WESTERN PLACER WASTE MANAGEMENT AUTHORITY

Roseville, California

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2021)

PREPARED BY:

Placer County Auditor-Controller's Office

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WESTERN PLACER WASTE MANAGEMENT AUTHORITY

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Dan Karleskint, City of Lincoln, Chair
Robert Weygandt, Placer County
Pauline Roccucci, City of Roseville
Bonnie Gore, Placer County
Bill Halldin, City of Rocklin
Ken Grehm, Executive Director

December 22, 2022

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, 2022 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, 2022 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 auditors 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, 2022, are fairly presented in conformity with GAAP. The independent auditors' 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 auditors.

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

<u>Local Economy</u>

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.

<u>Long-term Financial Planning</u>

Authority staff estimates that the increase in residential and commercial construction 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 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 maintain a strong financial position allowing it to seek competitive rates for financing of new-term facility improvements while maintaining a competitive advantage amongst other waste management facilities in the greater Sacramento region.

Major Initiatives and Accomplishments

<u>Accomplishments:</u>

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, in FY2021 the Authority initiated a competitive procurement process to select the future operators of the materials recovery facility (MRF) and landfill. In January 2021, the Authority received four proposals related to future MRF operations and three proposals related to future landfill operations. Acknowledging the significance of SB 1383, the MRF procurement process required proposing firms to guarantee and to demonstrate how they would meet CalRecycle's "high diversion organic processing facility" performance requirements of diverting from disposal at least 75% of organic materials received at the MRF. To facilitate this, the MRF procurement process was designed to consist of two separate and distinct phases: Phase I involved a broad solicitation with the requirement to provide firm experience and qualifications and a conceptual (~10%) level MRF design and associated capital and operating cost estimates. Phase II involved selection of the top-ranked firms to further develop their designs and cost estimates to an approximately 30% level (design competition). After review of the proposals by an evaluation committee comprised of representatives of the Authority and Member Agencies, the Authority Board selected two of the four firms to further develop their proposed facility modifications and cost structures which served as the basis of selection of the firm to operate the MRF in the future. In late November 2021, the Board selected FCC Environmental Services to be the future MRF and landfill operator; final operating agreements between the Authority and FCC were executed in April 2022.

As part of its MRF proposal, FCC provided a 30% design for upgrade of the recovery facilities including the MRF, composting facility and construction and demolition debris processing systems. The not-to-exceed cost for the improvements provided by FCC was approximately $120 million. As this exceeded the Authority's current reserves, the Authority undertook an effort to secure public financing through the issuance of revenue bonds. The status of this effort is discussed further in the Current Activities section. At the onset of the financing effort, the Authority acknowledged the critical importance of ensuring long-term stability in the quantities of waste materials, and associated tipping fee revenue, received at the facility. Accordingly, the Authority entered into negotiations with each of its Member Agencies to secure contractual flow commitments for the duration of the anticipated financing period. With the exception of the City of Roseville, as noted below, each of the Member Agencies entered into agreements with the Authority for the long-term delivery of all wastes collected by the respective Agency (or their franchise haulers) for the duration of the financing term (anticipated to be 20 years). The City of Roseville agreed to a full commitment of its waste flows for a period of at least three (3) years as well as a reduced commitment of waste flows for the duration of the financing period. These flow commitment agreements were executed by all parties in April 2022.

In mid-November 2021, near the conclusion of the MRF and landfill procurement process, the Authority experienced a major fire in the MRF which damaged a significant portion of the material processing equipment. The Authority worked with its current operator (Nortech Waste) to make temporary modifications to the MRF to allow for continued operations. After conducting the necessary reviews and filing the applicable insurance claims, the Authority initiated repairs to the MRF near the end of FY 2022. The cause the fire could not be conclusively determined; preliminary investigations by the Fire Department and Nortech suggest the fire could have started from an improperly disposed of lithium-ion battery in the waste stream or an equipment electrical malfunction. As noted in the Current Activities section below, facility repairs and return to full operations are anticipated in FY 2023.

In September 2021, the Authority entered into a Master Services Agreement with California State University, Sacramento and the Carlsen Center for Innovation and Entrepreneurship to assist with attracting and mentoring businesses that intend to beneficially utilize recyclable materials recovered at the Authority's facility.

In October 2021, the Authority issued its Draft Environmental Impact Report (EIR) for its Renewable Placer: Waste Action Plan (Plan). The Plan was developed to best position the Authority 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 Draft EIR was issued for public review and comment with the anticipated certification scheduled to occur in FY 2023.

Current Activities:

Beginning on July 1, 2022, FCC Environmental Services took over operational responsibility of both the MRF and landfill. Despite the challenges of transferring operational responsibility of the MRF from Nortech Waste to FCC, there were no disruptions in service at the Authority's facility during the transition between operators. The Authority and FCC are working collaboratively together to complete the repairs to the MRF (associated with the November 2021 fire) and implement operational improvements to increase material diversion rates. FCC is currently preparing the final design documents for the facility improvements with construction expected to start in late FY 2023 or early FY 2024.

The Authority finalized the facility improvements financing effort and issued revenue bonds in September 2022. As part of the effort to obtain a credit rating from S&P Global Ratings of at least "BBB", the Authority instituted a multi-year tip fee adjustment schedule to ensure sufficient tip fee revenues are generated to meet the anticipated bond coverage covenants of 125% of the annual debt service amount.

In addition to the MRF improvements, the Authority intends to begin construction of the next landfill module to guarantee sufficient disposal capacity is available for at least the next 10 to 15 years.

The Authority, in collaboration with the Carlsen Center for Innovation and Entrepreneurship, intends to conduct a "pitch competition" to attract proposals from individuals or firms for technologies or operational concepts to increase material diversion rates or improve the economics associated with the Authority's operation. The Authority anticipates soliciting proposals in late calendar year 2022 with an anticipated final award ceremony occurring during Earth Week in April 2023.

The Authority intends to issue its Final EIR for the Renewable Placer: Waste Action Plan and present it to the Authority Board for certification and project approval before the end of calendar year 2022.

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, 2021. 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

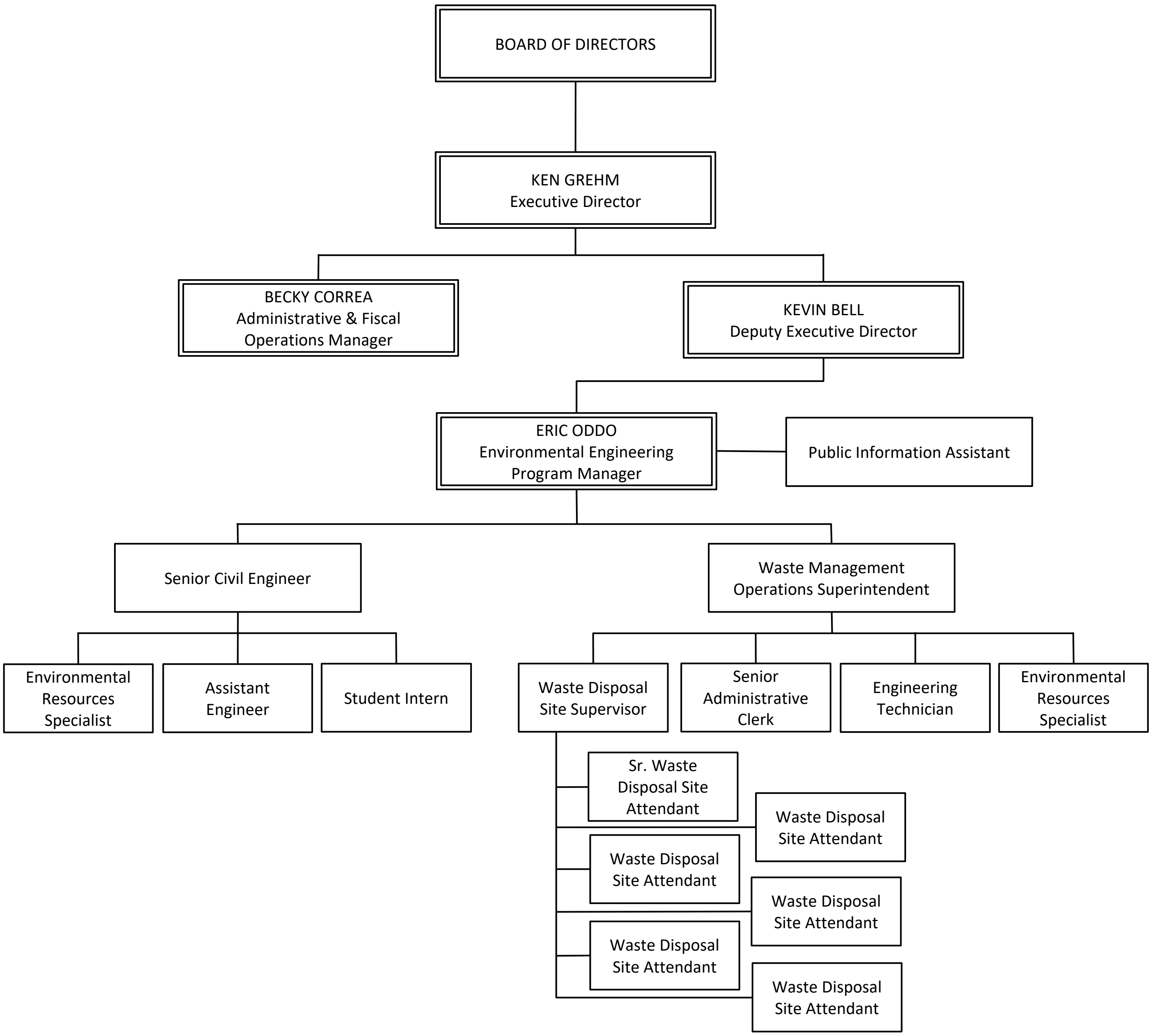
The Western Placer Waste Management Authority is governed by representatives of its member agencies. They are as follows:

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, 2021

Christopher P. Morrill

Executive Director/CEO

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Western Placer Waste Management Authority
Roseville, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Western Placer Waste Management Authority (Authority), which comprises the statement of net position as of June 30, 2022, and the related statement of revenues, expenses, and changes in net position, and cash flow for the year then ended, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Western Placer Waste Management Authority as of June 30, 2022, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Western Placer Waste Management Authority and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Western Placer Waste Management Authority's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Western Placer Waste Management Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the Authority's proportionate share of the County's net pension liability and related ratios, schedule of the Authority's pension plan contributions, schedule of the Authority's proportionate share of the County's net OPEB liability (asset) and related ratios, and schedule of the Authority's OPEB plan contributions as listed on the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the 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

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the financial statements and our auditors' report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on Summarized Comparative Information

We have previously audited Western Placer Waste Management Authority's fiscal year 2021 financial statements, and we expressed an unmodified audit opinion in our report dated December 17, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2022 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

CliftonLarsonAllen LLP

Roseville, California
December 22, 2022

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WESTERN PLACER WASTE MANAGEMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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 year ended June 30, 2022. 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, 2022 were approximately $109.1 million, an increase of approximately $16.8 million or 18.2% from 2021.
- Total liabilities at June 30, 2022 were approximately $20.5 million, an increase of approximately $3.5 million or 20.7% from 2021.
- The Authority's total net position increased approximately $12.7 million during the fiscal year ended June 30, 2022, an increase of 16.9% from 2021.
- Total operating revenues increased approximately $11.4 million during the fiscal year ended June 30, 2022; an increase of approximately 33.7% over 2021, while operating expenses decreased approximately $843 thousand or 2.5% from 2021.

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 Statement of Net Position.

The Statement 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.

The Statement of Revenues, Expenses and Changes in Net Position presents information showing how the Authority's net position changed during the fiscal year ended June 30, 2022. 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.

Statement 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 and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $88.0 million as of June 30, 2022.

As of June 30, 2022, total assets increased approximately $16.8 million or 18.2% and liabilities increased approximately $3.5 million or 20.7%. Total assets increased primarily due to an increase in prepaid expenses related to prepayment of equipments for capital projects. The increase in current liabilities of $474.1 thousand or 16.2% is primarily due to the addition of payroll related liabilities, and the increase in noncurrent liabilities of $3.0 million or 21.6% is due to an increase in the estimated liability for landfill closure and postclosure care costs, the recording of compensated absences and net pension liability effective in fiscal year ended 2022 resulting from certain employees were dedicated to the Authority effective in fiscal year 2022. The following table summarizes assets, liabilities and net position as of June 30, 2022 and June 30, 2021:

			Total	
	2022	2021	Dollar Change	Percent Change
Current assets	$ 55,077,225	$ 38,774,316	$ 16,302,909	42.0%
Capital assets, net	39,095,431	39,018,852	76,579	0.2%
Other assets	14,948,054	14,543,606	404,448	2.8%
Total assets	109,120,710	92,336,774	16,783,936	18.2%
Deferred outflows related to pensions	385,797	-	385,797	N/A
Deferred outflows related to OPEB	127,146	-	127,146	N/A
Total deferred outflows of resources	512,943	-	512,943	N/A
Current liabilities	3,408,114	2,934,044	474,070	16.2%
Noncurrent liabilities	17,124,783	14,083,880	3,040,903	21.6%
Total liabilities	20,532,897	17,017,924	3,514,973	20.7%
Deferred inflows related to pensions	525,547	-	525,547	N/A
Deferred inflows related to OPEB	518,032	-	518,032	N/A
Other deferred inflows	26,396	-	26,396	N/A
Total deferred inflows of resources	1,069,975	-	1,069,975	N/A
Investment in capital assets	38,898,473	39,018,852	(120,379)	-0.3%
Unrestricted	49,132,308	36,299,998	12,832,310	35.4%
Total net position	$ 88,030,781	$ 75,318,850	$ 12,711,931	16.9%

The Authority's net position represents the unrestricted portion and the Authority's net investment in capital assets. Total net position increased approximately $12.7 million or 16.9% from 2021.

Changes in Net Position

The following table summarizes the changes in net position for the fiscal year ended June 30, 2022:

			Total	
	2022	2021	Dollar Change	Percent Change
Operating revenues				
Fees from landfill operations	$ 44,568,089	$ 33,265,955	$ 11,302,134	34.0%
Rental	518,822	496,050	22,772	4.6%
Miscellaneous	84,418	25,082	59,336	236.6%
Total operating revenues	45,171,329	33,787,087	11,384,242	33.7%
Operating expenses				
Salaries and benefits	4,160,850	-	4,160,850	N/A
Solid waste contractor:				
MRF	17,752,012	18,414,031	(662,019)	-3.6%
Landfill	2,577,934	2,591,284	(13,350)	-0.5%
Landfill maintenance	-	6,880	(6,880)	-100.0%
Closure and postclosure care costs	988,275	591,202	397,073	67.2%
General and administrative	5,291,196	10,026,461	(4,735,265)	-47.2%
Depreciation	2,322,586	2,305,933	16,653	0.7%
Total operating expenses	33,092,853	33,935,791	(842,938)	-2.5%
Operating income (loss)	12,078,476	(148,704)	12,227,180	8222.5%
Nonoperating revenues (expenses)				
Lease revenue and interest	7,753	-	7,753	N/A
Insurance proceeds	1,567,945	-	1,567,945	N/A
Grant revenue	67,796	43,532	24,264	55.7%
Investment loss	(963,961)	(59,895)	(904,066)	1509.4%
Loss on sale of capital assets	(46,078)	-	(46,078)	N/A
Total nonoperating revenues	633,455	(16,363)	649,818	3971.3%
Change in net position	12,711,931	(165,067)	12,876,998	7801.1%
Net position, beginning of year	75,318,850	75,483,917	(165,067)	-0.2%
Net position, end of year	$ 88,030,781	$ 75,318,850	$ 12,711,931	16.9%

Operating revenues for fiscal year 2022 increased approximately $11.4 million or 33.7% over the prior year primarily due to an increase in the amount of waste materials received and established rates. Total operating expenses decreased approximately $843 thousand or 2.5% from 2021 primarily due to the completion of certain ongoing projects in FY21 and a decrease in charges for the solid waste contractor costs for Materials Recovery Facility (MRF). In addition, there was a decrease in the general and administrative expenses, which was offset by the increase in salaries and benefits resulting from certain County employees were dedicated to the Authority and salaries and benefits were presented on a separate financial statement line item effective in fiscal year ended 2022.

CAPITAL ASSETS

As of June 30, 2022, the Authority's investment in capital assets was approximately $39.1 million (net of accumulated depreciation). During 2022, net capital assets increased by $76 thousand or 0.2% mainly due to the current year's asset acquisition offset by depreciation expense. The following table presents the changes in capital assets:

			Total	
	2022	2021	Dollar Change	Percent Change
Land	$ 13,024,848	$ 13,024,848	$ -	0.0%
Construction in progress	2,823,184	1,760	2,821,424	160308.2%
Land improvements	14,687,751	14,687,751	-	0.0%
Buildings and improvements	57,829,386	58,205,566	(376,180)	-0.6%
Equipment	276,447	635,097	(358,650)	-56.5%
Total	88,641,616	86,555,022	2,086,594	2.4%
Less accumulated depreciation	(49,546,185)	(47,536,170)	(2,010,015)	4.2%
Total capital assets, net	$ 39,095,431	$ 39,018,852	$ 76,579	0.2%

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Authority experienced an approximately 14% increase in tonnages in fiscal year 2022 compared to the previous fiscal year. 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. As part of the Authority's recent issuance of revenue bonds (as discussed below), the Authority and its Member Agencies have entered into material flow commitment agreements which are intended to provide a level of stability and predictability with respect to tonnages and associated tipping fee revenues throughout the duration of the financing period.

