

# **WESTERN PLACER WASTE MANAGEMENT AUTHORITY**

**Roseville, California**

## **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FOR THE FISCAL YEARS ENDED  
JUNE 30, 2021 AND 2020**



**PREPARED BY:**

**Placer County Auditor-Controller's Office**

# WESTERN PLACER WASTE MANAGEMENT AUTHORITY

## TABLE OF CONTENTS

### Page(s)

#### **Introductory Section**

Transmittal Letter.....	i-v
Board of Directors and Managing Staff.....	vi
Organizational Chart.....	vii
GFOA Certificate of Achievement .....	viii

#### **Financial Section**

<b>Independent Auditor's Report.....</b>	<b>1-2</b>
------------------------------------------	------------

<b>Management's Discussion and Analysis (Required Supplementary Information) .....</b>	<b>3-11</b>
----------------------------------------------------------------------------------------	-------------

#### **Basic Financial Statements:**

Statements of Net Position .....	12
Statements of Revenues, Expenses and Changes in Net Position.....	13
Statements of Cash Flows .....	14
Notes to the Basic Financial Statements .....	15-22

#### **Statistical Section**

Narrative of Categories of Statistical Section .....	23
Net Position by Component .....	24-25
Total Annual Revenues .....	26-27
Total Annual Expenses .....	28-29
Changes in Net Position .....	30-31
Schedule of Current Tipping Fees.....	32
Ten Largest Principal Customers .....	33
Customer Accounts .....	34
Demographic and Economic Statistics.....	35
Ten Largest Employers .....	36
Operating Indicators.....	37
Schedule of Annual Refuse Tonnage .....	38

#### **Other Report**

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	39-40
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BILL HALLDIN, ROCKLIN, CHAIR  
DAN KARLESKINT, LINCOLN  
ROBERT WEYGANDT, PLACER COUNTY  
PAULINE ROCCUCCI, ROSEVILLE  
BONNIE GORE, PLACER COUNTY  
KEN GREHM, EXECUTIVE DIRECTOR

December 15, 2021

To the Board of Directors and Citizens of Placer County:

The Annual Comprehensive Financial Report (ACFR) of the Western Placer Waste Management Authority (Authority) for the fiscal year ended June 30, 2021 is hereby submitted. This report consists of management's representations concerning the finances of the Authority. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the Authority has established a comprehensive internal control framework that is designed both to protect the Authority's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the Authority's financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). Because the costs of internal controls should not outweigh their benefits, the Authority's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, the information contained herein is complete and reliable in all material respects.

The Authority's financial statements have been audited by CliftonLarsonAllen, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements for the fiscal year ended June 30, 2021 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Authority's basic financial statements for the fiscal year ended June 30, 2021, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Authority's MD&A can be found immediately following the report of the independent auditor.

### **Profile of the Authority**

The Authority is a public entity created on October 3, 1978 by a joint exercise of powers agreement between the County of Placer (County) and the Cities of Roseville, Rocklin, and Lincoln. The Authority is a separate and distinct entity from both the County and Cities, formed pursuant to Chapter 5, Division 7, Title 1 of the Government Code of the State of California. Pursuant to the joint powers agreement, the Placer County Treasury is utilized for depositing cash receipts and making cash disbursements and the Placer County Auditor-Controller maintains the accounting records of the Authority.

The Authority was formed to acquire, own, operate and maintain a sanitary landfill site and all related improvements. The Authority owns approximately 960 acres of land located in an unincorporated area of

the County between the cities of Roseville and Lincoln, 320 acres of which are permitted for solid waste operations including landfilling and operation of a Materials Recovery Facility (MRF). The Authority has contracted with Nortech Waste, LLC to operate the MRF and Nortech Landfill, Inc. to operate the landfill.

## **Economic Outlook and Conditions**

### *Local Economy*

The local economy within the Authority's service area (generally the western portion of Placer County stretching from the City of Colfax to the Placer/Sacramento County line) continues to improve modestly despite the continuing impacts of the COVID-19 pandemic. Population growth coupled with continued residential development suggests that material flows and associated revenues received at the Authority's facility will continue to grow at a positive rate in the near term.

### *Long-term Financial Planning*

Authority staff estimates that the increase in residential construction and relatively low interest rates will result in increases of construction related wastes in the coming years as well as sustained, yet modest, growth in the municipal solid waste stream over time. As the Authority currently has sufficient capacity at its landfill and MRF to accept significantly more wastes on a daily basis than it currently receives, the Authority is anticipated to remain in a strong financial position as regional development and growth continue.

Strategic efforts over the last several years by the Board of Directors have positioned the Authority to have sufficient reserve account balances to fund future landfill and other solid-waste related projects and to plan for program and service delivery growth that ensures the Authority's financial well-being.

## **Major Initiatives and Accomplishments**

### **Accomplishments:**

During the second half of the fiscal year ending June 30, 2021, the nation and the world continued to respond and react to the threat of the COVID-19 pandemic. As transmission methods and the associated risk to Authority and Member Agency staff involved in waste management activities became clearer, the Authority was able to institute modest controls that reduced the risk to staff and customers while maintaining full operations of the facility. To date, very few Authority staff have contracted the COVID-19 virus and there have been no significant disruptions in service at the facility.

One of the Authority's core functions is to divert materials from landfilling so that they may be reintroduced into the global economy to be recycled or reused. This serves to reduce the dependency on the use of virgin materials, limits the landfilling of wastes and ensures its Member Agencies comply with California recycling mandates. Since the Authority began operation of its MRF in 1996, the percentage of materials the Authority has diverted from landfilling and sold to domestic and international markets as increased nearly 300%. This has not only significantly reduced the amount of landfill space consumed in that time but has also enabled the Member Agencies to meet and far exceed California's 50% diversion mandates and regularly surpass the state-wide average diversion rate.

Furthermore, the Authority has been able to continually update and upgrade its MRF to respond to new and emerging material markets and to increase diversion rates without issuing bonds or significantly raising its rates.

As California finalized and enacted SB 1383 – arguably the state’s most significant new solid-waste-related regulation in 30 years – the Authority initiated a competitive procurement process for future modification and operation of its facility to ensure it can meet the material diversion mandates. California’s Short-Lived Climate Pollutant Reduction Strategy (commonly referred to as SB 1383) will require reduction in the disposal of organic waste in landfills to reduce the potential for uncontrolled methane emissions. SB 1383 requires that at least 50% of organic material is diverted from landfilling by 2022. Based on the well-established recovery programs of the WPWMA and its Member Agencies, preliminary estimates suggest the WPWMA is currently meeting or very close to meeting a site-wide 50% organic materials diversion rate.

To ensure the WPWMA is able to maintain its current diversion rates under a reasonable and predictable rate structure, the Authority Board of Directors unanimously elected to exercise its contractual right to extend the current MRF and landfill operating agreements with Nortech Waste for an additional two years through June 2022. To address the anticipated future challenges and opportunities associated with continued growth in the region and the solid waste stream, the requirements of SB 1383, and the impacts of China’s National Sword Policy, the Authority initiated a competitive procurement process to select the future operators of the materials recovery facility and landfill. In January 2021, the WPWMA received four proposals from qualified firms, including the incumbent – Nortech Waste. After review of the proposals by an evaluation committee comprised of representatives of the WPWMA and Member Agencies, the WPWMA Board selected two of the four firms to further develop their proposed facility modifications and cost structures which will provide the basis of selection of the firm to operate the materials recovery facility in the future.

#### **Current Activities:**

After conducting a long-term pilot study to evaluate co-composting green waste and other organic materials (predominately food waste) through the use of aerated static pile (ASP) technology, the Authority is currently working with the appropriate regulatory agencies to obtain full-scale operating permits for ASP composting methods. ASP composting involves drawing ambient air through the compostable materials to accelerate the composting process and reduce the potential for emissions (including odors) from the compost pile. Transitioning to a full-scale ASP composting will ensure the Member Agencies have a local outlet for commercially and residentially-generated food waste collected as they work to meet the provisions of SB 1383.

To provide transparency and clarity regarding facility odors to both the regularity community and residents and businesses located near the Authority’s facility, the Authority developed a Site Wide Odor Plan (SWOP) in conjunction with the Placer County Air Pollution Control District. Acknowledging that odors are a natural and unavoidable byproduct of the decomposition of organic materials, the Authority prepared the SWOP to provide clear, concise information about individual facility odor sources, operational and meteorological conditions that have the potential to exacerbate the perception of odors, and the measures the Authority takes to reduce the potential for facility odors to be perceived by nearby receptors. The SWOP is intended to be used as a tool by the Authority and its facility operators, contractors, and consultants to consistently and proactively take the appropriate steps to reduce the potential for off-site odors while continuing to ensure that the Authority meets all applicable regulatory obligations while safely and efficiently managing the solid wastes received, processed or landfilled. The SWOP was completed and approved by all applicable parties in October 2020.

To best position itself to meet the needs of its Member Agencies, respond to continued growth in the region, address legislative and regulatory changes and maintain a financially viable operation, the Authority conducted a facility-wide master planning effort intended to identify how best to utilize the

Authority's existing infrastructure as well as develop its expansion properties to meet the aforementioned goals. The Authority is currently conducting the necessary environmental review of the master plan consistent with the requirements of the California Environmental Quality Act. The Draft Environmental Impact Report is scheduled for public release in the Fall of 2021.

### **Financial Information**

Management of the Authority is responsible for establishing and maintaining internal controls designed to ensure that the assets of the Authority are protected from loss, theft or misuse and to ensure that accounting data are compiled to allow for the preparation of financial statements in conformity with account principles generally accepted in the United States of America. The internal controls are designed to provide a reasonable, but not absolute, assurance that these objectives are met recognizing that: 1) the cost of control should not exceed the benefits likely to be derived and 2) the valuation of costs and benefits requires estimates and judgments by management.

