	-	161,636	1,853	201,907		365,396	1,867,253
2024	-	-	-	161,636	1,853	201,907	614	366,010	1,505,541
2025	-	-	-	161,636	1,853	201,907	614	366,010	1,139,530
2026	-	-	-	161,636	1,853	201,907	614	366,010	773,520
2027	-	-	-	161,636	1,853	201,907	614	366,010	407,510
2028	-	-	-	-	1,853	201,907	614	204,374	203,135
2029	-	-	-	-	-	201,907	614	202,521	614
2030	-	-	-	-	-	-	614	614	-
2031	-	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-	-
Total Amount	-	-	-	1,131,451	12,972	1,413,351	4,298	2,562,072	

APPENDIX C

SCHEDULE OF DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES
DUE TO CHANGES IN ASSUMPTIONS AND INPUTS

Deferred Outflows of Resources									
Fiscal Year Ending December 31	2018	2019	2020	2021	2022	2023	2024	Total - Sum by Layer	Balance December 31
Amortization Period	10.3	9.3	8.8	7.0	7.0	7.0	7.0		
Deferred Amount	185,464	-	89,126	5,661,667	-	462,591	-	6,398,848	
2018	17,989							17,989	167,475
2019	17,989	-						17,989	149,487
2020	17,989	-	10,094					28,082	210,530
2021	17,989	-	10,094	808,810				836,892	5,035,305
2022	17,989	-	10,094	808,810	-			836,892	4,198,413
2023	17,989	-	10,094	808,810	-	66,084		902,976	3,758,028
2024	17,989	-	10,094	808,810	-	66,084	-	902,976	2,855,052
2025	17,989	-	10,094	808,810	-	66,084	-	902,976	1,952,076
2026	17,989	-	10,094	808,810	-	66,084	-	902,976	1,049,099
2027	17,989	-	10,094	808,810	-	66,084	-	902,976	146,123
2028	5,577	-	8,378	-	-	66,084	-	80,039	66,084
2029	-	-	-	-	-	66,084	-	66,084	-
2030	-	-	-	-	-	-	-	-	-
2031	-	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-	-
Total Amount	185,464	-	89,126	5,661,667	-	462,591	-	6,398,848	

Deferred Inflows of Resources									
Fiscal Year Ending December 31	2018	2019	2020	2021	2022	2023	2024	Total - Sum by Layer	Balance December 31
Amortization Period	10.3	9.3	8.8	7.0	7.0	7.0	7.0		
Deferred Amount	-	25,705	-	-	2,386,308	-	512,660	2,924,673	
2018	-							-	-
2019	-	2,761						2,761	22,944
2020	-	2,761	-					2,761	20,183
2021	-	2,761	-	-				2,761	17,422
2022	-	2,761	-	-	340,901			343,662	2,060,068
2023	-	2,761	-	-	340,901	-		343,662	1,716,406
2024	-	2,761	-	-	340,901	-	73,237	416,899	1,812,166
2025	-	2,761	-	-	340,901	-	73,237	416,899	1,395,267
2026	-	2,761	-	-	340,901	-	73,237	416,899	978,368
2027	-	2,761	-	-	340,901	-	73,237	416,899	561,468
2028	-	856	-	-	340,901	-	73,237	414,994	146,474
2029	-	-	-	-	-	-	73,237	73,237	73,237
2030	-	-	-	-	-	-	73,237	73,237	-
2031	-	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-	-
Total Amount	-	25,705	-	-	2,386,308	-	512,660	2,924,673	

APPENDIX D SUMMARY OF PARTICIPANT DATA

Active Members

Age	Years of Service									Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 +	
0-19	-	-	-	-	-	-	-	-	-	-
20-24	13	-	-	-	-	-	-	-	-	13
25-29	33	3	-	-	-	-	-	-	-	36
30-34	49	14	2	-	-	-	-	-	-	65
35-39	50	26	4	1	-	-	-	-	-	81
40-44	39	26	4	10	1	-	-	-	-	80
45-49	48	15	10	7	4	-	-	-	-	84
50-54	47	29	9	10	10	3	2	-	-	110
55-59	27	22	15	18	9	8	3	-	-	102
60-64	29	27	10	13	4	11	4	2	1	101
65-69	9	3	2	11	5	3	3	-	-	36
70-74	2	-	1	1	-	-	1	1	1	7
75 & over	-	-	-	-	-	-	-	-	-	-
Total	346	165	57	71	33	25	13	3	2	715

Retirees & Beneficiaries

Age	Count
<49	-
50-54	-
55-59	2
60-64	17
65-69	44
70-74	44
75-79	23
80+	19
Total	149

APPENDIX E
PROJECTION OF EMPLOYER BENEFIT PAYMENTS

Fiscal Year Ending December 31	Benefit Payments
2025	\$114,088
2026	\$118,105
2027	\$133,323
2028	\$152,707
2029	\$174,114
2030	\$191,279
2031	\$212,986
2032	\$230,906
2033	\$255,129
2034	\$266,871

APPENDIX F

ACTUARIAL METHODS AND ASSUMPTIONS

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The required schedule of funding progress immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future.