The Authority anticipates that waste tonnages will continue to increase at a low to moderate pace in fiscal year 2023. While regional construction is expected to continue, historically high inflation rates may prove to put downward pressure on discretionary consumer spending, which could result in a slower than anticipated growth in the receipt of municipal solid waste and miscellaneous items such as large appliances and electronics.

The Authority's MRF operating agreement with Nortech Waste, LLC and landfill operating agreement with Nortech Landfill, Inc. expired on June 30, 2022. Prior to the expiration, the Authority conducted a competitive procurement process to identify and select future facility operators. In November 2021, the Authority selected FCC Environmental Services, LLC (FCC) to operate both the MRF and landfill for a period of at least 10 years. The Authority also entered into a Design and Construction Agreement with FCC to upgrade the MRF to meet the material diversion requirements of SB1383 and CalGreen Building Standards Code.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET (CONTINUED)

Under SB1383 and CalGreen, FCC will be required to divert at least 75% of all organic materials from the mixed municipal solid waste stream and at least 65% of all construction debris received at the Authority's facility, respectively. To achieve these goals, FCC prepared a 30% design for the Authority's consideration; the parties agreed to a cost of approximately $120 million for the applicable modifications. As part of the Design and Construction Agreement, FCC is obligated to finalize the design and construct the improvements. In addition to the MRF modifications, the Authority initiated the procurement process to construct the next disposal module at the landfill (Module 6). The initial engineer's estimate suggested the cost to construct Module 6 could be approximately $20 million. Based on material diversion rates that FCC is obligated to achieve under the MRF operating agreement, and estimates of continued regional growth, the Authority anticipates Module 6 will provide sufficient disposal capacity for approximately 15 years.

Prior to selecting FCC to modify and operate the MRF, the Authority acknowledged that the costs to comply with SB1383 and CalGreen would necessitate facility modifications and tipping fee increases to pay for these modifications. In March 2021, the Authority increased rates effective July 1, 2021 with the expectation that the additional revenues generated would be applied towards the MRF modification costs. As a result, prior to the execution of the Design and Construction Agreement with FCC, the Authority had established approximately $30 million in reserves it could use towards the MRF improvements. To fund the remaining cost of approximately $90 million, and to fund a portion of the Module 6 construction, the Authority initiated the process of issuing revenue bonds.

As part of the revenue bonds issuance process and in an effort to establish a suitable bond rating, the Authority developed a financial model that was used to inform possible tipping fee adjustments with the expectation of achieving a "BBB" rating. The Authority subsequently approved a three-year tipping fee schedule that includes a general rate increase of 8.5% in the second half of fiscal year 2023, 8.5% in fiscal year 2024 and 2.0% in fiscal year 2025. As noted above, the Authority established Flow Commitment Agreements with each of the Member Agencies. The Authority also conducted a competing facilities analysis and concluded that, based on the additional transport distance to the facilities, current fuel prices, and the individual posted tipping fees for each facility identified, between 90% and 94% of the non-contractually bound customers would likely continue to utilize the Authority's facilities. In August 2022, the Authority made a rating presentation to S&P Global Ratings to establish its bond rating. Following the presentation, S&P assigned the Authority a rating of "AA", substantially improving the Authority's market position and resulting in lower borrowing costs. As part of the resulting bonds, the Authority agreed to a bond covenant to generate sufficient tipping fee revenues to demonstrate at least 125% coverage of the annual debt service after all qualifying Operations and Maintenance costs had been paid. The Authority will track these additional revenues separately allowing the Authority Board to consider early repayment of the bonds.

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 Draft EIR was issued for public review and comment in October 2021; the Authority anticipates certifying the EIR and selecting a project by the end of calendar year 2022.

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 foreign markets is substantially reduced. As the transport costs of these products would be negligible, 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.

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 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 and with Sacramento State and the Carlsen Center for Innovation and Entrepreneurship intended to help foster and mentor potential new recycling-focused endeavors at or near the Authority's site.

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

STATEMENT OF NET POSITION
JUNE 30, 2022
(WITH COMPARATIVE TOTALS AS OF JUNE, 30 2021)

	2022	2021
ASSETS		
Current assets:		
Cash and investments in Treasury Pool	$ 21,397,602	$ 36,395,478
Petty cash	8,600	8,600
Accounts receivable, less allowance for uncollectible accounts of $6,167 for 2022 and $6,167 for 2021	4,918,575	2,362,225
Interest receivable	16,233	8,013
Lease receivable	7,942	-
Prepaid expenses	28,728,273	-
Total current assets	55,077,225	38,774,316
Noncurrent assets:		
Restricted cash and investments in Treasury Pool	14,493,509	14,543,606
Net OPEB asset	436,091	-
Lease receivable, net of current portion	18,454	-
Non-depreciable capital assets	15,848,032	13,026,608
Depreciable capital assets, net of accumulated depreciation	23,247,399	25,992,244
Total noncurrent assets	54,043,485	53,562,458
Total assets	109,120,710	92,336,774
Deferred outflows of resources:		
Deferred outflows related to pensions	385,797	-
Deferred outflows related to OPEB	127,146	-
Total deferred outflows of resources	512,943	-
LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses	3,382,908	2,934,044
Compensated absences	25,206	-
Total current liabilities	3,408,114	2,934,044
Noncurrent liabilities:		
Landfill closure and postclosure care costs	15,072,156	14,083,880
Compensated absences	226,857	-
Net pension liability	1,825,770	-
Total liabilities	20,532,897	17,017,924
Deferred inflows of resources:		
Deferred inflows related to pensions	525,547	-
Deferred inflows related to OPEB	518,032	-
Deferred inflows related to leases	26,396	-
Total deferred inflows of resources	1,069,975	-
NET POSITION		
Net investment in capital assets	38,898,473	39,018,852
Unrestricted	49,132,308	36,299,998
Total net position	$ 88,030,781	$ 75,318,850

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

WESTERN PLACER WASTE MANAGEMENT AUTHORITY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE FISCAL YEAR ENDED JUNE 30, 2022 (WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE, 30 2021)

	2022	2021
OPERATING REVENUES:		
Fees from landfill operations	$ 44,568,089	$ 33,265,955
Rental	518,822	496,050
Miscellaneous	84,418	25,082
Total operating revenues	45,171,329	33,787,087
OPERATING EXPENSES:		
Salaries and benefits	4,160,850	-
Solid waste contractor:		
MRF	17,752,012	18,414,031
Landfill	2,577,934	2,591,284
Landfill maintenance	-	6,880
Depreciation	2,322,586	2,305,933
Professional services - county	410,906	3,879,056
Landfill closure and postclosure care costs	988,275	591,202
Professional services - purchased	3,317,620	4,715,368
Taxes and special department expenses	894,939	918,735
General liability insurance	202,477	155,694
Utilities	130,217	91,604
Other expenses	335,037	266,004
Total operating expenses	33,092,853	33,935,791
Operating income (loss)	12,078,476	(148,704)
NONOPERATING REVENUES / (EXPENSES):		
Lease revenue and interest	7,753	-
Insurance proceeds	1,567,945	-
Grant revenue	67,796	43,532
Investment loss	(963,961)	(59,895)
Loss on sale of capital assets	(46,078)	-
Total nonoperating expenses	633,455	(16,363)
Changes in net position	12,711,931	(165,067)
Net position, beginning of year	75,318,850	75,483,917
Net position, end of year	$ 88,030,781	$ 75,318,850

