WESTERN PLACER WASTE MANAGEMENT AUTHORITY

Roseville, California

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2022)

PREPARED BY:

Placer County Auditor-Controller's Office

WESTERN PLACER WASTE MANAGEMENT AUTHORITY

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Scott Alvord, City of Roseville, Chair
Shanti Landon, Placer County
Bonnie Gore, Placer County
Bill Halldin, City of Rocklin
Dan Karleskint, City of Lincoln
Ken Grehm, Executive Director

December 22, 2023

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, 2023 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 are free of material misstatements. 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, 2023 are free of material misstatements. 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, 2023, 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 FCC Environmental Services California LLC (FCC) to operate its MRF and landfill.

Economic Outlook and Conditions

Local Economy

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

Long-term Financial Planning

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

Accomplishments

At the close of fiscal year 2022, the Authority was winding down its long-standing contractual relationship with Nortech Waste which had been the only operator of the Authority's MRF spanning nearly three decades and the operator of the Western Regional Sanitary Landfill (WRSL) for over a decade. Beginning July 1, 2022, FCC assumed operational control of both the MRF and WRSL. Despite a truncated transition period of less than three months, the facility opened for business as usual, the Authority did not experience any significant operational impacts, and the Authority's customers likely barely noticed the significant transition that had just occurred. This significant feat was a testament to the professionalism, hard work, and close communication of Nortech, FCC and the Authority.

Coinciding with the changeover in operators, the Authority began construction of repairs to the portion of the MRF damaged by fire in November 2021. In close cooperation with FCC, the Authority was able to reintegrate the repaired and rebuilt equipment with the existing operating MRF equipment to resume full and normal operations in January 2023. While there would continue to be minor reoccurring mechanical and electrical issues following the start-up process, mainly associated with pieces of equipment remaining idle for more than a year and temporary modifications made to electrical control systems and logic to enable partial facility operations, material recovery rates resumed to at or near pre-fire conditions.

In December 2022, the Authority certified its Final 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 Authority approved the Plan option that identified the Authority's western expansion property for future landfill capacity and reserving the eastern expansion property for siting compatible technologies that could use materials recovered on the Authority's campus to develop new marketable products and renewable fuels and power. Of significant note, four large local stakeholders, including the United Auburn Indian Community, Buzz Oates, Taylor Builders and California State University Sacramento (CSUS), voiced their support for the Authority's selected Plan.

Shortly after certification of the Final EIR, FCC, as part of its MRF improvements design build contract with the Authority, finalized the design and preparations for the first phase of construction of the improvements. In mid-April, the Authority hosted a Groundbreaking ceremony which was followed by the start of construction for the new Construction and Demolition Debris (C&D) processing system in early May. Once completed, the new C&D system will be able to process nearly 1,000 tons per day of material and achieve at least a 65% diversion rate which represents a significant increase in both processing and material diversion capacity for the benefit of the Member Agencies and the Authority's customers employed in construction-related fields. In addition to initiating construction of the MRF improvements, the Authority also began construction of its next landfill module (Module 6) which is anticipated to provide sufficient landfill disposal capacity for the next 10 to 15 years.

To help focus and guide its efforts over the next several years, the Authority developed and approved a multi-year strategic plan with priorities related to Engagement, Leadership, Reliability, and Innovation. The primary goals noted in the strategic plan include: 1) improving public outreach and education about the Authority's operations and improving customer experience and service, 2) enhancing economic development and investment in innovation, 3) increase material diversion rates and domestic reuse, 4) establishing well-planned and maintained facility infrastructure, 5) maintaining fiscally responsible systems and 6) establishing local policy and informing regional and state-wide policy. In alignment with several of these goals, in April the Authority held its inaugural Circular Economy Pitch Competition in collaboration with CSUS and the Carlsen Center for Innovation and Entrepreneurship (CCIE). As part of the Pitch Competition, the Authority solicited innovative and creative ideas from individuals and groups that had the potential for improving the economics and recoverability of solid waste materials.

<u>Current Activities:</u>

As noted above, with approval and certification of the Renewable Waste Action Plan EIR in December 2022, the Authority intends to begin the process of permitting and developing its western and eastern expansion properties. Considering the amount of time and effort it may require, the Authority believes it is prudent to undertake the design and permitting of the western expansion property for future landfilling before it contemplates development of the eastern property for the siting of compatible technologies. The Authority plans to issue a Request for Proposals to qualified engineering firms with the intent of entering a multi-year design and permitting agreement beginning in the second half of Fiscal Year 2024.

The new C&D facility being constructed by FCC on behalf of the Authority is scheduled to be substantially complete and ready to begin testing in early November 2023. The Authority anticipates that after conducting several weeks of conformance testing, FCC will initiate the next major phase of construction involving the full replacement of equipment used to process municipal solid waste (MSW). During this stage, which is expected to begin in late 2023 or early 2024, FCC will revert to processing C&D on the old (existing) C&D processing system, process MSW on the new C&D system, and begin dismantling and replacing the MSW equipment. This second phase is expected to last through 2024 with all system improvements online and available by the end of January 2025.