Actuarial calculations reflect a long-term perspective.

Valuation Date:	December 31, 2023
Measurement Date:	December 31, 2024
Discount Rate:	4.22%
Inflation Rate:	2.00%
Salary Scale:	2.00%
Medical Plan Elections:	Future retirees are assumed to enroll in plans based on combined active employee and retiree plan elections (30% Premera, 50% Kaiser Buy Up, 15% Kaiser Core and 5% Kaiser CDHP). Current retirees plan elections assumed to persist.
Life Insurance:	The cost of life insurance is estimated from net premiums computed using the interest and mortality assumptions disclosed in this Appendix F. The benefit is described in Appendix G.

Benefit Type	2024 Rate	2025 Rate
Life	\$5.76	\$11.40

APPENDIX F

ACTUARIAL METHODS AND ASSUMPTIONS

Claim Costs: Age-adjusted premiums were used for claims costs. They were derived from the premiums and adjusted for the risk characteristics of the group. An illustration of the claim costs per member per month (before the application of trend factors) at quinquennial ages is as follows.

Sample Age	Premera		Kaiser Buy Up		Kaiser Core		Kaiser CDHP	
	Male	Female	Male	Female	Male	Female	Male	Female
55	\$1,256.00	\$1,264.13	\$937.22	\$943.29	\$799.32	\$804.50	\$780.25	\$785.30
60	\$1,696.90	\$1,532.58	\$1,266.21	\$1,143.60	\$1,079.91	\$975.34	\$1,054.14	\$952.06
65	\$1,197.28	\$1,030.23	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
70	\$1,363.14	\$1,174.47	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
75	\$1,487.10	\$1,275.07	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
80	\$1,558.37	\$1,313.85	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
85	\$1,577.37	\$1,328.40	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Participation by Retirees: 15% of future eligible retirees are assumed to choose to participate in the plan at retirement. Current retirees are assumed to persist in all future years prior to death.

Dependent Status: 40% of future retirees are assumed to have a covered spouse. Current marital status for current retirees is assumed to persist in all future years. Husbands are assumed to be three years older than wives. Retirees are assumed to have zero children.

Pre-Retirement Mortality: PubG.H-2010 Employee Mortality Table, Generational with Projection Scale MP-2021.

Post-Retirement Mortality: PubG.H-2010 Healthy Retiree Mortality Table, Generational with Projection Scale MP-2021.

APPENDIX F

ACTUARIAL METHODS AND ASSUMPTIONS

Claim Cost Trend:

It is assumed healthcare costs and retiree contributions increase at the same rate based on the rates shown below. The 2024 trend was revised in the current valuation based on actual increases for 2024-2025: 3.9% for Premera, 6.9% for Kaiser Buy Up and Core, and 6.5% for Kaiser CDHP.

Year	Trend
2024	See Above
2025	7.5%
2026	7.0%
2027	6.5%
2028	6.0%
2029	5.5%
2030	5.0%
2031	4.5%
2032+	4.0%

Employee Turnover:

Based on the most recent tables from the 2013-2018 Demographic Experience Study, published June 2020, and performed by the Washington State Public Retirement Systems.

Years of Service	PERS2	PERS3
0	26.0%	30.0%
1	15.0%	19.0%
2	10.5%	13.0%
3	8.0%	10.0%
4	6.5%	8.5%
5	6.0%	7.0%
6	5.5%	6.5%
7	5.0%	6.0%
8	4.5%	5.5%
9	4.0%	5.5%
10	4.0%	4.0%
11	3.5%	3.5%
12-15	3.0%	3.0%
16	2.5%	2.5%
17-21	2.0%	2.0%
22-25	1.5%	1.5%
26-30	1.0%	1.0%

APPENDIX F

ACTUARIAL METHODS AND ASSUMPTIONS

Employee Retirement:

Based on the most recent tables from the 2013-2018 Demographic Experience Study, published June 2020, and performed by the Washington State Public Retirement Systems.