#### **Relevant Financial Policies:**

To achieve the goal of providing outstanding, cost-effective regional public services, the Authority applies sound management practices and policies that enhance the quality of life of its citizens. Such financial management practices have been identified by the Government Finance Officers Association of the United States and Canada and recognized by Fitch Ratings as best practices that promotes financial soundness, efficiency in government and solvency in public finance. The Authority follows the financial policies of the County, where applicable. Those financial policies are administered and overseen by the County's Finance Committee (comprised of County Executive Officer, Auditor-Controller and Treasurer-Tax Collector). All of the County's financial policies are available by request to the Placer County Auditor-Controller, 2970 Richardson Drive, Auburn, CA 95603.

#### **Budgetary Controls:**

State law requires the formal adoption of an appropriated budget for governmental enterprise activities. The Authority prepares an annual budget to serve as an approved plan which includes operational and capital expenditures. This budget, approved by the Board of Directors, provides the financial basis for the Authority's operations.

The Authority has adopted County controls associated with purchasing and budget management. These controls serve to verify expenses and ensure budgeted amounts are not exceeded. Monthly comparison and actual-to-budgeted revenues and expenses identify any significant variances that may require the Authority to take action.

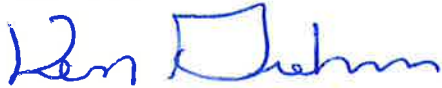
### **Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) of the United States and Canada awarded the Certificate of Achievement for Excellence in Financial Reporting to the Authority for its ACFR for the fiscal year ended June 30, 2020. The Certificate of Achievement is a prestigious award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized ACFR, the contents of which conform to program standards and satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our ACFR continues to meet the Certificate of Achievement Program's requirements and we are applying for the Certificate again this year.

The preparation of the ACFR could not have been accomplished without the commitment and dedication of Authority staff, with special recognition to Eric Oddo and Becky Correa, and the County Auditor-Controller's Office.

Recognition must also be given to the Authority's Board of Directors for their unfailing support for maintaining the highest standards of professionalism in the management of the Authority's finances. Without their leadership and support, preparation of this report would not have been possible.

Respectfully submitted,



Ken Grehm  
Executive Director

## **WESTERN PLACER WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS AND MANAGING STAFF**

*The Western Placer Waste Management Authority is governed by representatives of its member agencies. They are as follows:*

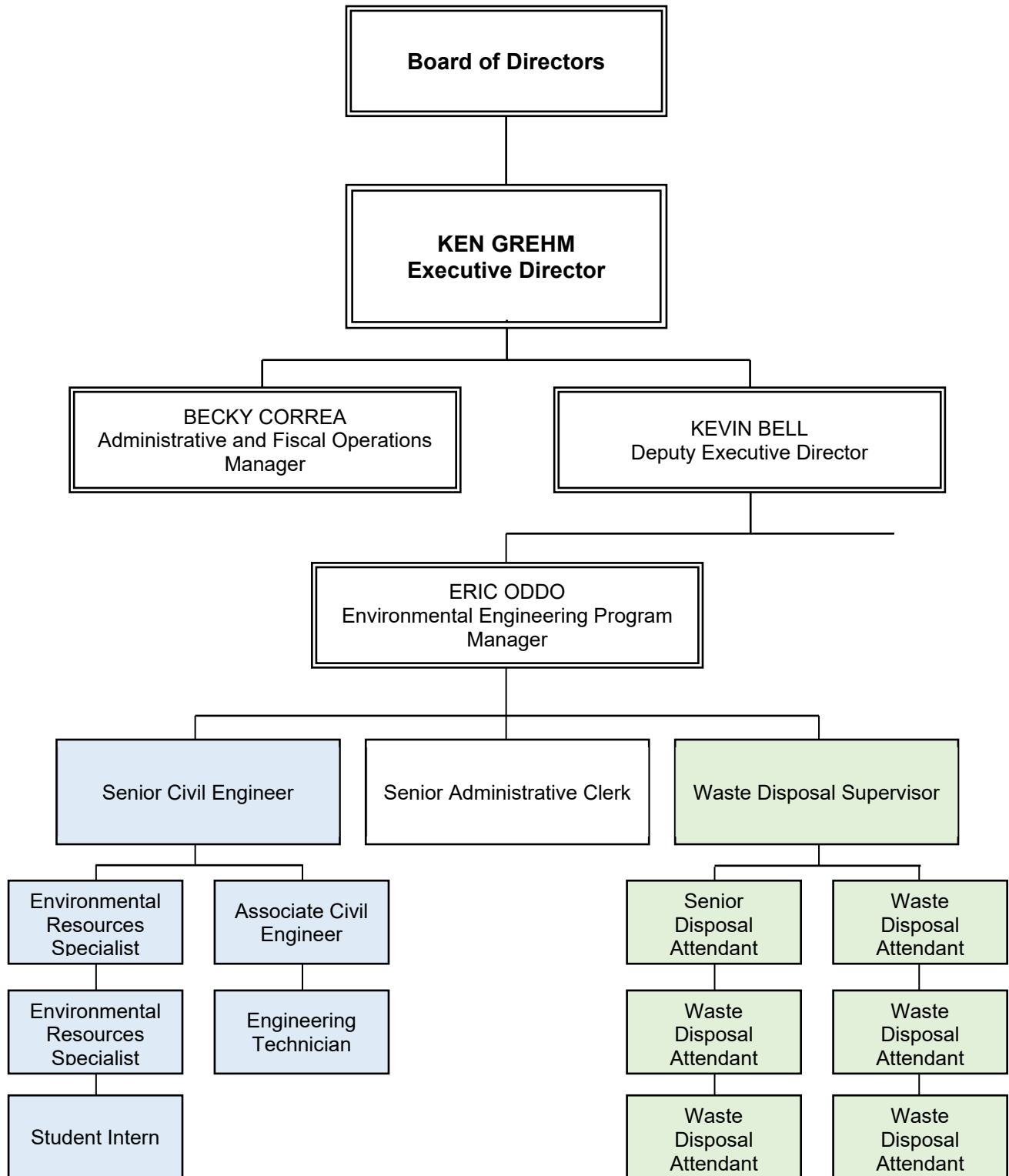
Bonnie Gore	County of Placer
Robert M. Weygandt	County of Placer
Bill Haldin	City of Rocklin
Pauline Roccucci	City of Roseville
Dan Karleskint	City of Lincoln

*The Western Placer Waste Management Authority is staffed by Placer County's Department of Public Works and Facilities. The Western Placer Waste Management Authority's managing staff are:*

Ken Grehm	Executive Director
Kevin Bell	Deputy Executive Director
Eric Oddo	Environmental Engineering Program Manager
Becky Correa	Administrative and Fiscal Operations Manager



# WESTERN PLACER WASTE MANAGEMENT AUTHORITY ORGANIZATIONAL CHART





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Western Placer Waste Management Authority  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morill*

Executive Director/CEO



## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Western Placer Waste Management Authority  
Roseville, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Western Placer Waste Management Authority (Authority) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statement as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these basic financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority, as of June 30, 2021, and the changes in financial position and, where applicable, cash flows thereof in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed on the table of contents, 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 or 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.

***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2021 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Roseville, California  
December 17, 2021

**WESTERN PLACER WASTE MANAGEMENT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020**

This section of the annual financial report of the Western Placer Waste Management Authority (Authority) presents a discussion and analysis of financial performance during the fiscal years ended June 30, 2021 and June 30, 2020. Please read it in conjunction with the Authority's financial statements and accompanying notes, which follow this section.

**FINANCIAL HIGHLIGHTS**

- Total assets at June 30, 2021 were approximately \$92.3 million, a decrease of approximately \$582 thousand or 0.6% from 2020.
- Total liabilities at June 30, 2021 were approximately \$17 million, a decrease of approximately \$417 thousand or 2.4% from 2020.
- The Authority's total net position decreased approximately \$165 thousand during the fiscal year ended June 30, 2021, an decrease of 0.2% from 2020.
- Total operating revenues increased approximately \$5.2 million during the fiscal year ended June 30, 2021; an increase of approximately 18.1% over 2020, while operating expenses increased approximately \$2.1 million or 6.6% from 2020.
  
- Total assets at June 30, 2020 were approximately \$93 million, an decrease of approximately \$2 million or 2.2% from 2019.
- Total liabilities at June 30, 2020 were approximately \$17.4 million, an increase of approximately \$46 thousand or 0.3% from 2019.
- The Authority's total net position decreased approximately \$2.1 million during the fiscal year ended June 30, 2020, an decrease of 2.7% from 2019.
- Total operating revenues increased approximately \$800 thousand during the fiscal year ended June 30, 2020; an increase of approximately 2.9% over 2019, while operating expenses increased approximately \$3.6 million or 12.7% from 2019.

**OVERVIEW OF THE BASIC FINANCIAL STATEMENTS**

The discussion and analysis in this section are intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements comprise three parts: (1) management's discussion and analysis, (2) the basic financial statements, and (3) notes to the basic financial statements.

The basic financial statements provide information about the Authority's overall financial status. The basic financial statements also include notes that explain some of the information in the basic financial statements and provide more detailed data.

The Authority's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units on a full accrual basis. Under this basis, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred. All assets and liabilities associated with the operation of the Authority are included in the Statements of Net Position.

The Statements of Net Position presents the financial position of the Authority on a full accrual basis and provides information about the nature and amount of resources and obligations at year-end. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

**WESTERN PLACER WASTE MANAGEMENT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE FISCAL YEARS ENDED JUNE 30, 2021 and 2020**

The Statement of Revenues, Expenses and Changes in Net Position presents information showing how the Authority's net position changed during the fiscal years ended June 30, 2021 and June 30, 2020. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

***Statements of Net Position***

As noted earlier, net position over time, may serve as a useful indicator of the Authority's financial position. In the case of the Authority, assets exceeded liabilities by \$75.3 million and \$75.5 million as of June 30, 2021 and June 30, 2020 respectively.

As of June 30, 2021, total assets decreased approximately \$582 thousand or 0.6% and liabilities decreased approximately \$417 thousand or 2.4%. Assets decreased primarily due to a decrease in account receivable (\$271 thousand) and a decrease in net capital assets (\$2.2 million) due to annual depreciation of capital assets. The decrease in current liabilities (\$1 million) is primarily due to the timing of contractor payments and the increase in noncurrent liabilities (\$591 thousand) is due an increase in the estimated liability for landfill closure and postclosure care costs. The following table summarizes assets, liabilities and net position as of June 30, 2021 and June 30, 2020.