During its first year of operating the MRF, FCC did not meet the required C&D diversion rate targets which could have been due, in part, to the age and design capacity of the existing C&D system and the current quantity of C&D materials received at the Authority's facility. In response, the Authority and FCC initiated discussions on methods to address the issue given that the original C&D system will likely need to remain in operation through 2024. The Authority and FCC intend to finalize an amendment during the first half of fiscal year 2024 that allows for a temporary reduction in material diversion requirements in exchange for: 1) FCC making additional Authority-directed facility improvements valued at an agreed upon dollar figure, and 2) FCC marketing compost in such a way that meets each of the Member Agency's state-mandated recovered organic material procurement requirements for the duration of the MRF operating agreement between the Authority and FCC. While the procurement provision does not provide direct economic value to the Authority, it is understood that it provides significant economic value to each of the Member Agencies.

As a follow-up to its inaugural Pitch Competition conducted in collaboration with CSUS/CCIE, the Authority intends to conduct a second pitch competition in fiscal year 2024. The event is anticipated to be similar to the first year's event however the Authority intends to focus more on use or reuse of materials recovered at the Authority's facility rather than the broader solid waste stream. As with the inaugural competition, the Authority plans on conducting the final pitch competition and award presentation coinciding with Earth Day in April 2024.

Since its approval and certification of the EIR, the Authority has increasingly been approached by entities interested in partnering with the Authority and siting compatible technologies on the Authority's campus. To ensure the Authority has the best information available to understand the potential benefits to the Authority, the Member Agencies, and the Authority's customers, and to establish a streamlined and consistent evaluation process, the Authority intends to develop a framework guidance document that identifies what information the Authority requires in submissions from proposing entities. The guidance document is intended to provide insight to the Authority about the technical, regulatory and economic viability of a project before it contemplates any potential contractual relationship.

Since its inception, the Authority has utilized the County of Placer to staff the Authority and provide administrative support and other backbone administrative functions. Currently, staff are assigned to the Authority from the Placer County Department of Public Works with the Director and Assistant Director of Public Works serving as Authority Executive Management. In fiscal year 2024, the Authority anticipates executing a Memorandum of Understanding with the County that would ensure the County continues to provide staffing according to the business needs determined solely by the Authority and codify the Authority's intent to hire a General Manager to provide dedicated full-time executive leadership reporting exclusively to the Authority Board. The Authority plans to initiate the General Manager recruitment process near the end of the 2023 and select and hire a General Manager in early 2024.

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 accounting 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 expenses. 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, 2022. 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

Ken Grehm
Executive Director

WESTERN PLACER WASTE MANAGEMENT AUTHORITY
BOARD OF DIRECTORS AND MANAGING STAFF

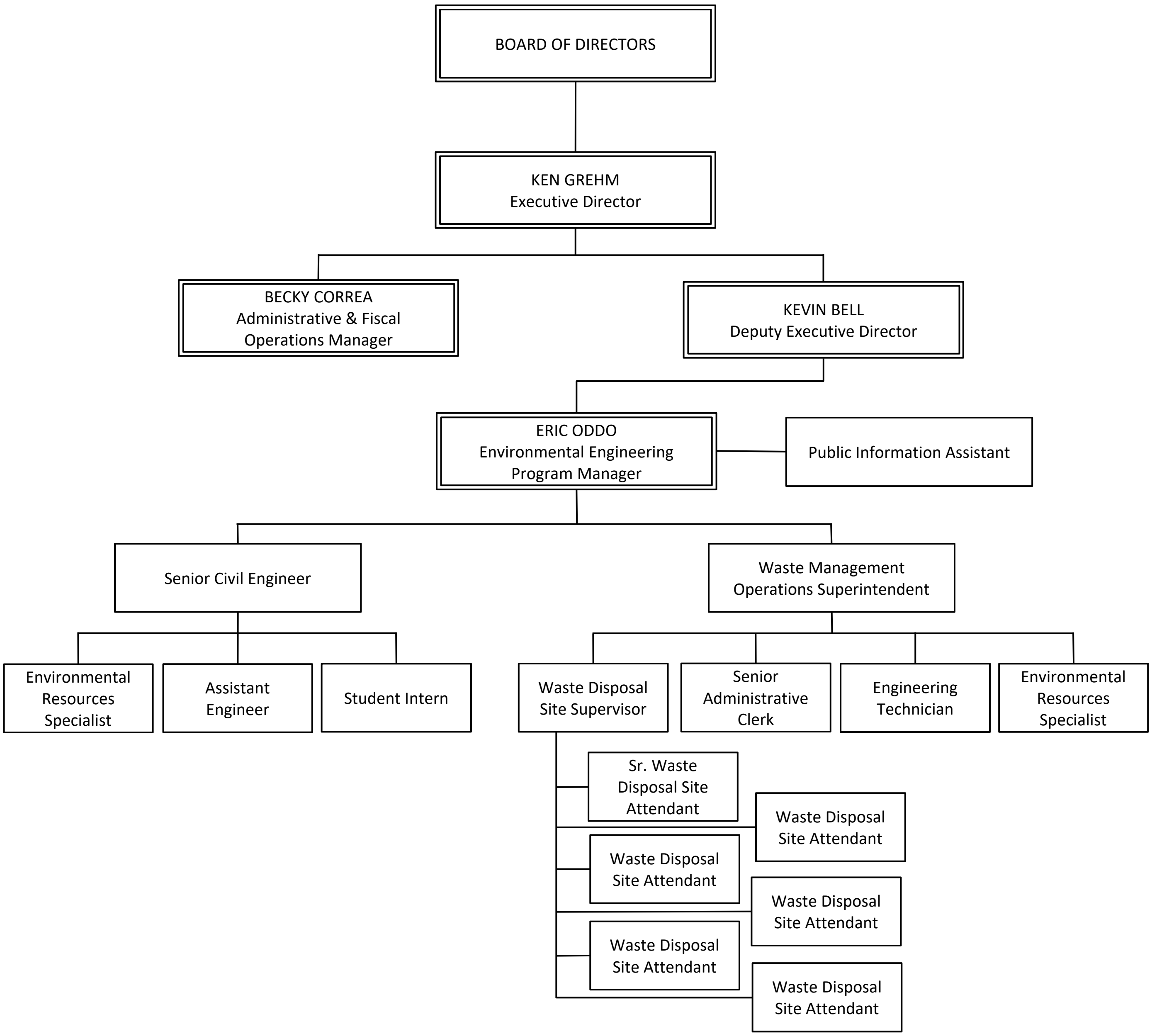
The Western Placer Waste Management Authority is governed by representatives of its member agencies. They are as follows:

Scott Alvord, Chair	City of Roseville
Shanti Landon	County of Placer
Bonnie Gore	County of Placer
Bill Halldin	City of Rocklin
Dan Karleskint	City of Lincoln

The Western Placer Waste Management Authority is staffed by Placer County's Department of Public Works. 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, 2022

Christopher P. Morrill

Executive Director/CEO

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) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements.

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, 2023, and the changes in financial position 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.

Board of Directors
Western Placer Waste Management Authority

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 basic 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 2022 financial statements, and we expressed an unmodified audit opinion in our report dated December 22, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, 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 15, 2023 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 15, 2023

WESTERN PLACER WASTE MANAGEMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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, 2023. 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, 2023 were approximately $221.0 million, an increase of approximately $111.9 million or 102.5% from 2022.
- Total liabilities at June 30, 2023 were approximately $132.1 million, an increase of approximately $111.6 million or 543.4% from 2022.
- The Authority's total net position increased by approximately $1.9 million during the fiscal year ended June 30, 2023, an increase of 2.6% from 2022.
- Total operating revenues increased by approximately $1.2 million during the fiscal year ended June 30, 2023, an increase of approximately 2.2% over 2022, while operating expenses increased by approximately $10.5 million or 31.7% from 2022.

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 are comprised of three parts: (1) management's discussion and analysis, (2) the basic financial statements, and (3) notes to the basic financial statements. Required supplementary information (RSI) is included in addition 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, 2023. 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 $90.0 million as of June 30, 2023.

As of June 30, 2023, total assets increased by approximately $111.9 million or 102.5% and liabilities increased approximately $111.6 million or 543.4%. Total assets increased primarily due to an increase in restricted cash and investments for the proceeds from revenue bonds issuance and an increase in non-depreciable capital assets related to the construction in progress for the Material Recovery Facility (MRF). The increase in current liabilities of $5.7 million or 168.3% is primarily due to the recording of short-term portion of the long-term debts related to the revenue bonds issued in September 2022 and the increase in retention payable related to the construction in progress for the MRF. The increase in noncurrent liabilities of $105.8 million or 618.1% is mainly due to the recording of long-term debt related to the revenue bonds issued in September 2022. The following table summarizes assets, liabilities and net position as of June 30, 2023 and June 30, 2022:

			Total	
	2023	2022	Dollar Change	Percent Change
Current assets	$ 56,797,408	$ 55,077,225	$ 1,720,183	3.1%
Capital assets, net	66,970,127	39,095,431	27,874,696	71.3%
Other assets	97,216,929	14,948,054	82,268,875	550.4%
Total assets	220,984,464	109,120,710	111,863,754	102.5%
Deferred outflows related to pensions	1,069,003	385,797	683,206	177.1%
Deferred outflows related to OPEB	308,475	127,146	181,329	142.6%
Total deferred outflows of resources	1,377,478	512,943	864,535	168.5%
Current liabilities	9,144,201	3,408,114	5,736,087	168.3%
Noncurrent liabilities	122,964,713	17,124,783	105,839,930	618.1%
Total liabilities	132,108,914	20,532,897	111,576,017	543.4%
Deferred inflows related to pensions	28,347	525,547	(497,200)	-94.6%
Deferred inflows related to OPEB	253,321	518,032	(264,711)	-51.1%
Other deferred inflows	17,673	26,396	(8,723)	-33.0%
Total deferred inflows of resources	299,341	1,069,975	(770,634)	-72.0%
Net investment in capital assets	42,659,760	38,898,473	3,761,287	9.7%
Unrestricted	47,293,927	49,132,308	(1,838,381)	-3.7%
Total net position	$ 89,953,687	$ 88,030,781	$ 1,922,906	2.2%

Changes in Net Position

The following table summarizes the changes in net position for the fiscal years ended June 30, 2023 and June 30, 2022:

	2023	2022	Total Dollar Change	Total Percent Change
Operating revenues				
Fees from landfill operations	$ 45,671,822	$ 44,568,089	$ 1,103,733	2.5%
Rental	551,241	518,822	32,419	6.2%
Miscellaneous	116,441	84,418	32,023	37.9%
Total operating revenues	46,339,504	45,171,329	1,168,175	2.6%
Operating expenses				
Salaries and benefits	2,899,877	4,160,850	(1,260,973)	-30.3%
Solid waste contractor:				
MRF	28,311,921	17,752,012	10,559,909	59.5%
Landfill	2,839,546	2,577,934	261,612	10.1%
Closure and postclosure care costs	1,873,972	988,275	885,697	89.6%
General and administrative	5,366,069	5,291,196	74,873	1.4%
Depreciation	2,306,230	2,322,586	(16,356)	-0.7%
Total operating expenses	43,597,615	33,092,853	10,504,762	31.7%
Operating income (loss)	2,741,889	12,078,476	(9,336,587)	-77.3%
Nonoperating revenues (expenses)				
Lease revenue and interest	8,844	7,753	1,091	14.1%
Insurance proceeds	8,949	1,567,945	(1,558,996)	-99.4%
Grant revenue	105,651	67,796	37,855	55.8%
Debt issuance	(990,518)	-	(990,518)	N/A
Interest expense	(3,431,642)	-	(3,431,642)	N/A
Investment gain (loss)	2,169,173	(963,961)	3,133,134	-325.0%
Gain on sale of assets held for resale	1,130,560	-	1,130,560	N/A
Gain/(Loss) on sale of capital assets	-	(46,078)	46,078	-100.0%
Total nonoperating revenues	(998,983)	633,455	(1,632,438)	-257.7%
Capital contributions	180,000	-	180,000	N/A
Change in net position	1,922,906	12,711,931	(10,789,025)	-84.9%
Net position, beginning of year	88,030,781	75,318,850	12,711,931	16.9%
Net position, end of year	$ 89,953,687	$ 88,030,781	$ 1,922,906	2.2%

Operating revenues for fiscal year 2023 increased approximately $1.2 million or 2.6% over the prior year primarily due to an increase in tipping fee rates of 8.5% effective in January 1, 2023 offset by the decrease in tonnages received at the facility. Total operating expenses increased approximately $10.5 million or 31.7% from 2022 primarily due to the increase in solid waste contractor expense at the MRF as a result of engaging a new operator, FCC Environmental Services California, LLC (FCC), to meet the State's organics recovery goals under Senate Bill (SB) 1383.

The decrease in insurance proceeds of $1.6 million or 99.4% was due to the insurance settlement accrued in fiscal year ended 2022 related to the MRF fire incurred in fiscal year ended 2022. The increase in interest expense of $3.4 million was due to bonds interest payments remitted in fiscal year ended 2023 resulting from the new revenue bonds issuance. The increase in investment income of $2.2 million was due to earnings from investing part of the bonds issuance proceeds in guaranteed investment contracts. The increase in gain on sale of assets held for resale was due to the recognition of vehicles purchased by the Authority and sold in fiscal year ended 2023.

CAPITAL ASSETS

As of June 30, 2023, the Authority's investment in capital assets was approximately $67.0 million (net of accumulated depreciation). During 2023, net capital assets increased by $27.9 million or 71.3% mainly due to the on-going construction in progress for the MRF offset by current year depreciation expense. The following table presents a summary of capital assets as of June 30, 2023 and June 30, 2022:

			Total	
	2023	2022	Dollar Change	Percent Change
Land	$ 13,024,848	$ 13,024,848	$ -	0.0%
Construction in progress	30,243,844	2,823,184	27,420,660	971.3%
Land improvements	14,987,536	14,687,751	299,785	2.0%
Buildings and improvements	60,033,996	57,829,386	2,204,610	3.8%
Equipment	532,318	276,447	255,871	92.6%
Total	118,822,542	88,641,616	30,180,926	34.0%
Less accumulated depreciation	(51,852,415)	(49,546,185)	(2,306,230)	4.7%
Total capital assets, net	$ 66,970,127	$ 39,095,431	$ 27,874,696	71.3%

More detailed information about the Authority's capital assets is presented in Note 5 to the basic financial statements.

LONG-TERM LIABILITIES

The following table summarizes the Authority's long-term debts as of June 30, 2023 and June 30, 2022:

			Total	
	2023	2022	Dollar Change	Percent Change
Revenue bonds	$ 105,277,765	$ -	$ 105,277,765	N/A

The increase in long-term debts is due to the issuance of revenue bonds in September 2022 for the purpose of financing the acquisition and construction of capital improvements at the MRF and sanitary landfill.

More detailed information about the Authority's long-term liabilities is presented in Note 6 to the basic financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Fiscal year 2023 marked a significant chapter in the Authority's 45-year history. Beginning July 1, 2022, contract operation of the Authority's Materials Recovery Facility (MRF) and Western Regional Sanitary Landfill (WRSL) transitioned to FCC. Notably, FCC became only the second entity to operate the Authority's MRF since it first went into operation in 1995.

In addition to being hired by the Authority to operate its MRF and WRSL, FCC was also commissioned to design, permit and build modifications to the MRF system (inclusive of the facilities used to recover recyclable materials from municipal solid waste (MSW) and construction and demolition debris (C&D) as well as expand composting operations of organic materials to meet the state's ambitious organics recovery goals under SB 1383. The total cost to the Authority associated with the facility improvements and upgrades identified by FCC is approximately $120 million. Once completed in early calendar year 2025, the MRF upgrades will enable the Authority to divert at least 75% of all organic material from the MSW stream, increase the overall recovery from the MSW stream to at least 60% and increase C&D diversion to at least 65%. The Authority anticipates that, assuming no significant variations in the quantity and quality of the overall waste stream, sitewide material diversion rates could more than double once the improvements are completed. These improvements will enable the Member Agencies to comply with SB 1383 and other solid waste regulations without the need to adjust their collection methods and will also significantly extend the operational life of the WRSL.