Attained Age	YOS < 30		YOS 30+	
	PERS2	PERS3	PERS2	PERS3
<55	0%	0%	0%	0%
55	1%	1%	8%	4%
56	1%	1%	8%	4%
57	2%	1%	8%	4%
58	2%	1%	8%	5%
59	4%	2%	10%	10%
60	5%	2%	15%	12%
61	8%	6%	20%	15%
62	15%	12%	40%	35%
63	20%	12%	30%	25%
64	40%	20%	35%	30%
65	35%	35%	45%	45%
66	30%	30%	40%	40%
67	27%	27%	30%	30%
68-79	25%	25%	30%	30%
80	100%	100%	100%	100%

APPENDIX G

SUMMARY OF PLAN PROVISIONS

Eligibility for Retiree Benefits:

Retirees are eligible to continue medical, dental, vision and life insurance coverage. In addition, retirees are offered bus passes. To be eligible for medical, dental and vision coverage after retirement, employees must be covered as an active employee in the Transit Authority health program at the time of retirement, and meet the following conditions:

- For employees eligible to retire through PERS1,
 - Age 60 with 5 Years of Service
 - Any age with 30 Years of Service
- For employees eligible to retire through PERS2,
 - Age 65 with 5 Years of Service
 - Any age with 30 Years of Service
- For employees eligible to retire through PERS3,
 - Age 65 with 5 Years of Service
 - Age 55 with 10 Years of Service

To be eligible for the bus passes employees must satisfy one of the following requirements:

- Age 55 with 15 Years of Service
- Age 65 with 10 Years of Service
- Permanently and/or Totally Disabled with 15 Years of Service

To be eligible for the life insurance benefit employees must satisfy the following requirement:

- Amalgamated Transit Union Local 1015 member with 25 Years of Service

Dependent Eligibility:

Spouses and children of the retiree are eligible for the plan. Benefits continue upon the death of the retiree.

Dental and Vision Benefits:

Due to the immaterial implicit rate subsidy, dental and vision benefits have been excluded from the valuation.

Life Insurance Benefits:

The life insurance benefit increased from \$2,000 to \$5,000 in 2025 for those eligible current and future retirees. Those eligible were indicated in the census. Retirees do not contribute to the cost of life insurance.

APPENDIX G

SUMMARY OF PLAN PROVISIONS

Medical Benefits:

Retirees can continue in the medical plan and can choose between the following plans. Upon becoming Medicare eligible (if applicable) retirees have the option of remaining in the Premera plan or moving to a fully-insured Kaiser Medicare Supplement plan.

- o Premera (plan pays secondary once retirees qualify for Medicare)
- o Kaiser Buy Up
- o Kaiser Core
- o Kaiser CDHP
- o Kaiser Medicare Supplement (for retirees in Kaiser plans and eligible for Medicare)

Retirees pay 100% of the premiums. Retiree contributions are shown below. Due to the lack of an implicit rate subsidy, the Kaiser Medicare Supplement post-65 benefits have been excluded from the valuation.

Bus Passes:

Eligible retirees are offered free bus passes. However, due to the immateriality of this benefit, the impact was excluded from the valuation.

Retiree Contributions:

Monthly contributions for retirees effective 1/1/2024 for benefits included in the valuation are as follows:

Category	Single	Two Person
Premera	\$1,155.46	\$2,311.02
Kaiser Buy Up	\$707.11	\$1,414.23
Kaiser Core	\$603.07	\$1,206.13
Kaiser CDHP	\$588.68	\$1,177.37
Premera Medicare	\$663.53	\$1,327.13
Premera One On & One Off Medicare	N/A	\$1,819.04

Monthly contributions for retirees effective 1/1/2025 for benefits included in the valuation are as follows:

Category	Single	Two Person
Premera	\$1,200.53	\$2,401.15
Kaiser Buy Up	\$755.78	\$1,511.56
Kaiser Core	\$644.57	\$1,289.14
Kaiser CDHP	\$627.14	\$1,254.28
Premera Medicare	\$689.41	\$1,378.89
Premera One On & One Off Medicare	N/A	\$1,889.98

APPENDIX H

GLOSSARY OF TERMS

Actuarial Present Value of Future Benefits (PVB):	The value of all benefits expected to be paid by the employer, net of expected retiree contributions, discounted to reflect the expected effects of the time value (present value) of money and the probabilities of payment.
Actuarial Accrued Liability (AAL):	The liability for past service, as determined by a particular Actuarial Cost Method.
Actuarial Cost Method:	A procedure for determining the Actuarial Present Value of benefits and expenses and for developing an actuarially equivalent allocation of such value to time periods, usually in the form of a Normal Cost (NC) and an Actuarial Accrued Liability (AAL)
Entry Age Normal Actuarial Cost Method:	A method under which the Actuarial Present Value (PVB) of the Projected Benefits of each individual included in the Actuarial Valuation is allocated on a level basis over the earnings of the individual between entry age and assumed exit age(s).
Net OPEB Liability:	The positive excess of the Actuarial Accrued Liability over the assets on the measurement date.
OPEB Expense:	The amount of expense recognized by the employer during the fiscal year. Equals the change to the OPB liability during the measurement period, with adjustment for deferral of experience and investment gains or losses.
Pay-as-You-Go:	A method of financing an OPEB plan under which the contributions to the plan are generally made at about the same time and in about the same amount as benefit payments and expenses becoming due.
Service Cost:	The portion of the Actuarial Present Value (PVB) which is allocated to a valuation year by the Actuarial Cost Method. Also referred to as Normal Cost.
Total OPEB Liability (TOL):	The Actuarial Accrued Liability on the measurement date.