	<b>2021</b>	<b>2020</b>	<b>Variance</b>
Current assets	\$ 38,774,316	\$ 37,416,496	3.6%
Capital assets, net	39,018,852	41,276,688	-5.5%
Other assets	14,543,606	14,225,821	2.2%
Total assets	<u>92,336,774</u>	<u>92,919,005</u>	<u>-0.6%</u>
Current liabilities	2,934,044	3,942,410	-25.6%
Noncurrent liabilities	14,083,880	13,492,678	4.4%
Total liabilities	<u>17,017,924</u>	<u>17,435,088</u>	<u>-2.4%</u>
Investment in capital assets	39,018,852	40,371,126	-3.3%
Restricted	14,543,606	14,225,821	2.2%
Unrestricted	21,756,392	20,886,970	4.2%
Total net position	<u>\$ 75,318,850</u>	<u>\$ 75,483,917</u>	<u>-0.2%</u>

The Authority's restricted net position reflects restrictions imposed by outside parties for closure and postclosure care. The remaining net position represents the unrestricted portion and the Authority's net investment in capital assets. Total net position decreased approximately \$165 thousand or 0.2% from 2020.

**WESTERN PLACER WASTE MANAGEMENT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE FISCAL YEARS ENDED JUNE 30, 2021 and 2020**

***Statements of Net Position (continued)***

As of June 30, 2020, total assets decreased approximately \$2.1 million or 2.2% and liabilities decreased approximately \$46 thousand or 0.3%. Assets decreased primarily due to a decrease in account receivable (\$292 thousand) and note receivable (\$873 thousand) due to paydowns of accounts by customers and a decrease in net capital assets (\$673 thousand) due to annual depreciation of capital assets. The decrease in current liabilities (\$609 thousand) is primarily due to the timing of contractor payments and the increase in noncurrent liabilities (\$655 thousand) is due an increase in the estimated liability for landfill closure and postclosure care costs. The following table summarizes assets, liabilities and net position as of June 30, 2020 and June 30, 2019.

	<b>2020</b>	<b>2019</b>	<b>Variance</b>
Current assets	\$ 37,416,496	\$ 39,612,300	-5.5%
Capital assets, net	41,276,688	41,950,168	-1.6%
Other assets	14,225,821	13,439,325	5.9%
Total assets	<u>92,919,005</u>	<u>95,001,793</u>	<u>-2.2%</u>
Current liabilities	3,942,410	4,551,664	-13.4%
Noncurrent liabilities	13,492,678	12,837,405	5.1%
Total liabilities	<u>17,435,088</u>	<u>17,389,069</u>	<u>0.3%</u>
Investment in capital assets	40,371,126	41,950,168	-3.8%
Restricted	14,225,821	13,439,325	5.9%
Unrestricted	20,886,970	22,223,231	-6.0%
Total net position	<u>\$ 75,483,917</u>	<u>\$ 77,612,724</u>	<u>-2.7%</u>

The Authority's restricted net position reflects restrictions imposed by outside parties for closure and postclosure care. The remaining net position represents the unrestricted portion and the Authority's net investment in capital assets. Total net position decreased approximately \$2.1 million or 2.7% from 2019.

**WESTERN PLACER WASTE MANAGEMENT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE FISCAL YEARS ENDED JUNE 30, 2021 and 2020**

***Changes in Net Position***

The following table summarizes the changes in net position for the fiscal years ended June 30, 2021 and June 30, 2020:

	<u>2021</u>	<u>2020</u>	<u>Variance</u>
Operating revenues			
Fees from landfill operations	\$ 33,265,955	\$ 28,293,360	17.6%
Rental	496,050	272,784	81.8%
Miscellaneous	25,082	54,471	-54.0%
Total operating revenues	<u>33,787,087</u>	<u>28,620,615</u>	<u>18.1%</u>
Operating expenses			
Solid waste contractor:			
MRF	18,414,031	17,645,058	4.4%
Landfill	2,591,284	2,613,531	-0.9%
Landfill maintenance	6,880	-	N/A
Closure and postclosure care costs	591,202	655,273	-9.8%
General and administrative	10,026,461	8,605,043	16.5%
Depreciation	2,305,933	2,301,542	0.2%
Total operating expenses	<u>33,935,791</u>	<u>31,820,447</u>	<u>6.6%</u>
Operating income (loss)	<u>(148,704)</u>	<u>(3,199,832)</u>	<u>-95.4%</u>
Nonoperating revenues			
Grant revenue	43,532	78,135	-44.3%
Investment earnings	(59,895)	992,890	-106.0%
Total nonoperating revenues	<u>(16,363)</u>	<u>1,071,025</u>	<u>-101.5%</u>
Change in net position	(165,067)	(2,128,807)	-92.2%
Net position, beginning of year	<u>75,483,917</u>	<u>77,612,724</u>	<u>-2.7%</u>
Net position, end of year	<u>\$ 75,318,850</u>	<u>\$ 75,483,917</u>	<u>-0.2%</u>

Operating revenues for fiscal year 2021 increased approximately \$5.2 million or 18.1% over the prior year primarily due to an increase in the amount of materials received. Total operating expenses increased approximately \$2.1 million or 6.6% from 2020 primarily due to the increase in the solid waste contractor costs for the Materials Recovery Facility (MRF) (\$769 thousand), and a increase in the general and administrative expenses (\$1.4 million) due to an increase in professional services- county and professional services – purchased and an increase in the annual depreciation expenses (\$4 thousand) prior year's increase in depreciable capital assets.



**WESTERN PLACER WASTE MANAGEMENT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE FISCAL YEARS ENDED JUNE 30, 2021 and 2020**

***Changes in Net Position (continued)***

The following table summarizes the changes in net position for the fiscal years ended June 30, 2020 and June 30, 2019:

	<u>2020</u>	<u>2019</u>	<u>Variance</u>
Operating revenues			
Fees from landfill operations	\$ 28,293,360	\$ 27,556,547	2.7%
Rental	272,784	94,357	189.1%
Miscellaneous	54,471	173,938	-68.7%
Total operating revenues	<u>28,620,615</u>	<u>27,824,842</u>	<u>2.9%</u>
Operating expenses			
Solid waste contractor:			
MRF	17,645,058	15,474,802	14.0%
Landfill	2,613,531	2,245,619	16.4%
Landfill maintenance	-	105,915	-100%
Closure and postclosure care costs	655,273	797,652	-17.8%
General and administrative	8,605,043	7,575,708	13.6%
Depreciation	2,301,542	2,041,709	12.7%
Total operating expenses	<u>31,820,447</u>	<u>28,241,405</u>	<u>12.7%</u>
Operating income (loss)	<u>(3,199,832)</u>	<u>(416,563)</u>	<u>668.2%</u>
Nonoperating revenues			
Grant revenue	78,135	77,124	1.3%
Investment earnings	992,890	1,877,716	-47.1%
Total nonoperating revenues	<u>1,071,025</u>	<u>1,954,840</u>	<u>-45.2%</u>
Change in net position	(2,128,807)	1,538,277	-238.4%
Net position, beginning of year	77,612,724	76,074,447	2.0%
Net position, end of year	<u>\$ 75,483,917</u>	<u>\$ 77,612,724</u>	<u>-2.7%</u>

Operating revenues for fiscal year 2020 increased approximately \$800 thousand or 2.9% over the prior year primarily due to an increase in the amount of materials received. Total operating expenses increased approximately \$3.6 million or 12.7% from 2019 primarily due to the increase in the solid waste contractor costs for the Materials Recovery Facility (MRF) (\$2.2 million) and landfill (\$368 thousand), an increase in general and administrative expenses (\$1 million) due to an increase in utility costs along with building repairs costs due to water damage that occurred and an increase in the annual depreciation expenses (\$260 thousand) prior year's increase in depreciable capital assets.

**WESTERN PLACER WASTE MANAGEMENT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE FISCAL YEARS ENDED JUNE 30, 2021 and 2020**

**CAPITAL ASSETS**

As of June 30, 2021 and June 30, 2020, the Authority's investment in capital assets was approximately \$39 million and \$41 million, respectively (net of accumulated depreciation). During 2021, net capital assets decreased \$2.2 million due to the current year's depreciation expense of \$2.3 million and the decrease of construction in progress of \$1.6 million. The composition of capital assets is as follows:

	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>Variance</u></b>
Land	\$ 13,024,848	\$ 13,024,848	0.0%
Land improvements	14,687,751	13,028,254	12.7%
Buildings and improvements	58,205,566	58,205,566	0.0%
Equipment	635,097	636,974	-0.3%
Construction in progress	1,760	1,619,483	-99.9%
Total	86,555,022	86,515,125	0.0%
Less accumulated depreciation	(47,536,170)	(45,238,437)	5.1%
Capital assets – net	<b><u>\$ 39,018,852</u></b>	<b><u>\$ 41,276,688</u></b>	<b><u>-5.5%</u></b>

As of June 30, 2020 and June 30, 2019, the Authority's investment in capital assets was approximately \$41 million and \$42 million, respectively (net of accumulated depreciation). During 2020, net capital assets decreased \$673 thousand due to the current year's depreciation expense of \$2.3 million offset with the increase of construction in progress of \$1.6 million. The composition of capital assets is as follows:

	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>Variance</u></b>
Land	\$ 13,024,848	\$13,024,848	0.0%
Land improvements	13,028,254	13,028,254	0.0%
Buildings and improvements	58,205,566	58,205,566	0.0%
Equipment	636,974	628,395	1.4%
Construction in progress	1,619,483	-	100%
Total	86,515,125	84,887,063	1.9%
Less accumulated depreciation	(45,238,437)	(42,936,895)	5.4%
Capital assets – net	<b><u>\$ 41,276,688</u></b>	<b><u>\$41,950,168</u></b>	<b><u>-1.6%</u></b>

More detailed information about the Authority's capital assets is presented in Note 4 in the basic financial statements.