To fund these improvements, the Authority issued revenue bonds early in fiscal year 2023. As part of the issuance process, and in an effort to establish a suitable bond rating, the Authority developed a financial model that was used to inform prospective shareholders and support a three-year tipping fee schedule that included a general rate increase of 8.5% in the second half of fiscal year 2023, 8.5% in fiscal year 2024 and 2.5% in fiscal year 2025. To provide a level of stability and predictability in the quantity and quality of materials delivered to the Authority facility and ensure the Authority meets its bond covenants, the Member Agencies (i.e., Roseville, Rocklin, Lincoln and the County of Placer) entered into flow commitment agreements with the Authority for the duration of the bond financing period. The actions by the Authority and the Member Agencies resulted in S&P Global Ratings assigning a "AA" rating to the Authority, exceeding the Authority's expectations. The bonds are scheduled to mature in 20 years and the Authority's annual debt service is approximately $7.8 million. The first semi-annual debt service payment was made at the end of fiscal year 2023.

Although the Authority established long-term flow commitment agreements with the Member Agencies, approximately 33% of tipping fee revenue is received from customers not subject to flow commitment agreements (i.e., self-haul residential and commercial customers.) In fiscal year 2023, the Authority experienced a 6.0% decline in tonnages received at the facility, however due to the tipping fee adjustment effective January 1, 2023 noted above, overall tipping fee revenue increased approximately 2.4% compared to the previous fiscal year. While the Authority's facility remains a convenient and economically competitive facility for self-haul residential and commercial customers, a combination of continued high inflation rates and competition from other facilities that accept a subset of similar materials as the Authority (e.g., green waste, wood waste, clean concrete, etc.) may have contributed to the lower tonnages in fiscal year 2023 and could continue to impact the future quantity of materials delivered to the Authority's facility. As a consequence, the Authority has budgeted for an additional overall 4.6% reduction in tonnages for fiscal year 2024. Despite this estimated reduction, in conjunction with the scheduled fiscal year 2024 tipping fee increase, the Authority anticipates an overall 8.8% increase in annual tipping fee revenues compared to the previous fiscal year. Furthermore, approximately 67% of the Authority's ongoing operational costs are directly related to the actual quantity of materials received at its facility. As a result, the Authority is generally able to weather these types of relatively modest fluctuations in waste stream quantities without significant economic impact.

In addition to the MRF modifications, the Authority initiated construction of the next disposal module at the landfill (Module 6) at a cost of approximately $15 million; $8.5 million of which will be funded through bond proceeds. The Authority anticipates Module 6 will be completed in the second half of fiscal year 2024 and should provide sufficient disposal capacity for approximately 15 years.

In December 2021, the Authority Board of Directors certified the Renewable Placer: Waste Action Plan Environmental Impact Report. Two key long-term initiatives of the Waste Action Plan include: 1) developing sufficient facility processing and disposal capacity to provide for continued local management and control of wastes and ensure stable operating cost structures, and 2) fostering a circular economy by encouraging the development of local markets for materials recovered at the Authority's facility. Next fiscal year, the Authority intends to initiate the multi-year effort to plan, permit and develop a master design plan for securing future landfill disposal capacity on its western expansion property. As noted above, with the development of Module 6 sufficient landfill capacity will be available for approximately 15 years. However, given the magnitude of planning and permitting future landfill capacity on its expansion property, the Authority believes it is appropriate to begin the process as soon as practical to allow adequate time to address applicable environmental and regulatory issues as well as possible local community concerns.

The Authority continues to be approached by private entities interested in developing facilities on the Authority's available properties that could utilize materials such as wood, plastics and foodwaste and other organic materials recovered by the Authority to produce marketable products, fuels, and electricity. These potential partnerships could provide additional sources of long-term income for the Authority and further preserve future landfill capacity. Additionally, given the relatively flat and open topography of its properties, the Authority has also been approached with proposals to site large photovoltaic solar arrays. Considering the increasing interest in partnering with the Authority to foster a sustainable, local circular economy, the Authority intends to formalize a methodology for evaluating proposals for these types of activities to evaluate technical feasibility and ensure the best economic benefit for the Authority, its Member Agencies and customers.

Since its inception, the Authority has utilized the County of Placer to staff the Authority and provide administrative support including accounting, human resources, procurement, information technology, legal counsel and other backbone administrative functions. Currently, staff are assigned to the Authority from the Placer County Department of Public Works with the Director and Assistant Director of Public Works serving as Authority Executive Management. Beginning in fiscal year 2023, and in recognition of the Authority's continuing evolution, the Authority Board began the process of amending this relationship by initiating negotiations on a Memorandum of Understanding (MOU) with the County. Under the draft MOU, the County would continue to provide staffing according to the business needs determined solely by the Authority and the Authority would hire a General Manager to provide dedicated full-time executive leadership reporting exclusively to the Authority Board. As currently envisioned in the draft MOU, the Authority would continue to utilize the core County administrative functions of the Treasurer, Auditor, and Human Resources and have the option to utilize other County services such as procurement, document solutions and information technology or utilize other third parties for these services. Further, the Authority would be required to engage separate legal counsel beginning no later than 180 days from the point the Authority hires its General Manager. As a result of these planned changes, the Authority anticipates, in addition to hiring a General Manager and engaging outside legal counsel, it will need to hire additional dedicated staff for day-to-day accounting and administrative issues. Preliminary estimates suggest these actions could result in an increased annual labor cost to the Authority of approximately $400,000 and may begin to be realized as early as fiscal year 2024.