APPENDIX I

ASOP 41 DISCLOSURES

The Actuarial Standards Board (ASB), vested by the U.S.-based actuarial organizations¹, promulgates actuarial standards of practice (ASOPs) for use by actuaries when providing professional services in the United States. Each of these organizations requires its members, through its Code of Professional Conduct², to observe the ASOPs of the ASB when practicing in the United States.

The ASOPs are not narrowly prescriptive and neither dictate a single approach nor mandate a particular outcome. ASOPs are intended to provide actuaries with a framework for performing professional assignments and to offer guidance on relevant issues, recommended practices, documentation, and disclosure. Each ASOP articulates a process of analysis, documentation, and disclosure that, in the ASB's judgment, constitutes appropriate practice within the scope and purpose of the ASOP.

ASOP 41 provides guidance to actuaries with respect to actuarial communications and requires certain disclosures which are contained in this Appendix.

Identification of the Responsible Actuary

The responsible actuary is Brian C. Stentz, ASA, MAAA, Vice President & Principal of Lewis & Ellis, LLC. This actuary is available to provide supplementary information and explanation.

Identification of Actuarial Documents

The date of this document is January 20, 2025, its subject is the Spokane Transit Authority's GASB 75 OPEB liabilities, and the document version identification is Version #2 (1/20/2025 10:09 AM).

Disclosures in Actuarial Reports

- The contents of this report are intended for the use of the officers, employees, and elected officials of the Transit Authority and the Transit Authority's appointed auditor. The Transit Authority may distribute this report to those parties that have a legal right to require the Transit Authority to provide it, in which case it will be provided in its entirety including all assumptions, caveats, and limitations. In addition, we request that the Transit Authority notify Lewis & Ellis, LLC, to whom it was distributed.
- The purpose of this engagement was to provide the Transit Authority with analysis of the GASB 75 OPEB liabilities.
- The responsible actuary identified above is qualified as specified in the *Qualification Standards* of the American Academy of Actuaries.

¹ The American Academy of Actuaries (Academy), the American Society of Pension Professionals and Actuaries, the Casualty Actuarial Society, the Conference of Consulting Actuaries, and the Society of Actuaries.

² These organizations adopted identical *Codes of Professional Conduct* effective January 1, 2001

APPENDIX I

ASOP 41 DISCLOSURES

- Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.
- Actuarial computations under GASB 75 are for purposes of fulfilling financial accounting requirements of the Transit Authority. Determinations for purposes other than meeting these financial accounting requirements may be significantly different from the results contained in this report. These communications should not be relied upon for any other purpose.
- The Spokane Transit Authority has agreed to pay Lewis & Ellis, LLC, a fee for preparing this report. Other than with regard to that contract, we are financially and organizationally independent from the Transit Authority and any entity or individual related to the Transit Authority. There is nothing in our relationship with the Transit Authority that would impair or seem to impair the objectivity of our work.
- The Transit Authority provided the employee/retiree data, premium rates and other information used to prepare our report. We have reviewed the data for reasonableness but have not audited it. To the extent that there are material inaccuracies in the data, our results may be accordingly affected.
- The date through which data or other information has been considered in developing the findings included in this report is December 31, 2024.
- We are not aware of any subsequent events that may have a material effect on the actuarial findings.
- The various documents comprising the actuarial report are contained within the document to which these disclosures are attached.

Actuarial Findings

The actuarial findings of the report can be found in the report to which these disclosures are attached.

Methods, Procedures, Assumptions, and Data

The methods, procedures, assumptions and data used by the actuary can be found in the report to which these disclosures are attached.

Assumptions or Methods Prescribed by Law

While not legally binding, our determinations were made in accordance with our understanding of Statement No. 75 of the Governmental Accounting Standards Board. Actuarial computations under GASB 75 are for purposes of fulfilling employer accounting requirements. Determinations for purposes other than meeting such requirements may be significantly different from these results. Accordingly, additional determinations may be needed for other purposes.

APPENDIX I

ASOP 41 DISCLOSURES

Responsibility for Assumptions and Methods

The actuary does not disclaim responsibility for any material assumption(s) or method(s).

Deviation from the Guidance of an ASOP

The actuary has not deviated materially from the guidance set forth in an applicable ASOP.