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

WESTERN PLACER WASTE MANAGEMENT AUTHORITY

STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE, 30 2021)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash receipts from customers	$ 43,811,739	$ 33,537,263
Cash paid to employees	(1,988,472)	-
Cash receipts from other operating activities	603,240	521,132
Cash paid to suppliers for goods and services	(54,097,508)	(32,047,022)
Net cash provided by (used for) operating activities	(11,671,001)	2,011,373
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
State grant receipts	67,796	43,532
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition of capital assets	(2,624,466)	(48,097)
Insurance proceeds	144,129	-
Net cash used for capital and related financing activities	(2,480,337)	(48,097)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Loss on investments	(972,184)	(27,235)
Lease principal and interest received	7,753	-
Net cash provided by investing activities	(964,431)	(27,235)
Net change in cash and cash equivalents	(15,047,973)	1,979,573
Cash and cash equivalents, beginning of year	50,947,684	48,968,111
Cash and cash equivalents, end of year	$ 35,899,711	$ 50,947,684
RECONCILIATION TO THE STATEMENTS OF NET POSITION:		
Cash and investments in Treasury Pool	$ 21,397,602	$ 36,395,478
Petty cash	8,600	8,600
Restricted cash and investments in Treasury Pool	14,493,509	14,543,606
Total cash and cash equivalents	$ 35,899,711	$ 50,947,684
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:		
Operating income (loss)	$ 12,078,476	$ (148,704)
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities:		
Depreciation	2,322,586	2,305,933
(Increase) decrease in accounts receivable	(756,350)	271,308
(Increase) in prepaid expenses	(28,728,273)	-
(Increase) in net OPEB asset and related deferred outflows and inflows of resources	(45,205)	-
Increase (decrease) in accounts payable and accrued expenses	251,906	(1,008,366)
Increase in compensated absences	252,063	-
Increase in estimated liability for landfill closure and postclosure care costs	988,276	591,202
Increase in net pension liability and related deferred outflows and inflows of resources	1,965,520	
Net cash provided by (used for) operating activities	$ (11,671,001)	$ 2,011,373
NON-CASH FINANCING AND INVESTING ACTIVITIES		
Fair market value adjustment	$ 1,013,367	$ 90,635
Capital asset purchased payable	196,958	-

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

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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 Fiddyment 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 as of June 30, 2022 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.

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 $100,000 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.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

The Authority engages in lease agreements to meet operational needs or to serve the general public. For short-term leases with a maximum possible term of 12 months or less at commencement, the Authority recognizes periodic revenue or expense based on the provisions of the lease contract. The Authority serves as a lessor providing lease of authority-owned land. The financial statements recognize a lease receivable and a deferred inflow of resources, based on the present value of the future lease payments expected to be received during the contracted lease term, and the deferred inflow of resources is amortized evenly over the life of the lease.

If amendments or other certain circumstances occur that are expected to significantly affect the amount of the lease, the present value is remeasured and corresponding adjustments made. Lease contracts include increases to rent payments related to the consumer price index (CPI) or similar indices, and the available index increase is included in the present value at the commencement of the lease or upon remeasurement. Payments based on future performance are not included in the measurement of the lease liability or lease receivable but recognized as revenue or expense in the period performed. Residual value guarantees and exercise options will be included in the measurement if they are reasonably certain to be paid or exercised.

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to future periods and so will not be recognized as an expense/expenditure until then. The authority reports deferred outflows related to pensions and OPEB (other postemployment benefits).

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element is an acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The authority reports deferred inflows of resources related to leases, pensions and OPEB.

Pensions

For purposes of measuring the Authority's proportionate share of the County's net pension liability and deferred inflows/outflows of resources related to pensions, and pensions expense, information about the fiduciary net position of the County of Placer California Public Employees' Retirement System (CalPERS) plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Postemployment Benefits (OPEB)

For purposes of measuring the Authority's proportionate share of the County's net OPEB liability/(asset), deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense/(credit), information about the fiduciary net position of the County's OPEB Plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, the OPEB plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at amortized cost.

Compensated Absences

Effective on July 1, 2021, certain Placer County employees were dedicated 100% to the Authority and the Authority inherited the compensated absence balances of these employees. The Authority reports a liability for compensated absences attributable to services already rendered as of June 30, 2022, and which are not contingent on a specific event that is outside the control of the Authority, such as employee illness. This liability is based on the probability that the Authority will eventually compensate the employees for the benefits through paid time off or some other means, such as annual leave cash-outs, payment of future health insurance premiums, or cash payments at termination or retirement. The liability is calculated based on pay rates in effect as of June 30, 2022, in addition to those salary-related payments that are directly and incrementally associated with payments made for compensated absences on termination, such as Social Security and Medicare taxes.

All regular employees of the Authority earn paid vacation hours. The amount of vacation hours earned is based on the years of continuous service and the various conditions negotiated by the bargaining unit to which the employee belongs.

Except for management employees, no more than 400 hours, or 520 hours after 10 continuous years of service, may be accumulated as of the last day of the first full pay period of each calendar year. Management employees can accumulate up to 520 hours. Upon termination, employees are entitled to a lump sum payment for accrued vacation and compensatory time off.

All regular employees are given credit for eight hours of sick leave during each month of employment with accumulation limits based on contract term with each bargaining unit. Unless otherwise stated below, upon termination of employment, for employees working 40 hours per week, no pay shall be given for the first 24 days of sick leave in the employee's account. The remaining sick leave shall be paid at the rate of 50% of the hourly pay rate of the employee at the time of termination.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences (continued)

Each bargaining unit will be entitled to use sick leave balances upon retirement as summarized below:

- *Placer Public Employees Organization General Unit (PPEO)* – On May 24, 2011, the Board of Supervisors approved the following change effective July 2, 2011: upon retirement, the first 1,500 unused sick leave hours will be set aside for payment of retiree's share of health insurance premiums not to exceed 8 hours per month; any hours in excess of 1,500 are converted to CalPERS Service Credit. Effective June 9, 2018 employees with balances in excess of 1,000 hours will no longer accrue sick leave hours until their balance falls below 1,000 hours.

- *Management and Confidential Employees* – Guidelines for use of sick leave at termination are the same as described above for PPEO represented employees. However, on May 24, 2011, the Board of Supervisors approved the following change: upon retirement, Management and Confidential employees will have 100% of unused sick leave hours set aside for payment of retiree's share of health insurance premiums. There is no sick leave cap for this group.

Net Position

The Authority's financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- Net investment in capital assets consists of all of Authority's capital assets, net of accumulated depreciation, less any debt used to acquire those assets and related outstanding payables.

- Restricted net position consists of restricted assets reduced by liabilities related to those assets. This category represents external restrictions for landfill closure and postclosure.

- Unrestricted net position represents resources that do not meet the definition of net investment in capital assets or restricted and can be used to meet the Authority's ongoing commitments and obligations.

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.

Reclassifications

Certain reclassifications have been made to the prior year comparative information as of and for the fiscal year ended June 30, 2021, to conform to the presentation as of and for the fiscal year ended June 30, 2022.

Comparative Totals

The Authority's financial statements include prior year comparative information, which should be read in conjunction with Authority's financial statements for the fiscal year ended June 30, 2021, from which the information was derived.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Effect of New Governmental Accounting Standards Board (GASB) Pronouncements

The GASB issued Statement No. 87, "Leases" in June 2017. This Statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The adoption of this statement resulted in the recognition of additional lease receivable and deferred inflows of resources. Note 6 provides details on the balances reported.

NOTE 3 – CASH AND INVESTMENTS

Cash and investments as of June 30, 2022 are classified in the accompanying financial statements as follows:

Cash and investments in Treasury Pool	$	21,397,602
Restricted cash and investments in Treasury Pool		14,493,509
Petty cash		8,600
Total	$	35,899,711

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.

The County's Treasury Review Panel performs regulatory oversight of the Treasury Pool pursuant to California Government Code Section 27134. As of June 30, 2022, 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, 2022, the Authority held no individual investments.

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurement (continued)

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 as of June 30, 2022 totaled $35,891,111, 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, 2022 was 536 days.

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, 2022 are disclosed in the County's Annual Comprehensive Financial Report. The County external investment pool is not rated.

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, 2022 was as follows:

	Balance July 1, 2021	Additions	Retirements	Balance June 30, 2022
Capital Assets, Not Being Depreciated				
Land	$ 13,024,848	$ -	$ -	$ 13,024,848
Construction in progress	1,760	2,821,424	-	2,823,184
Total capital assets not being depreciated	13,026,608	2,821,424	-	15,848,032
Capital Assets, Being Depreciated				
Land improvements	14,687,751	-	-	14,687,751
Building and improvements	58,205,566	-	(376,180) (*)	57,829,386
Equipment	635,097	-	(358,650)	276,447
Total capital assets being depreciated	73,528,414	-	(734,830)	72,793,584
Less accumulated depreciation for:				
Land improvements	(2,440,359)	(567,337)	-	(3,007,696)
Building and improvements	(44,592,156)	(1,717,013)	-	(46,309,169)
Equipment	(503,655)	(38,236)	312,571	(229,320)
Total accumulated depreciation	(47,536,170)	(2,322,586)	312,571	(49,546,185)
Total capital assets, being depreciated, net	25,992,244	(2,322,586)	(422,259)	23,247,399
Total capital assets, net	$ 39,018,852	$ 498,838	$ (422,259)	$ 39,095,431

(*) Balance represents recording of asset impairment in fiscal year ended 2022.