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, 2023
(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2022)

	2023	2022
ASSETS		
Current assets:		
Cash and investments in Treasury Pool	$ 17,852,045	$ 21,397,602
Petty cash	8,600	8,600
Accounts receivable, less allowance for uncollectible accounts of $6,167 for 2023 and 2022	3,675,642	4,918,575
Assets held for resale	45,000	-
Interest receivable	76,883	16,233
Lease receivable	8,308	7,942
Prepaid expenses	35,130,930	28,728,273
Total current assets	56,797,408	55,077,225
Noncurrent assets:		
Restricted cash and investments in Treasury Pool	15,210,657	14,493,509
Restricted cash and investments with fiscal agent	81,943,297	-
Net OPEB asset	52,830	436,091
Lease receivable, net of current portion	10,145	18,454
Non-depreciable capital assets	43,268,692	15,848,032
Depreciable capital assets, net of accumulated depreciation	23,701,435	23,247,399
Total noncurrent assets	164,187,056	54,043,485
Total assets	220,984,464	109,120,710
Deferred outflows of resources:		
Deferred outflows related to pensions	1,069,003	385,797
Deferred outflows related to OPEB	308,475	127,146
Total deferred outflows of resources	1,377,478	512,943
LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses	5,993,730	3,382,908
Bonds payable	3,120,000	-
Compensated absences	30,471	25,206
Total current liabilities	9,144,201	3,408,114
Noncurrent liabilities:		
Landfill closure and postclosure care costs	16,946,128	15,072,156
Bonds payable	102,157,765	-
Compensated absences	274,239	226,857
Net pension liability	3,586,581	1,825,770
Total liabilities	132,108,914	20,532,897
Deferred inflows of resources:		
Deferred inflows related to pensions	28,347	525,547
Deferred inflows related to OPEB	253,321	518,032
Deferred inflows related to leases	17,673	26,396
Total deferred inflows of resources	299,341	1,069,975
NET POSITION		
Net investment in capital assets	42,659,760	38,898,473
Unrestricted	47,293,927	49,132,308
Total net position	$ 89,953,687	$ 88,030,781

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, 2023 (WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2022)

	2023	2022
OPERATING REVENUES:		
Fees from landfill operations	$ 45,671,822	$ 44,568,089
Rental	551,241	518,822
Miscellaneous	116,441	84,418
Total operating revenues	46,339,504	45,171,329
OPERATING EXPENSES:		
Salaries and benefits	2,899,877	4,160,850
Solid waste contractor:		
MRF	28,311,921	17,752,012
Landfill	2,839,546	2,577,934
Depreciation	2,306,230	2,322,586
Professional services - county	328,894	410,906
Landfill closure and postclosure care costs	1,873,972	988,275
Professional services - purchased	3,588,660	3,317,620
Taxes and special department expenses	838,041	894,939
General liability insurance	417,400	202,477
Utilities	112,006	130,217
Other expenses	81,068	335,037
Total operating expenses	43,597,615	33,092,853
Operating income	2,741,889	12,078,476
NONOPERATING REVENUES / (EXPENSES):		
Lease revenue and interest	8,844	7,753
Insurance proceeds	8,949	1,567,945
Interest expense	(3,431,642)	-
Debt issuance costs	(990,518)	-
Grant revenue	105,651	67,796
Investment gain (loss)	2,169,173	(963,961)
Gain on sale of assets held for resale	1,130,560	-
Loss on sale of capital assets	-	(46,078)
Total nonoperating expenses	(998,983)	633,455
Capital contributions	180,000	-
Changes in net position	1,922,906	12,711,931
Net position, beginning of year	88,030,781	75,318,850
Net position, end of year	$ 89,953,687	$ 88,030,781

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, 2023
(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2022)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash receipts from customers	$ 45,114,755	$ 43,811,739
Cash paid to employees	(2,329,604)	(1,988,472)
Cash receipts from other operating activities	667,682	603,240
Cash paid to suppliers for goods and services	(35,053,283)	(25,369,235)
Net cash provided by (used for) operating activities	8,399,550	17,057,272
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
State grant receipts	105,651	67,796
Net cash provided by noncapital financing activities	105,651	67,796
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition of capital assets	(29,609,714)	(2,624,466)
Prepayment of capital assets	(6,385,639)	(28,728,273)
Proceeds from issuance of long-term debt	107,935,446	-
Principal paid on long-term debt	(2,215,000)	-
Debt issuance costs	(990,518)	-
Interest paid on long-term debt	(3,488,615)	-
Insurance proceeds	2,161,580	144,129
Net cash provided by (used for) capital and related financing activities	67,407,540	(31,208,610)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(86,009,328)	-
Sale of investments	12,937,010	-
Interest received and fair value adjustment	2,108,523	(972,184)
Proceeds from sale of assets held for resale	1,085,560	-
Lease principal and interest received	8,064	7,753
Net cash used by investing activities	(69,870,171)	(964,431)
Net change in cash and cash equivalents	6,042,570	(15,047,973)
Cash and cash equivalents, beginning of year	35,899,711	50,947,684
Cash and cash equivalents, end of year	$ 41,942,281	$ 35,899,711
RECONCILIATION TO THE STATEMENTS OF NET POSITION:		
Cash and investments in Treasury Pool	$ 17,852,045	$ 21,397,602
Petty cash	8,600	8,600
Restricted cash and investments in Treasury Pool	15,210,657	14,493,509
Restricted cash and investments with fiscal agent	81,943,297	-
Less: Long-term investments included in restricted	(73,072,318)	-
Total cash and cash equivalents	$ 41,942,281	$ 35,899,711
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:		
Operating income	$ 2,741,889	$ 12,078,476
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:		
Depreciation	2,306,230	2,322,586
Decrease in accounts receivable	(557,067)	(756,350)
(Increase) in prepaid expenses	(17,018)	-
Net (decrease) in net OPEB asset and related deferred outflows and inflows of resources	(62,779)	(45,205)
Increase in accounts payable and accrued expenses	1,481,271	251,906
Increase in compensated absences	52,647	252,063
Increase in estimated liability for landfill closure and postclosure care costs	1,873,972	988,276
Net increase in net pension liability and related deferred outflows and inflows of resources	580,405	1,965,520
Net cash provided by (used for) operating activities	$ 8,399,550	$ 17,057,272
NON-CASH FINANCING AND INVESTING ACTIVITIES		
Fair market value adjustment (gain)/loss	$ (201,951)	$ 1,104,002
Capital asset purchased payable	975,898	196,958