**WESTERN PLACER WASTE MANAGEMENT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE FISCAL YEARS ENDED JUNE 30, 2021 and 2020**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The Authority experienced an approximately 2.9% decline in tonnages in fiscal year 2021 compared to the previous fiscal year. Despite this, the quantity of material received generated revenues sufficient to cover expenses. The Authority has maintained a good hold on the waste stream by maintaining competitive tipping fees. A convenient location and reasonable rates have also continued to attract self-haul customers to the facility.

Despite some recent declines in waste tonnages delivered to the facility, likely due to the economic impacts associated with the COVID-19 pandemic, the Authority anticipates that waste tonnages will continue to increase at a moderate pace in fiscal 2022 as regional residential and commercial development continue to increase.

In response to recent changes in state law, the Authority has investigated the technical, economic, and environmental feasibility of managing a larger portion of the organic fraction of the waste stream (primarily food waste) by co-composting the food waste with green waste. Over the past several years, a portion of the source separated food waste collected by the jurisdictions has been delivered to the Authority's facility for composting as part of a pilot program designed to evaluate alternative composting methods.

After conducting the pilot study to evaluate co-composting green waste and food waste through the use of aerated static pile (ASP) technology, the Authority began working with the appropriate regulatory agencies to obtain full-scale operating permits for ASP composting methods. ASP composting involves drawing ambient air through the compostable materials to accelerate the composting process and reduce the potential for emissions (including odors) from the compost pile. Transitioning to a full-scale ASP composting will ensure the Member Agencies have a local outlet for commercially and residentially generated food waste collected as they work to meet the provisions of SB 1383.

In July 2017, China registered filings with the World Trade Organization signaling its intent to ban the importation of certain kinds of recyclable commodities and other solid wastes by the end of 2017. As many of the recyclables materials recovered at the Authority's materials recovery facility are exported to China the recycling rate achieved at the Authority's facility has declined somewhat compared to previous years.

Despite this decline, the Authority's materials recovery facility contract operator (Nortech Waste) has continued to meet the minimum material diversion rate standards prescribed in their operating agreement. The reduction in the Authority's recycling rate is not anticipated to have a long-term adverse impact on the Participating Agencies' ability to meet current state recycling mandates, however it has served to increase landfill disposal rates and could have an adverse impact on the State of California's ambitious recycling and climate change goals. China has indicated its intent to ban the import of all recyclable materials in 2021. A full ban could, in the short term, negatively impact the Authority's ability to minimize the amount of materials landfilled. However, the Authority has taken a number of steps, as noted below, to increase its resilience against such market disruptions and to foster development of local recyclables markets.

In July 2015, the Authority began the process of identifying conceptual future operational uses within the footprint of its current facility as well as for its eastern and western expansion properties. In October 2016, after conducting a competitive procurement process, the Authority entered into an agreement with Jacobs Engineering to provide master planning services and to prepare the required environmental review document related to the identified conceptual uses. During Fiscal Year 2021, Jacobs worked to prepare the draft environmental impact report; the Authority expects to issue the document for public review in the first half of Fiscal Year 2022.

**WESTERN PLACER WASTE MANAGEMENT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE FISCAL YEARS ENDED JUNE 30, 2021 and 2020**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET (CONTINUED)**

The main goal of the master planning effort is to maintain the long-term viability of the Authority's facility by: 1) addressing anticipated regional growth, 2) responding to changes in applicable regulations, 3) optimizing material diversion rates, 4) maximizing operational efficiencies to improve customer safety and maintain a stable cost structure, 5) create opportunities for industrial innovation and economic growth, and 6) enhance compatibility between operations and current and future adjacent land uses.

A significant component of the Authority's master plan involves providing space on its properties, infrastructure and material feedstock to established and/or emerging technologies to produce a next level marketable product. By doing so, the Authority envisions creating an environment where recyclables are managed locally and reliance on China and other global markets is substantially reduced. As the transport costs of these products would effectively be eliminated, the Authority believes both the environmental and economic advantages to this concept are significant. The Authority is currently conducting the necessary environmental review of the master plan consistent with the requirements of the California Environmental Quality Act. The Draft Environmental Impact Report is scheduled for public release in late Fall of 2021.

With respect to optimizing diversion rates, the Authority acknowledges that it is in its best interest to provide market development opportunities and assist in the exploration of technologies that will enhance material recovery. To this end, and as part of the master planning effort, the Authority is allocating areas where independent third-party entities can site pilot-level, solid-waste related technology demonstrations. The Authority has already entered into a site use agreement with an entity that plans to utilize woody biomass to produce bio-oil.

Construction of this pilot study project was completed and operation of the project began during the fiscal year.

The Authority has also been engaged with local universities to establish research and development partnerships which could lead to improvements in facility operations and innovations in material recovery and usage. The Authority currently has a Memorandum of Understanding with William Jessup University in Rocklin that allows for student research at the Authority's site. The Authority and representatives from Sacramento State and the Carlsen Center for Innovation and Entrepreneurship are also discussing plans for a partnership to help foster and mentor potential new recycling-focused endeavors at or near the Authority's site. The partnership is expected to be formalized in the first half of Fiscal Year 2022.

The Authority's current operating agreements for the MRF and landfill are scheduled to expire on June 30, 2022. As such, the Authority began the development of requests for proposals for future facility operations as part of a public competitive procurement process. The procurement process is expected to take a little over a year to complete with final recommendations to the Authority Board of Directors expected in late 2021. Given this timeline, and the previous assertions by Nortech that pieces of MRF equipment are worn and require replacement, Authority and Nortech staff have initiated discussions regarding select equipment replacement and the sharing of the associated costs. It is expected that the direct cost to the Authority associated with the equipment replacement will necessitate the cancellation of reserves. Authority staff's review of the preliminary cost estimates provided by Nortech indicate sufficient reserves in the Fixed Asset Acquisition Reserve Fund are available to cover the equipment replacement costs. Proposals received as part of the procurement process suggest significant capital investment in the facility will be necessary to achieve the regulatory organics diversion mandates. Preliminary estimates suggest the necessary investment exceeds the Authority's discretionary reserve fund balances and that financing of the improvement will likely be necessary.

**WESTERN PLACER WASTE MANAGEMENT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE FISCAL YEARS ENDED JUNE 30, 2021 and 2020**

Starting in FY 2021 – 2022, to add transparency and clarity to the salary costs, the Authority will bring the direct salary costs into the salary general ledger expense accounts in the financials. In prior years, these costs were charged to a related division in Placer County, where they then flowed through to the Authority and were reported through the professional services expense accounts. Additionally, this change will bring in the compensated absences liability, net pension liability and net OPEB liability. While this hasn't caused any changes operationally, it does better reflect the liability and expenses incurred in relation to the employees.

**CONTACTING AUTHORITY'S FINANCIAL MANAGEMENT**

The financial report is designed to provide a general overview of the Authority's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Ken Grehm, Executive Director, 3091 County Center Drive, Ste. 220, Auburn, California 95603 or by phone at (530) 745-7500.

# WESTERN PLACER WASTE MANAGEMENT AUTHORITY

## STATEMENTS OF NET POSITION

JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Current assets:		
Cash and investments in Treasury Pool	\$ 36,395,478	\$ 34,733,690
Petty cash	8,600	8,600
Accounts receivable, less allowance for uncollectible accounts of \$6,167 for 2021 and \$15,602 for 2020	2,362,225	2,633,533
Interest receivable	8,013	40,673
Total current assets	<u>38,774,316</u>	<u>37,416,496</u>
Noncurrent assets:		
Restricted cash and investments in Treasury Pool	14,543,606	14,225,821
Non-depreciable capital assets	13,026,608	14,644,331
Depreciable capital assets, net of accumulated depreciation	25,992,244	26,632,357
Total noncurrent assets	<u>53,562,458</u>	<u>55,502,509</u>
Total assets	<u>92,336,774</u>	<u>92,919,005</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable and accrued expenses	2,934,044	3,942,410
Total current liabilities	<u>2,934,044</u>	<u>3,942,410</u>
Noncurrent liabilities:		
Landfill closure and postclosure care costs	14,083,880	13,492,678
Total liabilities	<u>17,017,924</u>	<u>17,435,088</u>
<b>NET POSITION</b>		
Investment in capital assets	39,018,852	40,371,126
Restricted for closure and postclosure	14,543,606	14,225,821
Unrestricted	21,756,392	20,886,970
Total net position	<u>\$ 75,318,850</u>	<u>\$ 75,483,917</u>

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

# WESTERN PLACER WASTE MANAGEMENT AUTHORITY

## STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<b>OPERATING REVENUES:</b>		
Fees from landfill operations	\$ 33,265,955	\$ 28,293,360
Rental	496,050	272,784
Miscellaneous	25,082	54,471
Total operating revenues	<u>33,787,087</u>	<u>28,620,615</u>
<b>OPERATING EXPENSES:</b>		
Solid waste contractor:		
MRF	18,414,031	17,645,058
Landfill	2,591,284	2,613,531
Landfill maintenance	6,880	-
Depreciation	2,305,933	2,301,542
Professional services - county	3,879,056	3,361,743
Landfill closure and postclosure care costs	591,202	655,273
Professional services - purchased	4,715,368	3,424,032
Taxes and special department expenses	255,744	20,622
General liability insurance	155,694	132,000
Utilities	91,604	637,408
Other expenses	928,995	1,029,238
Total operating expenses	<u>33,935,791</u>	<u>31,820,447</u>
Operating income (loss)	<u>(148,704)</u>	<u>(3,199,832)</u>
<b>NONOPERATING REVENUES:</b>		
Grant revenue	43,532	78,135
Investment earnings (losses)	(59,895)	992,890
Total nonoperating revenues	<u>(16,363)</u>	<u>1,071,025</u>
Changes in net position	(165,067)	(2,128,807)
Net position, beginning of year	<u>75,483,917</u>	<u>77,612,724</u>
Net position, end of year	<u><u>\$ 75,318,850</u></u>	<u><u>\$ 75,483,917</u></u>