NOTE 5 – 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.

The $15,072,156 reported as landfill closure and postclosure care liability as of June 30, 2022 represented the cumulative amount reported to date based on the use of approximately 38.48% of the estimated capacity of the landfill. The Authority will recognize the remaining estimated cost of closure and postclosure care of $24,098,556 at June 30, 2022 as the remaining estimated capacity is filled. Based on permitted waste disposal limits and on historical tonnage disposal rates, the landfill is projected to reach currently permitted capacity in 2058. The Authority anticipates that its plans to retrofit the material recovery facility beginning in 2022 will assist the Authority in reducing the disposal of organic waste by 75% by 2025 as required by SB 1383. The Authority estimates that by meeting this diversion goal, the capacity at the landfill could be extended to approximately 2075.

NOTE 5 – CLOSURE AND POSTCLOSURE CARE COSTS (CONTINUED)

During the fiscal year ended June 30, 2022, the volume of the landfill remained at 36,350,000 yards. As of June 30, 2022, total estimated costs for closure and postclosure increased from $37,717,966 at June 30, 2021 to $39,170,713 at June 30, 2022 and the remaining capacity of the landfill decreased from approximately 62.66% at June 30, 2021 to approximately 61.52% at June 30, 2022. These changes resulted in an adjustment to the landfill closure and postclosure care liability of $988,275 for the fiscal year ended June 30, 2022.

Future closure and postclosure costs are based on what it would cost to perform all closure and post- closure care in 2022. 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, 2022. 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, 2022, assets set-aside of $14,493,509 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, 2022, $1,001,728 has been accrued for corrective action costs and is included in the total closure and postclosure liability.

NOTE 6 – LEASES

Lessor

The Authority entered into a lease agreement as lessor with a third party for land. The lease terms include noncancelable period of the lease. The lease contract includes increases to scheduled payments related to CPI or similar indices. For the fiscal year ended June 30, 2022, the statement of revenues, expenses and changes in net position includes lease revenue and interest of $7,753.

NOTE 6 – LEASES (CONTINUED)

Lessor (continued)

The following table presents lease receivable as of June 30, 2022:

Description	Current	Noncurrent	Total
Land	$ 7,942	$ 18,454	$ 26,396

The following table presents principal and interest requirements to maturity associated with the lease revenue to be received:

Fiscal Year Ending June 30	Principal	Interest
2023	$ 7,942	$ 121
2024	8,308	78
2025	8,688	33
2026	1,458	1
Total	$ 26,396	$ 233

NOTE 7 – EMPLOYEES' RETIREMENT PLAN

Plan Description

Effective on July 1, 2021, certain County employees were dedicated 100% to the Authority. As such, the Authority is allocated proportionate shares of the County's pension amounts. The Authority contributes to the County's California Public Employees Retirement System (CalPERS) Miscellaneous plan, an agent multiple-employer defined benefit pension plan administered by CalPERS. Benefit provisions under the plan are established by state statute and county resolution. CalPERS issues a publicly available financial report that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

All full and part-time permanent Authority employees and certain extra help employees who have worked over 1,000 hours in a fiscal year are eligible to participate in the County's Miscellaneous Plan with CalPERS. Elected officials may also participate at their option. Per diem employees and extra help employees working less than 1,000 hours in a fiscal year are not eligible. Benefits vest after five years of service. To be eligible for retirement an employee must be at least 50 years of age and have five years of CalPERS credited service. Effective January 1, 2013, new CalPERS members are subject to the Public Employees' Pension Reform Act (PEPRA) and to be eligible for retirement, an employee must be at least 62 years of age and have five years of CalPERS credited service.

NOTE 7 – EMPLOYEES' RETIREMENT PLAN (CONTINUED)

Plan Description (continued)

All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: The basic death benefit, the 1957 survivor benefit, or the optional settlement 2W death benefit. Cost of living adjustments for each plan are applied as specified by the California Public Employees' Retirement Law (PERL).

For financial reporting purposes, the Authority reports a proportionate share of the County's collective net pension liability, pension expense, and deferred inflows and deferred outflows of resources. Accordingly, the disclosures and RSI have been reported for the Authority as a cost-sharing pension plan.

Benefits Provided

The Plan's provisions and benefits in effect as of June 30, 2022, are summarized as follows:

	Tier 1	Tier 2	Tier 3
	Miscellaneous		
	Hired on or before March 12, 2011	Hired on or after March 13, 2011	Hired on or after Jan. 1, 2013
Benefit formula	2.5% @ 55	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 55	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% - 2.5%	1.43% - 2.42%	1.0% - 2.58%

The Placer Public Employee Organization's represented employees pay 100% of their employee pension contribution of 7% or 8%. For Management and Confidential employees, the County pays 6% to 7% of the 8% employee contribution. Management and Confidential employees hired on or after March 12, 2011 pay 100% of their employee contribution. For Unclassified Nonmanagement employees, the County pays 6% of the 8% Miscellaneous Plan employee contribution. Unclassified Nonmanagement employees hired on or after March 12, 2011 pay 100% of their employee contribution.

Contributions

Section 20814(c) of the PERL requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Authority is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

NOTE 7 – EMPLOYEES' RETIREMENT PLAN (CONTINUED)

Contributions (continued)

For the fiscal year ended June 30, 2022, the average active employee contribution rate was 7.40% of annual pay, and the employer's contribution rate was 9.91%. Employer contribution rates may change if plan contracts are amended. The Authority's contributions to the County's Miscellaneous Plan totaled $312,280 for the fiscal year ended June 30, 2022.

Pension Liability, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2022, the Authority reported a net pension liability of $1,825,770 for its proportionate share of the County's Miscellaneous Plan's net pension liability. The Authority's net pension liability is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the plan is measured as of June 30, 2021, using an annual actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021. The Authority's proportionate share of the County's Miscellaneous Plan's net pension liability as of June 30, 2022 was 0.4852%.

For the year ended June 30, 2022, the Authority recognized pension expense of $168,991. As of June 30, 2022, the Authority reported deferred outflows and deferred inflows of resources related to pension for the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
The Authority's pension contributions subsequent	$ 312,280	$ -
Differences between actual and expected experiences	73,517	-
Net differences between projected and actual earnings on pension plan investments	-	(525,547)
Total	$ 385,797	$ (525,547)

The amount of $312,280 reported as deferred outflows of resources related to pensions, resulting from the Authority's contributions to the County's Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

NOTE 7 – EMPLOYEES' RETIREMENT PLAN (CONTINUED)

Pension Liability, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

Fiscal Year Ending June 30,	Deferred Outflows/Inflows of Resources
2023	$ (84,027)
2024	(102,445)
2025	(121,314)
2026	(144,244)
Total	$ (452,030)

Actuarial assumptions

The total pension liability was determined based on the June 30, 2020 actuarial valuation using the following actuarial assumptions:

	Miscellaneous Plan
Actuarial cost method	Entry age normal cost method
Valuation date	June 30, 2020
Measurement date	June 30, 2021
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.50%
Payroll growth	2.75%
Projected salary increase	Varies by entry age and service
Mortality (1)	Derived using CalPERS' membership data for all funds

(1) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

Changes of assumptions

There were no changes of assumptions for the measurement year ended June 30, 2021.

NOTE 7 – EMPLOYEES' RETIREMENT PLAN (CONTINUED)

Long-Term Expected Rate of Return

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

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

Asset Class [1]	Assumed Asset Allocation	Real Return Years 1 - 10[2]	Real Return Years 11+[3]
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
Total	100.0%		

[1] In the System's ACFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

[2] An expected inflation of 2.00% used for this period.

[3] An expected inflation of 2.92% used for this period.

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 7 – EMPLOYEES' RETIREMENT PLAN (CONTINUED)

Sensitivity of the Authority's proportionate share of the County's Miscellaneous Plan Net Pension Liability to Changes in Discount Rate

The following presents the Authority's proportionate share of the County's net pension liability, calculated using the discount rate of 7.15%, as well as what the Authority's proportionate share of the County's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

	1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
Net Pension Liability	$ 2,752,241	$ 1,825,770	$ 1,053,635

Pension plan fiduciary net position

Detailed information about the County's collective net pension liability is available in the County's separately issued ACFR. The County's ACFR may be obtained by contacting the Placer County Auditor-Controller's Office at 2970 Richardson Drive, Auburn, CA, 95603. Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS

Plan Description

Effective on July 1, 2021, certain County employees were dedicated 100% to the Authority. As such, the Authority is allocated proportionate shares of the County's OPEB amounts. The Authority contributes to the postretirement healthcare benefits provided by the County to its retirees under its Retiree Healthcare Plan in accordance with various labor agreements. The County contributes to the California Employers' Retiree Benefit Trust (CERBT), an agent multiple employer plan administered by CalPERS. CalPERS issues a publicly available Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information. Copies of CalPERS' ACFR may be obtained from their Executive Office, 400 Q Street, P.O. Box 942701, Sacramento, California 94229.