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

WESTERN PLACER WASTE MANAGEMENT AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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. FCC Environmental Services California, 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 MRF and 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 investments 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, 2023 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 (ACFR).

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. Donated capital assets are recorded at acquisition value at the date of donation. 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	15-40 years
Buildings and Improvements	10-50 years
Equipment	5-25 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 will not be recognized as an expense/expenditure until then. The Authority reports deferred outflows related to pensions and other postemployment benefits (OPEB).

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 outflows/inflows 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)

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, 2023, 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, 2023, 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.

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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- *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.

Long-Term Liabilities

The Authority reports revenue bonds as liability in the statement of net position.

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.

Reclassification

Certain reclassifications have been made to the prior year comparative information as of and for the fiscal year ended June 30, 2022, to conform to the presentation as of and for the fiscal year ended June 30, 2023.

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, 2022, from which the information was derived.

NOTE 3 – CASH AND INVESTMENTS

Cash and investments as of June 30, 2023 are classified in the accompanying financial statements as follows:

Cash and investments in Treasury Pool	$ 17,852,045
Restricted cash and investments in Treasury Pool	15,210,657
Restricted investments with fiscal agent	73,072,318
Restricted cash with fiscal agent	8,870,979
Petty cash	8,600
Total	$ 115,014,599

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, 2023, 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.

Cash and investments held by fiscal agents are restricted as to their use. It includes funds for the acquisition and construction of capital improvements at the landfill site and the MRF and funds restricted for debt service payments. As of June 30, 2023, all cash and investments held by fiscal agents were in the Authority's name.

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, 2023, the Authority held no individual investments. Restricted investments held by fiscal agent represent guaranteed investment contracts and are reported at net asset value.

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.

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

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, 2023, which totaled $33,062,702, is an uncategorized input not defined as a Level 1, Level 2, or Level 3 input. The Authority's restricted investments with fiscal agent of $73,072,318 represent guaranteed investment contracts and are reported at net asset value.

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, 2023, was 450 days. The maturity for the Authority's guaranteed investment contracts of $73,072,318 held by fiscal agent ranged from 2/3/2025 to 3/3/2032, and the interest rates ranged from 3.75% to 3.76%.

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, 2023 are disclosed in the County's ACFR. The County external investment pool is not rated. Guaranteed investment contracts totaled $73,072,318 held by fiscal agent were not rated as of June 30, 2023.

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 ACFR, which may be obtained by contacting the County Auditor-Controller's Office at 2970 Richardson Drive, Auburn, California 95603.

As of June 30, 2023, the carrying amount and bank balance of the Authority's deposits held by fiscal agent was $8,870,979, and total uncollateralized deposits was $8,620,979.

NOTE 4 – LEASES

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, 2023, the statement of revenues, expenses and changes in net position includes lease revenue and interest of $8,844.

The following table presents lease receivable as of June 30, 2023:

Description	Current	Noncurrent	Total
Land	$ 8,308	$ 10,145	$ 18,453

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
2024	$ 8,308	$ 78
2025	8,688	33
2026	1,457	1
Total	$ 18,453	$ 112

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2023 was as follows:

	Balance July 1, 2022	Additions	Retirements	Transfers	Balance June 30, 2023
Capital Assets, Not Being Depreciated					
Land	$ 13,024,848	$ -	$ -	$ -	$ 13,024,848
Construction in progress	2,823,184	30,025,348	-	(2,604,688)	30,243,844
Total capital assets not being depreciated	15,848,032	30,025,348	-	(2,604,688)	43,268,692
Capital Assets, Being Depreciated					
Land improvements	14,687,751	299,785	-	-	14,987,536
Building and improvements	57,829,386	-	(387,728)	2,592,338	60,033,996
Equipment	276,447	243,521	-	12,350	532,318
Total capital assets being depreciated	72,793,584	543,306	(387,728)	2,604,688	75,553,850
Less accumulated depreciation for:					
Land improvements	(3,007,696)	(570,669)	-	-	(3,578,365)
Building and improvements	(46,309,169)	(1,705,940)	-	-	(48,015,109)
Equipment	(229,320)	(29,621)	-	-	(258,941)
Total accumulated depreciation	(49,546,185)	(2,306,230)	-	-	(51,852,415)
Total capital assets being depreciated, net	23,247,399	(1,762,924)	(387,728)	2,604,688	23,701,435
Total capital assets, net	$ 39,095,431	$ 28,262,424	$ (387,728)	$ -	$ 66,970,127