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

# WESTERN PLACER WASTE MANAGEMENT AUTHORITY

## STATEMENTS OF CASH FLOWS FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash receipts from customers	\$ 33,537,263	\$ 29,458,389
Cash receipts from other operating activities	521,132	327,255
Cash paid to suppliers for goods and services	<u>(32,047,022)</u>	<u>(30,378,448)</u>
Net cash provided by (used for) operating activities	<u>2,011,373</u>	<u>(592,804)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
State grant receipts	<u>43,532</u>	<u>78,135</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Acquisition of capital assets	<u>(48,097)</u>	<u>(722,500)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Investment earnings received (paid)	<u>(27,235)</u>	<u>1,034,797</u>
Net change in cash and cash equivalents	1,979,573	(202,372)
Cash and cash equivalents, beginning of year	<u>48,968,111</u>	<u>49,170,483</u>
Cash and cash equivalents, end of year	<u><u>\$ 50,947,684</u></u>	<u><u>\$ 48,968,111</u></u>
<b>RECONCILIATION TO THE STATEMENTS OF NET POSITION:</b>		
Cash and investments in Treasury Pool	36,395,478	34,733,690
Petty cash	8,600	8,600
Restricted cash and investments in Treasury Pool	<u>14,543,606</u>	<u>14,225,821</u>
Total cash and cash equivalents	<u><u>\$ 50,947,684</u></u>	<u><u>\$ 48,968,111</u></u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:</b>		
Operating loss	(148,704)	(3,199,832)
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities:		
Depreciation	2,305,933	2,301,542
Decrease in accounts receivable	271,308	292,040
Decrease in notes receivable	-	872,989
(Decrease) in accounts payable and accrued expenses	(1,008,366)	(1,514,816)
Increase in estimated liability for landfill closure and postclosure care costs	<u>591,202</u>	<u>655,273</u>
Net cash provided by (used for) operating activities	<u><u>\$ 2,011,373</u></u>	<u><u>\$ (592,804)</u></u>
<b>NON-CASH FINANCING AND INVESTING ACTIVITIES</b>		
Capital assets acquired in accounts payable at year end	\$ -	\$ 905,562
Fair market value adjustment	269,799	(136,124)

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



**WESTERN PLACER WASTE MANAGEMENT AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021 AND 2020**

**NOTE 1 – ORGANIZATION AND OPERATIONS**

Western Placer Waste Management Authority (Authority) is a public entity created on October 3, 1978 by a joint exercise of powers agreement between the County of Placer (County) and the Cities of Roseville, Rocklin, and Lincoln. The Authority is a separate and distinct entity from both the County and Cities, formed pursuant to Chapter 5, Division 7, Title 1 of the Government Code of the State of California. Pursuant to the joint powers agreement, the Placer County Treasury is utilized for depositing cash receipts and making cash disbursements and the Placer County Auditor-Controller maintains the accounting records for the Authority.

The Authority was formed to acquire, own, operate, and maintain a sanitary landfill site and all related improvements. The original disposal site comprises 320 acres and is located in an unincorporated area of the County between the cities of Roseville and Lincoln. An additional 480 acres were purchased on August 10, 1990 which lies to the west of the existing landfill site, separated by Fiddymment Road. Nortech Waste LLC is the landfill site and Materials Recovery Facility (MRF) operator.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Reporting Entity***

The financial statements include all of the financial activities of the Authority and have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the accounting policies are described below.

***Basis of Accounting***

The Authority utilizes the accrual basis of accounting in the accompanying financial statements to account for its enterprise activity. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period in which liabilities are incurred.

The Authority uses a proprietary (enterprise) fund to account for its activities. An enterprise fund may be used to report any activity for which a fee is charged to external users for goods or services. Enterprise funds are required for any activity whose principal external revenue sources meet any of the following criteria: (1) issued debt is backed solely by fees and charges, (2) the cost of providing services for any activity (including capital costs such as depreciation or debt service) must be legally recovered through fees or charges, or (3) if the government's policy is to establish activity fees or charges designed to recover the cost of providing services. The Authority distinguishes operating and nonoperating revenues and expenses. Operating revenues and expenses generally result from operating the sanitary landfill. All revenues and expenses that do not meet this definition are reported as nonoperating.

When both restricted and unrestricted net position are available, unrestricted resources are used only after the restricted resources are depleted.

**WESTERN PLACER WASTE MANAGEMENT AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021 AND 2020**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Fair Value Measurement***

The Authority categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Authority does not have any investments that are measured using Level 3 inputs.

The Authority is a participant in the Placer County Treasurer's Pool (County Pool). The County Pool is an external investment pool, is not rated and is not registered with the Securities Exchange Commission (SEC). The Placer County Treasurer's Review Panel conducts County Pool oversight. Cash on deposit in the County Pool at June 30, 2021 and June 30, 2020, is stated at fair value. The County Pool values participant shares on an amortized cost basis during the year and adjusts to fair value at year-end. For further information regarding the County Pool, refer to the County of Placer Annual Comprehensive Financial Report.

***Budgetary Process***

The Authority prepares an annual operating and capital budget, which is approved and adopted by the Board of Directors. The budget serves as an approved plan to facilitate financial control and operational evaluation. California state law does not require formal adoption of appropriated budgets for enterprise funds.

***Cash and Cash Equivalents***

Cash and cash equivalents represent the Authority's share of the County Treasurer's cash and investment pool. Cash and cash equivalents are considered to be investment with original maturities of 3 months or less. For purposes of the statements of cash flows, the Authority's cash and investment in the County Treasurer's pool is considered cash and cash equivalents.

***Use of Estimates***

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

***Capital Assets***

Additions by the Authority are recorded as capital assets for equipment with a cost of \$5,000 or more and for buildings, improvements and liners with a cost of \$50,000 or more. Repairs and maintenance are recorded as expenses; renewals and betterments are capitalized. The sale or disposal of capital assets are recorded by eliminating the original cost and related accumulated depreciation, resulting in the recognition of a gain or loss.

**WESTERN PLACER WASTE MANAGEMENT AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021 AND 2020**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Capital Assets (continued)***

Depreciation has been calculated on each class of depreciable property using the straight-line method over the shorter of the following estimated useful lives or the remaining years until the landfill is estimated to be at capacity:

Land Improvements	15-43 years
Buildings and Improvements	10-50 years
Equipment	5-20 years

***Effect of New Governmental Accounting Standards Board (GASB) Pronouncements***

GASB Statement No. 84 – In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The Authority has determined that this statement is not applicable.

GASB Statement No. 95 – In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The Authority postponed the implementation dates of the GASB's affected by this standard.

**NOTE 3 – CASH AND INVESTMENTS**

Cash and investments as of June 30, 2021 and June 30, 2020 are classified in the accompanying financial statements as follows:

	<b>2021</b>	<b>2020</b>
Cash and investments in Treasury Pool	\$ 36,395,478	\$ 34,733,690
Restricted cash and investments in Treasury Pool	14,543,606	14,225,821
Petty cash	8,600	8,600
Total	<u>\$ 50,947,684</u>	<u>\$ 48,968,111</u>

***Investments***

The Placer County Treasurer pools all funds that it manages, and on a monthly basis allocates investment earnings and expenses based upon average daily cash balances. The County is restricted by California Government Code in the types of investments it can purchase. Further, the County Treasurer has a written investment policy which is approved by the County Board of Supervisors, and has been adopted by the Authority. The County's investment policy is more restrictive than California Government Code as to terms of maturity and type of allowable investments. The Treasury Pool is not SEC registered, but is invested in accordance with California Government Code section 53600 et. seq.

**WESTERN PLACER WASTE MANAGEMENT AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021 AND 2020**

The County's Treasury Review Panel performs regulatory oversight of the Treasury Pool pursuant to California Government Code Section 27134. As of June 30, 2021, the Authority has reported its investment in the Treasury Pool at estimated fair value.

However, the value of the pool shares in the County which may be withdrawn is determined on an amortized cost basis, which is different than the fair value of the Authority's position in the pool.

***Fair Value Measurement***

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. As of June 30, 2021, the Authority held no individual investments. All funds are invested in the County Pool. In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Authority's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Deposits and withdrawals from the County Pool are made on the basis of \$1 and not fair value. Accordingly, the Authority's proportionate share of cash and investments in the County Pool at June 30, 2021 and June 30, 2020 of \$50,939,084 and \$48,959,511, respectively, is an uncategorized input not defined as a Level 1, Level 2, or Level 3 input.

GASB Statement No. 40, *Deposit and Investment Risk Disclosure – an amendment of GASB Statement No. 3*, requires additional disclosures about a government's deposit and investment risks that include credit risk, custodial credit risk, concentration of credit risk and interest rate risk. The Authority does not have a separate investment policy, or any other policies that address these specific types of risk. The cash and investments held in the County's Pool are available on demand.

***Interest Rate Risk***

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value is to changes in market interest rates. The weighted average to maturity of the County's external investment pool as of June 30, 2021 and June 30, 2020 was 643 days and 339 days, respectively.

***Credit Risk***

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

The credit rating and other information regarding specific investments maintained in the Treasury Pool as of June 30, 2021 and June 30, 2020 are disclosed in the County's Annual Comprehensive Financial Report. The County external investment pool is not rated.

**WESTERN PLACER WASTE MANAGEMENT AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021 AND 2020**

**NOTE 3 – CASH AND INVESTMENTS (CONTINUED)**

***Custodial Credit Risk***

Custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, the Authority will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party.

Required disclosure information regarding the categorization of investments and other deposit and investment risk disclosures can be found in the County's Annual Comprehensive Financial Report which may be obtained by contacting the County Auditor-Controller's Office at 2970 Richardson Drive, Auburn, California 95603.