For financial reporting purposes, the Authority reports a proportionate share of the County's net OPEB asset, OPEB expense, and deferred inflows and deferred outflows of resources. Accordingly, the disclosures and RSI have been reported for the Authority as a cost-sharing OPEB plan.

Benefits Provided

In accordance with California Government Code, all employees electing a CalPERS retirement date within 120 days of retiring from the County are eligible to receive healthcare benefits for life. The County provides postretirement medical and dental benefits to employees who retire after the age of 50 and with five years of service and ten years of CalPERS service if hired after January 1, 2005.

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Benefits Provided (continued)

Eligible retirees can continue participation in the medical and dental plans, with the Authority contributing up to a cap, which varies by bargaining unit.

Contributions

The County Board of Supervisors is granted the authority to establish and amend contribution requirements of the County, employees, and retirees. The Board establishes rates based on an actuarially determined rate based on annual actuarial valuation reports. For the fiscal year ended June 30, 2022, the annual required contribution rate was $4,290 per employee (excluding extra help) and to prefund as determined annually through the County budget process. The Authority's contribution to the plan net of disbursements from the plan for fiscal year ended June 30, 2022 was $40,077.

OPEB Liability, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

As of June 30, 2022, the Authority reported net OPEB asset of $436,091 for its proportionate share of the County's net OPEB asset. The net OPEB asset was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of that date. The Authority's proportion of the net OPEB asset was based on the number of full-time equivalents of eligible employees employed by the Authority in relation to the total number of eligible employees as of the measurement date. The Authority's proportionate share of the County's net OPEB asset was 0.3654% as of June 30, 2022.

For the fiscal year ended June 30, 2022, the Authority recognized OPEB credit of $66,096. As of June 30, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	$ 40,077	$ -
Changes of assumptions	16,259	(162,289)
Differences between actual and expected experiences	70,810	(133,485)
Net differences between projected and actual earnings on OPEB plan investments	-	(222,258)
Total	$ 127,146	$ (518,032)

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

OPEB Liability, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

The amount of $40,077 reported as deferred outflows of resources related to OPEB resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years ending June 30,		
2023	$	(112,547)
2024		(110,442)
2025		(88,968)
2026		(101,222)
2027		(17,784)
Total	$	(430,963)

Actuarial assumptions

The Authority's net OPEB asset was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of June 30, 2021.

Valuation date (census)	June 30, 2021
Measurement date (assets and liabilities)	June 30, 2021
Contribution policy	Pre-funded through CERBT asset allocation Strategy 1.
Actuarial assumptions:	
Discount rate	6.80%
Inflation	2.25%
Investment rate of return	6.80% (1)
Mortality, retirement, disability, termination	CalPERS December 2017 experience study.
Mortality improvement	Mortality projected fully generational with 90% of scale MP-2016.
Healthcare cost trend rate	6.7% for fiscal year 2022, gradually decreasing to an ultimate rate of 3.7% in 2075 and later fiscal years.
Healthcare participation for future retirees	100% if currently covered; 90% if not currently covered
Changes in assumptions since prior measurement date:	No changes in assumptions.

(1) Same as discount rate. Plan assets projected to be sufficient to pay all benefits from trust.

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Actuarial assumptions (continued)

The CERBT enables employers to pre-fund liabilities for OPEB. Three diversified policy portfolios (Strategy 1, 2, and 3) are available for employers to select depending on employer preferences for return and risk (volatility) expectations. By comparison, Strategy 1 has the higher long-term expected rate of return and return volatility, Strategy 2 has a moderate long-term expected rate of return and return volatility, and Strategy 3 has the lower long-term expected rate of return and return volatility. The following table summarizes the assumed asset allocation of the County's OPEB plan in the CERBT Strategy 1:

Asset Class	Target Allocation
Global Equity	59.0%
Global Debt Securities	25.0%
Inflation Assets	5.0%
Real Estate Investment Trusts	8.0%
Commodities	3.0%
Total	100.0%

Discount Rate Development

The discount rate used to measure the total OPEB liability was 6.80%. GASB 75 requires that the liability discount rate be the single rate that reflects the following:

a. The long-term expected rate of return on OPEB plan investments used to finance the payment of benefits, to the extent that (1) the OPEB plan's fiduciary net position is projected to be sufficient to make projected benefit payments and (2) OPEB plan assets are expected to be invested using a strategy to achieve that return; and
b. A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale), to the extent that the conditions in A. are not met.

GASB 75 has very specific rules regarding the projection of benefit payments, contributions, and Fiduciary Net Position used to determine the discount rate. Regardless of an employer's actual funding policy, the valuation assumes that (1) benefits are paid out of the OPEB trust until assets are depleted, and (2) projected employer contributions are first applied to employee service costs in each period (including future employees) before paying for current accrued benefit costs.

The liability discount rate was developed using the alternative method described in paragraph 39 of GASB 75, which states that "if the evaluations required by paragraph 37 can be made with sufficient reliability without a separate projection of cash flows into and out of the OPEB plan, alternative methods may be applied in making the evaluations."

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Discount Rate Development (continued)

The County has an established policy to fully-fund the OPEB liability over a fixed period of time (8 years remaining as of the last funding valuation report). Based on these parameters and GASB 75 guidelines, the future plan assets are projected to be sufficient to pay all future benefits. Therefore, the discount rate is equal to the long-term expected investment return assumption.

Sensitivity of the net OPEB asset to changes in the discount rate and healthcare cost trend rates

The following table presents the Authority's proportionate share of the County's net OPEB asset, as well as what the Authority's proportionate share of the County's net OPEB asset would be if it were calculated using a discount rates that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
Net OPEB Liabilty (Asset)	$ (264,395)	$ (436,091)	$ (580,654)

The following table presents the Authority's proportionate share of the County's net OPEB asset as well as what the Authority's proportionate share of the County's net OPEB asset would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease	Current Trend Rate	1% Increase
Net OPEB Liabilty (Asset)	$ (600,034)	$ (436,091)	$ (237,384)

OPEB plan fiduciary net position

Detailed information about the County's collective net OPEB asset is available in the County's separate issued ACFR. The County's ACFR may be obtained by contacting the Placer County Auditor-Controller's Office at 2970 Richardson Drive, Auburn, CA, 95603.

NOTE 9 – 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.

The Authority has commercial property insurance, through the Alliant Property Insurance Program, that affords up to $100,000,000 in coverage per occurrence. The property policy has a $250,000 per occurrence deductible which applies to losses unless a more specific deductible applies.

NOTE 9 – RISK MANAGEMENT – CLAIMS AND JUDGMENTS (CONTINUED)

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 10 – 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 68.63% of the accounts receivable balance and 57.51% of total tipping fees from facility operations as of June 30, 2022.

NOTE 11 – 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, 2022 was $410,906.

NOTE 12 – 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 Authority's facility is deemed federally designated critical infrastructure, entitled to exemptions under governmental "stay-at-home" orders as needed to maintain continuity of operations. Authority personnel necessary for the operation of the facility have remained onsite. The Authority did modify its operations to implement remote work opportunities for certain employees performing administrative functions and provide Authority services online. While Authority Board meetings continued in person with the addition of specific measures to reduce the threat of infection, public comment and participation for Authority Board meetings was initially conducted via online virtual meeting platforms and other electronic means. Consistent with State directives, the Authority has resumed in-person meetings and continues to provide for public participation via commercially available online virtual meeting software systems. The Authority has maintained continuity of service throughout the COVID-19 pandemic, without any significant impact or pandemic related interruptions to services. With improvements in local COVID-19 case rates, the Authority has phased in the resumption of normal operations and activities while complying with public health orders and California Occupational Safety and Health Administration COVID-19 Prevention Plan mandates.

The COVID-19 pandemic is ongoing, and the duration and severity of the outbreak and the economic and other actions that may be taken by governmental authorities to contain the outbreak or to treat its impact are uncertain. The ultimate impact of COVID-19 on the operations and finances of the Authority is unknown.

NOTE 13 – SUBSEQUENT EVENT

Solid Waste Revenue Bonds Issuance

On September 6, 2022, the Authority issued Solid Waste Revenue Bonds, Series 2022A (Green Bonds) and Series 2022B for approximately $88.8 million and $8.6 million, respectively. The bonds were issued to finance the improvements at the Materials Recovery Facility and the Western Regional Sanitary Landfill for the purposes of paying improvement costs to its waste disposal and recycling facilities; support current and future populations and development; and provide enhanced material recycling infrastructure and operations to comply with applicable laws. Annual repayment for both Bond Series will begin on June 1, 2023 with the final payment due on June 1, 2042.