**NOTE 4 – CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2021 was as follows:

	<u>Balance July 1, 2020</u>	<u>Additions and Transfers</u>	<u>Retirements and Transfers</u>	<u>Balance June 30, 2021</u>
<b>Capital Assets, Not Being Depreciated</b>				
Land	\$ 13,024,848	\$ -	\$ -	\$ 13,024,848
Construction in progress	<u>1,619,483</u>	<u>41,774</u>	<u>(1,659,497)</u>	<u>1,760</u>
Total capital assets not being depreciated	<u>14,644,331</u>	<u>41,774</u>	<u>(1,659,497)</u>	<u>13,026,608</u>
<b>Capital Assets, Being Depreciated</b>				
Land improvements	13,028,254	-	1,659,497	14,687,751
Building and improvements	58,205,566	-	-	58,205,566
Equipment	<u>636,974</u>	<u>6,323</u>	<u>(8,200)</u>	<u>635,097</u>
Total capital assets being depreciated	<u>71,870,794</u>	<u>6,323</u>	<u>1,651,297</u>	<u>73,528,414</u>
Less accumulated depreciation for:				
Land improvements	(1,908,814)	(531,545)	-	(2,440,359)
Building and improvements	(42,875,144)	(1,717,012)	-	(44,592,156)
Equipment	<u>(454,479)</u>	<u>(57,376)</u>	<u>8,200</u>	<u>(503,655)</u>
Total accumulated depreciation	<u>(45,238,437)</u>	<u>(2,305,933)</u>	<u>8,200</u>	<u>(47,536,170)</u>
 Total capital assets, being depreciated, net	 <u>26,632,357</u>	 <u>(2,299,610)</u>	 <u>1,659,497</u>	 <u>25,992,244</u>
 Total capital assets, net	 <u>\$ 41,276,688</u>	 <u>\$ (2,257,836)</u>	 <u>\$ -</u>	 <u>\$ 39,018,852</u>

**WESTERN PLACER WASTE MANAGEMENT AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021 AND 2020**

**NOTE 4 – CAPITAL ASSETS (CONTINUED)**

Capital asset activity for the fiscal year ended June 30, 2020 was as follows:

	<u>Balance July 1, 2019</u>	<u>Additions and Transfers</u>	<u>Retirements and Transfers</u>	<u>Balance June 30, 2020</u>
<b>Capital assets, not being depreciated</b>				
Land	\$ 13,024,848	\$ -	\$ -	\$ 13,024,848
Construction in progress	-	1,619,483	-	1,619,483
Total capital assets not depreciated	<u>13,024,848</u>	<u>1,619,483</u>	<u>-</u>	<u>14,644,331</u>
<b>Capital assets, being depreciated</b>				
Land improvements	13,028,254	-	-	13,028,254
Building and improvements	58,205,566	-	-	58,205,566
Equipment	<u>628,395</u>	<u>8,579</u>	<u>-</u>	<u>636,974</u>
Total capital assets being depreciated	<u>71,862,215</u>	<u>8,579</u>	<u>-</u>	<u>71,870,794</u>
Less accumulated depreciation for:				
Land improvements	(1,380,523)	(528,291)	-	(1,908,814)
Building and improvements	(41,158,132)	(1,717,012)	-	(42,875,144)
Equipment	<u>(398,240)</u>	<u>(56,239)</u>	<u>-</u>	<u>(454,479)</u>
Total accumulated depreciation	<u>(42,936,895)</u>	<u>(2,301,542)</u>	<u>-</u>	<u>(45,238,437)</u>
Total capital assets, being depreciated, net	<u>28,925,320</u>	<u>(2,292,963)</u>	<u>-</u>	<u>26,632,357</u>
Total capital assets, net	<u>\$ 41,950,168</u>	<u>\$ (673,480)</u>	<u>\$ -</u>	<u>\$ 41,276,688</u>

**NOTE 5 – NOTE RECEIVABLE**

On September 9, 2010, the Authority entered into a secured non-negotiable promissory note with Nortech Waste LLC for the installation of improvements at the Material Recovery Facility (MRF) for a not to exceed amount of \$6,800,000. On December 1, 2011 the promissory note was converted to a term loan ending on June 30, 2020 with an interest rate of 5%. In fiscal year 2020, the balance was paid in full.

**NOTE 6 – CLOSURE AND POSTCLOSURE CARE COSTS**

The Authority accounts for solid waste landfill closure and postclosure costs based on the provisions of GASB Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs*. This statement is based on state and federal laws and regulations that place specific requirements on the Authority regarding closure and postclosure maintenance and monitoring functions for the Authority's landfill. These postclosure functions are required for 30 years after closure of the landfill site.

**WESTERN PLACER WASTE MANAGEMENT AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021 AND 2020**

**NOTE 6 – CLOSURE AND POSTCLOSURE CARE COSTS (CONTINUED)**

The \$14,083,880 and \$13,492,678 reported as landfill closure and postclosure care liability as of June 30, 2021 and June 30, 2020 represent the cumulative amount reported to date based on the use of approximately 37.34% and 36.20% of the estimated capacity of the landfill. The Authority will recognize the remaining estimated cost of closure and postclosure care of \$23,634,086 and \$23,778,038 at June 30, 2021 and June 30, 2020 as the remaining estimated capacity is filled. The Authority currently estimates the landfill will reach capacity in fiscal year 2058.

During the fiscal year ended June 30, 2021, the volume of the landfill remained at 36,350,000 yards. As of June 30, 2021, total estimated costs for closure and postclosure increased from \$37,270,716 at June 30, 2020 to \$37,717,966 at June 30, 2021 and the remaining capacity of the landfill decreased from approximately 63.80% to approximately 62.66% at June 30, 2020 and June 30, 2021, respectively. These changes resulted in an adjustment to the landfill closure and postclosure care liability of \$591,202 and \$655,273 for the fiscal year ended June 30, 2021 and June 30, 2020, respectively.

Future closure and postclosure costs are based on what it would cost to perform all closure and post-closure care in 2021. Actual costs may be higher due to inflation, changes in technology, changes in permitted capacity and/or changes in regulations. The Authority is required by state and federal laws and regulations to provide financial assurance that appropriate resources will be available to finance closure and postclosure care costs in the future. Management has accumulated sufficient assets to finance closure and postclosure costs as required by applicable laws as of June 30, 2021. The Board of Directors established a closure and postclosure fund reserve in accordance with Resolution No. 92-4, which was subsequently updated via Resolution No. 08-05 to provide financial assurance for the closure and postclosure maintenance costs. Management expects that any change to future closure and postclosure costs (due to changes in technology or applicable laws or regulations, for example) will be paid from charges to future users. As of June 30, 2021 and June 30, 2020, assets set-aside of \$14,543,606 and \$14,225,821, respectively, have been restricted to provide the final cover and postclosure maintenance upon closure of the landfill in accordance with the requirements of Title 14, California Code of Regulations (CCR), Division 7, Chapter 5, Article 3.5, Section 18282.

As the owner and operator of a landfill site, the Authority has potential exposure to environmental liability. The Authority may be required to perform corrective action for contaminate releases at its landfill. The Authority is continually evaluating its potential exposure to remediation liabilities on its landfill site. On the basis of information currently available to management, the Authority's management believes it has sufficient reserves for known and anticipated remediation costs. At June 30, 2021 and June 30, 2020, \$962,275 and \$950,864, respectively, has been accrued for corrective action costs and is included in the total closure and postclosure liability.

**NOTE 7 – RISK MANAGEMENT – CLAIMS AND JUDGMENTS**

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; pollution; and natural disasters and insurance is one of the tools the Authority uses to mitigate risk.

**WESTERN PLACER WASTE MANAGEMENT AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021 AND 2020**

**NOTE 7 – RISK MANAGEMENT – CLAIMS AND JUDGMENTS (CONTINUED)**

The Authority has commercial property insurance, through the Alliant Insurance Program, that affords up to \$100,000,000 in coverage per occurrence. The property policy has a \$10,000 per occurrence deductible which applies to losses unless a more specific deductible applies.

Property policies have sub-coverages that could have higher or lower deductible than the “all risk” \$10,000 amount. The Commercial General Liability affords up to \$2,000,000 per occurrence and has a \$2,000,000 general aggregate limit. The liability policy has a \$5,000 deductible for the commercial General Liability Coverage part and a \$25,000 deductible for the Third Party Premises Pollution Coverage part.

The Authority has had no settlement amounts exceeding insurance coverage for the last three years.

**NOTE 8 – CONCENTRATION OF VOLUME OF BUSINESS**

Recology Auburn Placer (formerly Auburn Placer Disposal) and the City of Roseville, a related party, are the major customers of the Authority’s facilities and constitute approximately 76.59% and 80.09% of the accounts receivable balance and 59.63% and 65.13% of total tipping fees from facility operations as of June 30, 2021 and June 30, 2020, respectively.

**NOTE 9 – RELATED PARTY TRANSACTIONS**

The Authority utilizes employees of the County and uses other County departments for other services, such as risk management, engineering, accounting, etc. Expenses paid to the County during the fiscal year ended June 30, 2021 and June 30, 2020 were \$3,879,056 and \$3,361,743, respectively.

**NOTE 10 – CONTINGENCIES**

The Authority is involved in various legal proceedings from time to time in the normal course of business. In management’s opinion, the Authority is not involved in any legal proceeding that will have a material adverse effect on financial position or changes in financial position of the Authority.

The COVID-19 Pandemic is having significant effects on global markets and availability of labor. Management believes the Authority is taking appropriate action to mitigate the negative impact; however, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.



**WESTERN PLACER WASTE MANAGEMENT AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021 AND 2020**

**STATISTICAL SECTION**

This part of the Authority's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, notes disclosures, and required supplementary information says about the Authority's overall financial health.

**CONTENTS**

<b>Financial Trends</b>	<b>Pages</b>
These schedules contain information to help the reader understand how the Authority's financial performance and well-being have changed over time.	24-31
<b>Revenue Capacity</b>	
These schedules contain information to help the reader assess the Authority's most significant local revenue source.	32-34
<b>Demographic and Economic Information</b>	
These schedules contain demographic and economic indicators to help the reader understand the environment within which the Authority's financial activities take place and help to make comparisons over time.	35-36
<b>Operating Information</b>	
These schedules contain information about the Authority's operation and resources to help the reader understand how the Authority's financial information relates to the services it provides and the activities it performs.	37-38

*Sources:*

*Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.*

## WESTERN PLACER WASTE MANAGEMENT AUTHORITY

### NET POSITION BY COMPONENT Fiscal Years 2011-12 through 2020-21

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	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
Net investment in capital assets	\$ 47,594,928	\$ 45,109,770	\$ 42,510,194	\$ 46,268,208
Restricted	11,274,020	11,310,854	11,525,044	11,847,607
Unrestricted	16,075,361	16,944,640	18,967,793	14,495,770
	<hr/>	<hr/>	<hr/>	<hr/>
Total activities net position	<u>\$ 74,944,309</u>	<u>\$ 73,365,264</u>	<u>\$ 73,003,031</u>	<u>\$ 72,611,585</u>

*Source: Audited Financial Statements for Fiscal Years 2011-12 through 2020-21*

# WESTERN PLACER WASTE MANAGEMENT AUTHORITY

## NET POSITION BY COMPONENT Fiscal Years 2011-12 through 2020-21

<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
\$ 44,155,042	\$ 43,361,967	\$ 43,577,463	\$ 41,950,168	\$ 40,371,126	\$ 39,018,852
12,273,871	12,517,773	13,089,102	13,439,325	14,225,821	14,543,606
16,879,390	18,162,036	19,407,882	22,223,231	20,886,970	21,756,392
<u>\$ 73,308,303</u>	<u>\$ 74,041,776</u>	<u>\$ 76,074,447</u>	<u>\$ 77,612,724</u>	<u>\$ 75,483,917</u>	<u>\$ 75,318,850</u>

*Source: Audited Financial Statements for Fiscal Years 2011-12 through 2020-21*

# WESTERN PLACER WASTE MANAGEMENT AUTHORITY

## TOTAL ANNUAL REVENUES Fiscal Years 2011-12 through 2020-21

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	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
OPERATING REVENUES:				
Fees from landfill operations	\$ 19,756,721	\$ 20,317,631	\$ 20,423,095	\$ 21,482,481
Rental	101,630	102,935	130,691	136,210
Miscellaneous	<u>339,231</u>	<u>334,882</u>	<u>120,851</u>	<u>70,137</u>
Total operating revenues	<u>20,197,582</u>	<u>20,755,448</u>	<u>20,674,637</u>	<u>21,688,828</u>
NONOPERATING REVENUES:				
Grant and other revenue	145,635	123,333	70,680	70,621
Investment earnings (losses)	<u>645,123</u>	<u>382,588</u>	<u>901,928</u>	<u>614,791</u>
Total nonoperating revenues	<u>790,758</u>	<u>505,921</u>	<u>972,608</u>	<u>685,412</u>
TOTAL REVENUES	<u>\$ 20,988,340</u>	<u>\$ 21,261,369</u>	<u>\$ 21,647,245</u>	<u>\$ 22,374,240</u>

*Source: Audited Financial Statements for Fiscal Years 2011-12 through 2020-21*

# WESTERN PLACER WASTE MANAGEMENT AUTHORITY

## TOTAL ANNUAL REVENUES Fiscal Years 2011-12 through 2020-21

<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
\$ 23,219,364	\$ 24,787,361	\$ 26,139,168	\$ 27,556,547	\$ 28,293,360	\$ 33,265,955
121,259	88,789	106,723	94,357	272,784	496,050
96,017	282,341	314,785	173,938	54,471	25,082
<u>23,436,640</u>	<u>25,158,491</u>	<u>26,560,676</u>	<u>27,824,842</u>	<u>28,620,615</u>	<u>33,787,087</u>
82,122	43,351	73,932	77,124	78,135	43,532
<u>868,222</u>	<u>216,223</u>	<u>374,856</u>	<u>1,877,716</u>	<u>992,890</u>	<u>(59,895)</u>
<u>950,344</u>	<u>259,574</u>	<u>448,788</u>	<u>1,954,840</u>	<u>1,071,025</u>	<u>(16,363)</u>
<u>\$ 24,386,984</u>	<u>\$ 25,418,065</u>	<u>\$ 27,009,464</u>	<u>\$ 29,779,682</u>	<u>\$ 29,691,640</u>	<u>\$ 33,770,724</u>

Source: Audited Financial Statements for Fiscal Years 2011-12 through 2020-21

# WESTERN PLACER WASTE MANAGEMENT AUTHORITY

## TOTAL ANNUAL EXPENSES Fiscal Years 2011-12 through 2020-21

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
OPERATING EXPENSES:				
Solid waste contractor:				
MRF	\$ 10,369,873	\$ 10,779,227	\$ 11,418,618	\$ 12,357,811
Landfill	3,047,532	2,401,616	2,559,553	2,608,587
Landfill maintenance	98,486	665,532	683,615	-
Depreciation	2,599,854	2,707,394	2,724,347	2,736,576
Professional services - county	2,412,463	2,344,284	2,390,872	2,324,506
Landfill closure and postclosure care costs	379,246	2,222,581	435,621	368,306
Professional services - purchased	938,153	786,218	808,780	1,290,123
Taxes and special department expenses	440,913	438,300	486,813	597,467
Administration <sup>(1)</sup>	198,968	234,323	211,344	184,833
General liability insurance	89,021	99,112	108,708	113,192
Utilities	61,813	68,970	82,091	86,555
Other expenses	79,498	92,857	99,116	97,730
TOTAL EXPENSES	<u>\$ 20,715,820</u>	<u>\$ 22,840,414</u>	<u>\$ 22,009,478</u>	<u>\$ 22,765,686</u>

**Note:**

(1) Starting in FY 18/19, the Administration expenses are now reported under the Professional Services - County.

*Source: Audited Financial Statements for Fiscal Years 2011-12 through 2020-21*

# WESTERN PLACER WASTE MANAGEMENT AUTHORITY

## TOTAL ANNUAL EXPENSES Fiscal Years 2011-12 through 2020-21

<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u> <sup>(1)</sup>	<u>2019-20</u>	<u>2020-21</u>
\$ 12,620,183	\$ 13,430,127	\$ 13,919,608	\$ 15,474,802	\$ 17,645,058	\$ 18,414,031
2,487,516	2,088,664	2,062,336	2,245,619	2,613,531	2,591,284
-	46,746	-	105,915	-	6,880
2,895,225	2,112,621	2,041,368	2,041,709	2,301,542	2,305,933
2,759,689	3,135,608	3,308,000	3,326,174	3,361,743	3,879,056
446,806	519,835	63,483	797,652	655,273	591,202
1,480,954	2,182,238	2,298,769	2,654,232	3,424,032	4,715,368
507,808	616,419	620,306	993,079	20,622	255,744
180,041	212,584	299,587	-	-	-
111,169	109,229	109,181	151,504	132,000	155,694
94,166	126,857	134,050	125,433	637,408	91,604
106,709	103,664	120,105	325,286	1,029,238	928,995
<u>\$ 23,690,266</u>	<u>\$ 24,684,592</u>	<u>\$ 24,976,793</u>	<u>\$ 28,241,405</u>	<u>\$ 31,820,447</u>	<u>\$ 33,935,791</u>

**Note:**

(1) Starting in FY18/19, the Administration expenses are now reported under the Professional Services - County.

Source: Audited Financial Statements for Fiscal Years 2011-12 through 2020-21

**WESTERN PLACER WASTE MANAGEMENT AUTHORITY**  
**CHANGES IN NET POSITION**  
**Fiscal Years 2011-12 through 2020-21**

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
Operating Revenues:				
Fees from landfill operations	\$ 19,756,721	\$ 20,317,631	\$ 20,423,095	\$ 21,482,481
Rental	101,630	102,935	130,691	136,210
Miscellaneous	<u>339,231</u>	<u>334,882</u>	<u>120,851</u>	<u>70,137</u>
Total operating revenues	<u>20,197,582</u>	<u>20,755,448</u>	<u>20,674,637</u>	<u>21,688,828</u>
Nonoperating Revenues:				
Grant and other revenue	145,635	123,333	70,680	70,621
Investment earnings (losses)	<u>645,123</u>	<u>382,588</u>	<u>901,928</u>	<u>614,791</u>
Total nonoperating revenues	<u>790,758</u>	<u>505,921</u>	<u>972,608</u>	<u>685,412</u>
Total revenues	<u>20,988,340</u>	<u>21,261,369</u>	<u>21,647,245</u>	<u>22,374,240</u>
Total expenses	<u>20,715,820</u>	<u>22,840,414</u>	<u>22,009,478</u>	<u>22,765,686</u>
Change in net position	<u>272,520</u>	<u>(1,579,045)</u>	<u>(362,233)</u>	<u>(391,446)</u>
Net position, beginning of year	<u>74,671,789</u>	<u>74,944,309</u>	<u>73,365,264</u>	<u>73,003,031</u>
Net position, end of year	<u>\$ 74,944,309</u>	<u>\$ 73,365,264</u>	<u>\$ 73,003,031</u>	<u>\$ 72,611,585</u>

Source: Audited Financial Statements for Fiscal Years 2011-12 through 2020-21



**WESTERN PLACER WASTE MANAGEMENT AUTHORITY**  
**CHANGES IN NET POSITION**  
**Fiscal Years 2011-12 through 2020-21**

<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
\$ 23,219,364	\$ 24,787,361	\$ 26,139,168	\$ 27,556,547	\$ 28,293,360	\$ 33,265,955
121,259	88,789	106,723	94,357	272,784	496,050
96,017	282,341	314,785	173,938	54,471	25,082
<u>23,436,640</u>	<u>25,158,491</u>	<u>26,560,676</u>	<u>27,824,842</u>	<u>28,620,615</u>	<u>33,787,087</u>
82,122	43,351	73,932	77,124	78,135	43,532
<u>868,222</u>	<u>216,223</u>	<u>374,856</u>	<u>1,877,716</u>	<u>992,890</u>	<u>(59,895)</u>
<u>950,344</u>	<u>259,574</u>	<u>448,788</u>	<u>1,954,840</u>	<u>1,071,025</u>	<u>(16,363)</u>
<u>24,386,984</u>	<u>25,418,065</u>	<u>27,009,464</u>	<u>29,779,682</u>	<u>29,691,640</u>	<u>33,770,724</u>
<u>23,690,266</u>	<u>24,684,592</u>	<u>24,976,793</u>	<u>28,241,405</u>	<u>31,820,447</u>	<u>33,935,791</u>
<u>696,718</u>	<u>733,473</u>	<u>2,032,671</u>	<u>1,538,277</u>	<u>(2,128,807)</u>	<u>(165,067)</u>
<u>72,611,585</u>	<u>73,308,303</u>	<u>74,041,776</u>	<u>76,074,447</u>	<u>77,612,724</u>	<u>75,483,917</u>
<u>\$ 73,308,303</u>	<u>\$ 74,041,776</u>	<u>\$ 76,074,447</u>	<u>\$ 77,612,724</u>	<u>\$ 75,483,917</u>	<u>\$ 75,318,850</u>