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REQUIRED SUPPLEMENTARY INFORMATION

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WESTERN PLACER WASTE MANAGEMENT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND RELATED RATIOS

Fiscal Year	Authority's proportion of the County's net pension liability	Authority's proportionate share of the County's net pension liability	Authority's Covered payroll	Authority's proportionate share of the County's net pension liability as a percentage of covered payroll	County's Miscellaneous Plan fiduciary net position as a percentage of the total pension liability	Measurement Date
2022 *	0.4852%	$ 1,825,770	$ 935,445	195.18%	75.43%	6/30/2021

* Effective on July 1, 2021, certain County employees were dedicated 100% to the Authority. As such, the Authority is allocated proportionate shares of the County's pension amounts effective fiscal year ended 2022.

WESTERN PLACER WASTE MANAGEMENT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

SCHEDULE OF PENSION PLAN CONTRIBUTIONS

Fiscal Year	Actuarially determined contributions	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2022 *	$ 312,280	$ 312,280	-	$ 1,080,644	28.90%

* Effective on July 1, 2021, certain County employees were dedicated 100% to the Authority. As such, the Authority is allocated proportionate shares of the County's pension amounts effective fiscal year ended 2022.

WESTERN PLACER WASTE MANAGEMENT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY / (ASSET) AND RELATED RATIOS

Fiscal Year	Authority's proportion of the County's net OPEB liability/(asset)	Authority's proportionate share of the County's net OPEB liability/(asset)	Covered payroll	Authority's proportionate share of the County's net OPEB liability/(asset) as a percentage of covered payroll	Total County's Fiduciary net position as a percentage of the total OPEB liability	Measurement Date
2022 *	0.37%	$ (436,091)	$ 884,752	-49.29%	129.36%	6/30/2021

* Effective on July 1, 2021, certain County employees were dedicated 100% to the Authority. As such, the Authority is allocated proportionate shares of the County's OPEB amounts effective fiscal year ended 2022.

WESTERN PLACER WASTE MANAGEMENT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

SCHEDULE OF OPEB PLAN CONTRIBUTIONS

Fiscal Year	Actuarially determined contributions	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2022 *	$ 40,077	$ 40,077	$ -	$ 953,118	4.20%

* Effective on July 1, 2021, certain County employees were dedicated 100% to the Authority. As such, the Authority is allocated proportionate shares of the County's OPEB amounts effective fiscal year ended 2022.

STATISTICAL SECTION

This part of the Authority's Annual Comprehensive 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

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 2012-13 through 2021-22

	2012-13	2013-14	2014-15	2015-16
Net investment in capital assets	$ 45,109,770	$ 42,510,194	$ 46,268,208	$ 44,155,042
Restricted	11,310,854	11,525,044	11,847,607	12,273,871
Unrestricted	16,944,640	18,967,793	14,495,770	16,879,390
Total activities net position	$ 73,365,264	$ 73,003,031	$ 72,611,585	$ 73,308,303

Source: Audited Financial Statements for Fiscal Years 2012-13 through 2021-22

WESTERN PLACER WASTE MANAGEMENT AUTHORITY

NET POSITION BY COMPONENT
Fiscal Years 2012-13 through 2021-22

2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
$ 43,361,967	$ 43,577,463	$ 41,950,168	$ 40,371,126	$ 39,018,852	$ 38,898,473
12,517,773	13,089,102	13,439,325	14,225,821	-	-
18,162,036	19,407,882	22,223,231	20,886,970	36,299,998	49,132,308
$ 74,041,776	$ 76,074,447	$ 77,612,724	$ 75,483,917	$ 75,318,850	$ 88,030,781

Source: Audited Financial Statements for Fiscal Years 2012-13 through 2021-22

WESTERN PLACER WASTE MANAGEMENT AUTHORITY

TOTAL ANNUAL REVENUES
Fiscal Years 2012-13 through 2021-22

	2012-13	2013-14	2014-15	2015-16
OPERATING REVENUES:				
Fees from landfill operations	$ 20,317,631	$ 20,423,095	$ 21,482,481	$ 23,219,364
Rental	102,935	130,691	136,210	121,259
Miscellaneous	334,882	120,851	70,137	96,017
Total operating revenues	20,755,448	20,674,637	21,688,828	23,436,640
NONOPERATING REVENUES:				
Grant and other revenue	123,333	70,680	70,621	82,122
Investment earnings (losses)	382,588	901,928	614,791	868,222
Loss on sale of capital assets	-	-	-	-
Total nonoperating revenues	505,921	972,608	685,412	950,344
TOTAL REVENUES	$ 21,261,369	$ 21,647,245	$ 22,374,240	$ 24,386,984

Source: Audited Financial Statements for Fiscal Years 2012-13 through 2021-22

WESTERN PLACER WASTE MANAGEMENT AUTHORITY

TOTAL ANNUAL REVENUES
Fiscal Years 2012-13 through 2021-22

2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
$ 24,787,361	$ 26,139,168	$ 27,556,547	$ 28,293,360	$ 33,265,955	$ 44,568,089
88,789	106,723	94,357	272,784	496,050	518,822
282,341	314,785	173,938	54,471	25,082	84,418
25,158,491	26,560,676	27,824,842	28,620,615	33,787,087	45,171,329
43,351	73,932	77,124	78,135	43,532	1,643,494
216,223	374,856	1,877,716	992,890	(59,895)	(963,961)
-	-	-	-	-	(46,078)
259,574	448,788	1,954,840	1,071,025	(16,363)	633,455
$ 25,418,065	$ 27,009,464	$ 29,779,682	$ 29,691,640	$ 33,770,724	$ 45,804,784

Source: Audited Financial Statements for Fiscal Years 2012-13 through 2021-22

WESTERN PLACER WASTE MANAGEMENT AUTHORITY

TOTAL ANNUAL EXPENSES
Fiscal Years 2012-13 through 2021-22

	2012-13	2013-14	2014-15	2015-16
OPERATING EXPENSES:				
Salaries and benefits	$ -	$ -	$ -	$ -
Solid waste contractor:				
MRF	10,779,227	11,418,618	12,357,811	12,620,183
Landfill	2,401,616	2,559,553	2,608,587	2,487,516
Landfill maintenance	665,532	683,615	-	-
Depreciation	2,707,394	2,724,347	2,736,576	2,895,225
Professional services - county	2,344,284	2,390,872	2,324,506	2,759,689
Landfill closure and postclosure care costs	2,222,581	435,621	368,306	446,806
Professional services - purchased	786,218	808,780	1,290,123	1,480,954
Taxes and special department expenses	438,300	486,813	597,467	507,808
Administration (1)	234,323	211,344	184,833	180,041
General liability insurance	99,112	108,708	113,192	111,169
Utilities	68,970	82,091	86,555	94,166
Other expenses	92,857	99,116	97,730	106,709
Total operating expenses	22,840,414	22,009,478	22,765,686	23,690,266
TOTAL EXPENSES	$ 22,840,414	$ 22,009,478	$ 22,765,686	$ 23,690,266

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 2012-13 through 2021-22

WESTERN PLACER WASTE MANAGEMENT AUTHORITY

TOTAL ANNUAL EXPENSES
Fiscal Years 2012-13 through 2021-22

2016-17	2017-18	2018-19 (1)	2019-20	2020-21	2021-22
$ -	$ -	$ -	$ -	$ -	$ 4,160,850
13,430,127	13,919,608	15,474,802	17,645,058	18,414,031	17,752,012
2,088,664	2,062,336	2,245,619	2,613,531	2,591,284	2,577,934
46,746	-	105,915	-	6,880	-
2,112,621	2,041,368	2,041,709	2,301,542	2,305,933	2,322,586
3,135,608	3,308,000	3,326,174	3,361,743	3,879,056	410,906
519,835	63,483	797,652	655,273	591,202	988,275
2,182,238	2,298,769	2,654,232	3,424,032	4,715,368	3,317,620
616,419	620,306	993,079	20,622	918,735	894,939
212,584	299,587	-	-	-	-
109,229	109,181	151,504	132,000	155,694	202,477
126,857	134,050	125,433	637,408	91,604	130,217
103,664	120,105	325,286	1,029,238	266,004	335,037
24,684,592	24,976,793	28,241,405	31,820,447	33,935,791	33,092,853
$ 24,684,592	$ 24,976,793	$ 28,241,405	$ 31,820,447	$ 33,935,791	$ 33,092,853

Note:

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

Source: Audited Financial Statements for Fiscal Years 2012-13 through 2021-22

WESTERN PLACER WASTE MANAGEMENT AUTHORITY

CHANGES IN NET POSITION
Fiscal Years 2012-13 through 2021-22

	2012-13	2013-14	2014-15	2015-16
Operating Revenues:				
Fees from landfill operations	$ 20,317,631	$ 20,423,095	$ 21,482,481	$ 23,219,364
Rental	102,935	130,691	136,210	121,259
Miscellaneous	334,882	120,851	70,137	96,017
Total operating revenues	20,755,448	20,674,637	21,688,828	23,436,640
Nonoperating Revenues:				
Grant and other revenue	123,333	70,680	70,621	82,122
Investment earnings (losses)	382,588	901,928	614,791	868,222
Total nonoperating revenues	505,921	972,608	685,412	950,344
Total revenues	21,261,369	21,647,245	22,374,240	24,386,984
Total expenses	22,840,414	22,009,478	22,765,686	23,690,266
Change in net position	(1,579,045)	(362,233)	(391,446)	696,718
Net position, beginning of year	74,944,309	73,365,264	73,003,031	72,611,585
Net position, end of year	$ 73,365,264	$ 73,003,031	$ 72,611,585	$ 73,308,303

Source: Audited Financial Statements for Fiscal Years 2012-13 through 2021-22

WESTERN PLACER WASTE MANAGEMENT AUTHORITY

CHANGES IN NET POSITION
Fiscal Years 2012-13 through 2021-22

2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
$ 24,787,361	$ 26,139,168	$ 27,556,547	$ 28,293,360	$ 33,265,955	$ 44,568,089
88,789	106,723	94,357	272,784	496,050	518,822
282,341	314,785	173,938	54,471	25,082	84,418
25,158,491	26,560,676	27,824,842	28,620,615	33,787,087	45,171,329
43,351	73,932	77,124	78,135	43,532	1,597,416
216,223	374,856	1,877,716	992,890	(59,895)	(963,961)
259,574	448,788	1,954,840	1,071,025	(16,363)	633,455
25,418,065	27,009,464	29,779,682	29,691,640	33,770,724	45,804,784
24,684,592	24,976,793	28,241,405	31,820,447	33,935,791	33,092,853
733,473	2,032,671	1,538,277	(2,128,807)	(165,067)	12,711,931
73,308,303	74,041,776	76,074,447	77,612,724	75,483,917	75,318,850
$ 74,041,776	$ 76,074,447	$ 77,612,724	$ 75,483,917	$ 75,318,850	$ 88,030,781

Source: Audited Financial Statements for Fiscal Years 2012-13 through 2021-22

WESTERN PLACER WASTE MANAGEMENT AUTHORITY

SCHEDULE OF CURRENT TIPPING FEES
Fiscal Year 2021-22

Category	Tipping Fees
Municipal Solid Waste	$ 88.00 /ton
	$ 20.00 /cy
Construction and Demolition Debris	$ 88.00 /ton
	$ 20.00 /cy
Sludge and Mixed Inerts (1)	$ 50.00 /ton
Commercial Food Waste	$ 46.50 /ton
Source Separated Green Waste	$ 66.00 /ton
	$ 14.00 /cy
Source Separated Wood Waste (2)	$ 40.00 /ton
	$ 12.50 /cy
Inert Materials (3)	$ 25.00 /ton
	$ 25.00 /cy
Water Treatment Plant Sludge	$ 9.23 /ton
Refrigerated Appliances	$ 38.00 each
Non-refrigerated Appliances	$ 8.25 each
Car and Light Truck Tires	$ 3.75 each
Semi-trailer Tires	$ 20.50 each
Tractor Tires	$ 82.00 each
Euclid & Bulk Tires	$ 205.00 /ton
Treated Wood Waste	$ 188.00 /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, 2022 and June 30, 2013

	June 30, 2022		June 30, 2013	
	Tipping Fees	% of Total Tipping Fee Revenue	Tipping Fees	% of Total Tipping Fee Revenue
Recology	$ 14,489,888	32.51%	$ 8,064,291	39.69%
City of Roseville	11,169,708	25.06%	6,846,924	33.70%
City of Lincoln	2,749,808	6.17%	2,571,600	12.66%
Atlas Disposal Industries	744,289	1.67%	196,447	0.97%
Quality Construction Clean Up	650,428	1.46%	-	0.00%
Allied Waste Services	300,525	0.67%	56,575	0.28%
Future Plastering, Inc.	283,328	0.64%	-	0.00%
A Teichert & Son, Inc	212,393	0.48%	-	0.00%
Eagle Painting & Drywall	208,765	0.47%	-	0.00%
Al's Land Clearing, Inc.	195,642	0.44%	-	0.00%
Waste Management, Inc.	-	0.00%	85,677	0.42%
Placer County - Utilities	-	0.00%	59,866	0.29%
Inviro Tec	-	0.00%	112,054	0.55%
Operations Management Intl.	-	0.00%	46,705	0.23%
CalTrans	-	0.00%	42,512	0.21%
Ten Largest Principal Customers	31,004,774	69.57%	18,082,651	89.00%
All Other Customers	13,563,315	30.43%	2,234,980	11.00%
Total	$ 44,568,089	100.00%	$ 20,317,631	100.00%

Source: Western Placer Waste Management Authority

WESTERN PLACER WASTE MANAGEMENT AUTHORITY

CUSTOMER ACCOUNTS
Fiscal Years 2012-13 through 2021-22

Fiscal Year	Number of Customer Accounts	Annual % Increase (Decrease)
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%
2021-22	454	-14%

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 [a] (in thousands)	Personal Income [b]	Per Capita Personal Income [b]	School Enrollment [c]	Unemployment Rate [d]
2012	355	$19,004,105	54	68,813	9.3%
2013	357	20,174,068	57	69,831	7.6%
2014	366	20,228,856	55	70,141	6.0%
2015	374	21,658,527	58	70,496	5.0%
2016	383	22,741,453	59	71,435	4.4%
2017	390	24,527,289	63	72,769	3.8%
2018	397	26,223,081	67	74,927	3.1%
2019	404	27,459,330	69	75,208	3.1%
2020	405	29,124,683	72	73,926	7.3%
2021 (3)	409	31,684,782 (1)	77	74,446	2.6% (2)

Notes:

(1) Estimated 5% increase in personal income.

(2) Unemployment rate is 5.5% as of June 30, 2022.

(3) Calendar year 2021 is the most recent information available for population and personal income.

Sources:

(a) State of California, Department of Finance, E-1 Population Estimates for Cities, Counties and the State as of January 1

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

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

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

WESTERN PLACER WASTE MANAGEMENT AUTHORITY

TEN LARGEST EMPLOYERS
As of June 30, 2022 and June 30, 2013

2022			2013		
Company or Organization	Number of Employees (1)	Percentage of Total Employment	Company or Organization	Number of Employees	Percentage of Total Employment
Sutter Health	7,320	3.94%	Kaiser Permanente	3,860	2.38%
Kaiser Permanente	6,367	3.42%	Hewlett-Packard Co.	3,200	1.97%
County of Placer	2,704 (2)	1.45%	Sutter Health	2,299	1.41%
Palisades Tahoe	2,600	1.40%	County of Placer	2,240	1.38%
Sierra Joint Community College District	2,100	1.13%	Thunder Valley Casino Resort	2,000	1.23%
Thunder Valley Casino Resort	1,712	0.92%	Union Pacific Railroad Co. Inc.	2,000	1.23%
Safeway	1,288	0.69%	Northstar-At-Tahoe	1,950	1.20%
City of Roseville	1,260	0.68%	Rocklin Unified School District	1,140	0.70%
Roseville City School District	1,260	0.68%	PRIDE Industries, Inc.	1,101	0.68%
Pacific Gas and Electric Company	1,151	0.62%	City of Roseville	982	0.60%

Note:

(1) Ranked by number of employees in full-time equivalents as of June 2022.

(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 2012-13 through 2021-22

Fiscal Year	Tonnage Disposed at Western Regional Sanitary Landfill	Percentage of Diversion Recycled Waste
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%
2021-22	366,684	35%

Source: Western Placer Waste Management Authority

WESTERN PLACER WASTE MANAGEMENT AUTHORITY

SCHEDULE OF ANNUAL REFUSE TONNAGE
Fiscal Years 2012-13 through 2021-22

	Delivered by					
Fiscal Year	Recology	City of Roseville	City of Lincoln	Other Entities	Total Tonnage	Annual % Increase (Decrease)
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%
2021-22	176,294	144,251	33,930	211,271	565,746	1.22%

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, 2022, 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 22, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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 or significant deficiencies may exist that were not identified.

Board of Directors
Western Placer Waste Management Authority

Report on Compliance and Other Matters

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

Purpose of this Report

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Roseville, California
December 22, 2022