*Source: Audited Financial Statements for Fiscal Years 2011-12 through 2020-21*

# WESTERN PLACER WASTE MANAGEMENT AUTHORITY

## SCHEDULE OF CURRENT TIPPING FEES

Fiscal Year 2020-21

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Category	Tipping Fees
Municipal Solid Waste	\$ 73.00 /ton \$ 16.00 /cy
Construction and Demolition Debris	\$ 51.00 /ton \$ 16.00 /cy
Sludge and Mixed Inerts <sup>(1)</sup>	\$ 39.00 /ton
Commercial Food Waste	\$ 46.50 /ton
Source Separated Green Waste	\$ 42.00 /ton \$ 9.00 /cy
Source Separated Wood Waste <sup>(2)</sup>	\$ 29.00 /ton \$ 9.00 /cy
Inert Materials <sup>(3)</sup>	\$ 20.00 /ton \$ 18.00 /cy
Water Treatment Plant Sludge	\$ 9.00 /ton
Refrigerated Appliances	\$ 37.00 each
Non-refrigerated Appliances	\$ 8.00 each
Car and Light Truck Tires	\$ 3.50 each
Semi-trailer Tires	\$ 20.00 each
Tractor Tires	\$ 80.00 each
Euclid & Bulk Tires	\$ 200.00 /ton

**Note:**

(1) Applies to loads that qualify as Inert Materials but contain the presence of a small amount of contaminants.

(2) Applies to separated loads of wood, including: lumber, plywood, particleboard, and tree trunks and limbs less than 24 inches in diameter and greater than 1 inch in diameter. Loads can contain no more than 1% of contaminants. Contaminants include treated or painted wood.

(3) Applies to separated loads of dirt, rock, asphalt and concrete if free from rebar or mesh and broken into pieces less than 2' x 2' x 4'.

Source: Western Placer Waste Management Authority

# WESTERN PLACER WASTE MANAGEMENT AUTHORITY

## TEN LARGEST PRINCIPAL CUSTOMERS

As of June 30, 2021 and June 30, 2012

	June 30, 2021		June 30, 2012	
	Tipping Fees	% of Total Tipping Fee Revenue	Tipping Fees	% of Total Tipping Fee Revenue
Recology	\$ 11,077,228	33.30%	\$ 7,956,348	40.27%
City of Roseville	8,760,309	26.33%	6,697,949	33.90%
Cash Customers	7,363,500	22.14%	2,455,877	12.43%
City of Lincoln	2,138,157	6.43%	1,546,798	7.83%
Atlas Disposal Industries	459,280	1.38%	200,548	1.02%
Quality Construction Clean Up	288,922	0.87%	-	0.00%
Future Plastering, Inc.	165,152	0.50%	-	0.00%
Allied Waste Services	134,968	0.41%	60,688	0.31%
Eagle Painting & Drywall	122,843	0.37%	-	0.00%
Robinson Enterprises, Inc.	106,807	0.31%	-	0.00%
Waste Management, Inc.	-	0.00%	89,770	0.45%
Kroeker, Inc.	-	0.00%	67,085	0.34%
Placer County - Utilities	-	0.00%	62,241	0.32%
Operations Management Intl.	-	0.00%	54,130	0.27%
Ten Largest Principal Customers	30,617,166	92.04%	19,191,434	97.14%
All Other Customers	2,648,789	7.96%	565,287	2.86%
Total	\$ 33,265,955	100.00%	\$ 19,756,721	100.00%

Source: Western Placer Waste Management Authority

# WESTERN PLACER WASTE MANAGEMENT AUTHORITY

## CUSTOMER ACCOUNTS Fiscal Years 2011-12 through 2020-21

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<b>Fiscal Year</b>	<b>Number of Customer Accounts</b>	<b>Annual % Increase (Decrease)</b>
2011-12	278	-5%
2012-13	269	-3%
2013-14	275	2%
2014-15	274	0%
2015-16	272	-1%
2016-17	290	7%
2017-18	298	3%
2018-19	312	5%
2019-20	528	69%
2020-21	530	0%

*Source: Western Placer Waste Management Authority*

# WESTERN PLACER WASTE MANAGEMENT AUTHORITY

## DEMOGRAPHIC AND ECONOMIC STATISTICS

### LAST TEN CALENDAR YEARS

(Dollars in Thousands)

Calendar Year	Population <sup>(a)</sup> (in thousands)	Personal Income <sup>(b)</sup>	Per Capita Personal Income <sup>(c)</sup>	School Enrollment <sup>(d)</sup>	Unemployment Rate <sup>(e)</sup>
2011	351	17,932,119	51	68,278	10.7%
2012	355 <sup>(f)</sup>	19,004,105	54	68,813	9.3%
2013	357 <sup>(f)</sup>	20,174,068	57	69,831	7.6%
2014	366 <sup>(f)</sup>	20,228,856	55	70,141	6.0%
2015	374 <sup>(f)</sup>	21,658,527	58	70,496	5.0%
2016	383 <sup>(f)</sup>	22,741,453	59	71,435	4.4%
2017	390 <sup>(f)</sup>	24,527,289	63	72,769	3.8%
2018	397 <sup>(f)</sup>	26,223,081	67	74,927	3.1%
2019	404 <sup>(f)</sup>	27,459,330	69	75,208	3.1%
2020 <sup>(3)</sup>	405 <sup>(f)</sup>	29,124,683 <sup>(1)</sup>	72	73,926	7.3% <sup>(2)</sup>

#### Notes:

(1) Estimated 5% increase in personal income.

(2) Unemployment rate is 5.5% as of June 30, 2021.

(3) 2020 is the most recent information available

#### Sources:

(a) State of California, Department of Finance, E-2 California County Population Estimates Revised as of July 1

(b) & (c) U.S. Department of Commerce: Bureau of Economic Analysis - Local Data

(d) California Department of Education (Dataquest), K-12 Public School Enrollment for the County of Placer

(e) California State Employment Development Department (annual averages, no seasonally adjusted)

# WESTERN PLACER WASTE MANAGEMENT AUTHORITY

## TEN LARGEST EMPLOYERS As of June 30, 2021 and June 30, 2012

2021			2012		
Company or Organization	Number of Employees <sup>(1)</sup>	Percentage of Total Employment	Company or Organization	Number of Employees	Percentage of Total Employment
Kaiser Permanente	7,735	4.41%	Kaiser Permanente	3,702	2.35%
Sutter Health	7,242	4.13%	Hewlett-Packard Co.	3,200	2.03%
County of Placer	2,704 <sup>(2)</sup>	1.54%	County of Placer	2,240	1.42%
Squaw Valley Alpine Meadows	2,600	1.48%	Sutter Health	2,205	1.40%
Thunder Valley Casino Resort	2,500	1.42%	Thunder Valley Casino Resort	2,000	1.27%
Sierra Joint Community College District	2,100	1.20%	Union Pacific Railroad Co. Inc.	2,000	1.27%
Adventist Health System/West	1,810	1.03%	Northstar-At-Tahoe	1,950	1.24%
Safeway	1,336	0.76%	City of Roseville	1,690	1.07%
PRIDE Industries, Inc.	1,248	0.71%	PRIDE Industries, Inc.	1,020	0.65%
Hewlett-Packard Co.	1,200	0.68%	Raley's	967	0.61%

**Note:**

(1) Ranked by number of employees in full-time equivalents as of May 2020.

(2) Fiscal Year 2021-22 Final Budget for Funded Positions, County of Placer

*Sources:*

*Sacramento Business Journal*

*State of California, Employment Development Department*

# WESTERN PLACER WASTE MANAGEMENT AUTHORITY

## OPERATING INDICATORS Fiscal Years 2011-12 through 2020-21

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<b>Fiscal Year</b>	<b>Tonnage Disposed at Western Regional Sanitary Landfill</b>	<b>Percentage of Diversion Recycled Waste</b>
2011-12	198,499	45%
2012-13	211,417	43%
2013-14	216,266	42%
2014-15	232,072	41%
2015-16	248,748	39%
2016-17	271,416	38%
2017-18	287,292	39%
2018-19	288,828	40%
2019-20	289,731	42%
2020-21	322,225	46%

*Source: Western Placer Waste Management Authority*

# WESTERN PLACER WASTE MANAGEMENT AUTHORITY

## SCHEDULE OF ANNUAL REFUSE TONNAGE

Fiscal Years 2011-12 through 2020-21

Fiscal Year	Delivered by				Total Tonnage	Annual % Increase (Decrease)
	Recology	City of Roseville	City of Lincoln	Other Entities		
2011-12	138,195	118,103	25,414	81,056	362,768	-0.74%
2012-13	140,914	121,390	26,522	83,358	372,184	2.60%
2013-14	142,117	119,435	26,331	83,391	371,274	-0.24%
2014-15	148,698	122,143	26,716	94,390	391,947	5.57%
2015-16	154,341	125,890	27,735	102,393	410,359	4.70%
2016-17	161,238	132,112	30,786	111,362	435,498	6.13%
2017-18	166,167	137,539	30,411	135,540	469,657	7.84%
2018-19	170,163	142,475	30,862	138,782	482,282	2.69%
2019-20	170,997	140,423	31,269	152,393	495,082	2.65%
2020-21	176,442	142,170	33,106	207,231	558,949	12.90%

Source: Western Placer Waste Management Authority





**INDEPENDENT AUDITORS' 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  
Western Placer Waste Management Authority  
Auburn, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Western Placer Waste Management Authority (Authority), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated December 17, 2021.

**Internal Control Over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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 may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

**CliftonLarsonAllen LLP**

Roseville, California  
December 17, 2021