NOTE 6 – LONG-TERM LIABILITIES

On September 6, 2022, the Authority issued the Western Placer Waste Management Authority Solid Waste Revenue Bonds, Series 2022A (Materials Recovery Facility) and Series 2022B (Landfill Improvements) for $88.8 million and $8.6 million, respectively, with interest rates ranging from 3.65% to 4.22%. The Series 2022 Bonds have a final maturity date on June 1, 2042. The proceeds from the issuance of the Series 2022 Bonds are used for the purpose of financing the acquisition and construction of capital improvements at the Authority's materials recovery facility and sanitary landfill. The first principal and interest payments of $2,215,000 and $3,488,615, respectively, commenced on June 1, 2023. The original issue premiums are amortized using straight-line method, which approximates the effective interest method. The revenue bonds are secured by the Authority's net revenues, which represent gross revenues minus maintenance and operation costs. The total net revenue was $6,922,091 for the fiscal year ended June 30, 2023.

A summary of changes in long-term debt for the fiscal year ended June 30, 2023 for the Authority is as follows:

	Balance July 1, 2022	Additions	Retirements	Balance June 30, 2023	Due Within One Year
Revenue bonds	$ -	$ 97,445,000	$ (2,215,000)	$ 95,230,000	$ 3,120,000
Original issue premiums	-	10,490,446	(442,681)	10,047,765	
Total	$ -	$ 107,935,446	$ (2,657,681)	$ 105,277,765	

The following is a schedule of total debt service requirements to maturity as of June 30, 2023:

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	$ 3,120,000	$ 4,628,500	$ 7,748,500
2025	3,275,000	4,472,500	7,747,500
2026	3,440,000	4,308,750	7,748,750
2027	3,615,000	4,136,750	7,751,750
2028	3,795,000	3,956,000	7,751,000
2029-2033	22,005,000	16,738,500	38,743,500
2034-2038	28,085,000	10,658,000	38,743,000
2039-2042	27,895,000	3,100,200	30,995,200
	$ 95,230,000	$ 51,999,200	$ 147,229,200

NOTE 7 – 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.

NOTE 7 – CLOSURE AND POSTCLOSURE CARE COSTS (CONTINUED)

The $16,946,128 reported as landfill closure and postclosure care liability as of June 30, 2023 represented the cumulative amount reported to date based on the use of approximately 39.62% of the estimated capacity of the landfill. The estimated landfill closure and postclosure care costs at permitted capacity totaled $42,775,672 as of June 30, 2023. 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, which began 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.

During the fiscal year ended June 30, 2023, the volume of the landfill remained at 36,350,000 yards. As of June 30, 2023, total estimated costs for closure and postclosure increased from $39,170,713 at June 30, 2022 to $42,775,672 at June 30, 2023 and the remaining capacity of the landfill decreased from approximately 61.52% at June 30, 2022 to approximately 60.38% at June 30, 2023. These changes resulted in an adjustment to the landfill closure and postclosure care liability of $1,873,972 for the fiscal year ended June 30, 2023.

Future closure and postclosure care costs are based on what it would cost to perform all closure and postclosure care in 2023. 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 care costs as required by applicable laws as of June 30, 2023. 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, 2023, assets set-aside of $15,210,657 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, 2023, $1,071,849 has been accrued for corrective action costs and is included in the total closure and postclosure care liability.

NOTE 8 – EMPLOYEES' RETIREMENT PLAN

Plan Description

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 includes 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. 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.

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, deferred outflows and deferred inflows of resources, and pension expense. 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, 2023, 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% - 2.50%

NOTE 8 – EMPLOYEES' RETIREMENT PLAN (CONTINUED)

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.

For the fiscal year ended June 30, 2023, the average active employee contribution rate was 7.36% of annual pay, and the employer's contribution rate was 9.74%. Employer contribution rates may change if Plan contracts are amended. The Authority's contributions to the County's Miscellaneous Plan totaled $494,419 for the fiscal year ended June 30, 2023.

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

As of June 30, 2023, the Authority reported a net pension liability of $3,586,581 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, 2022, using an annual actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022. The Authority's proportionate share of the County's Miscellaneous Plan's net pension liability as of June 30, 2023 was 0.6238%, which represented an increase of .1386% compared to the June 30, 2022 proportionate share.

For the year ended June 30, 2023, the Authority recognized pension expense of $473,648. As of June 30, 2023, 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
Pension contributions subsequent to measurement date	$ 494,419	$ -
Changes of assumptions	219,039	-
Differences between actual and expected experiences	30,942	(28,347)
Net differences between projected and actual earnings on pension plan investments	324,603	-
Total	$ 1,069,003	$ (28,347)

NOTE 8 – EMPLOYEES' RETIREMENT PLAN (CONTINUED)

The amount of $494,419 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, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Fiscal Year Ending June 30,	Deferred Outflows/Inflows of Resources
2024	$ 154,908
2025	130,654
2026	53,499
2027	207,176
Total	$ 546,237

Actuarial Assumptions

The total pension liability was determined based on the June 30, 2021 actuarial valuation using the following actuarial assumptions:

Actuarial cost method	Entry age actuarial cost method
Valuation date	June 30, 2021
Measurement date	June 30, 2022
Actuarial assumptions:	
Discount rate	6.90%
Inflation	2.30%
Projected salary increase	Varies by entry age and service
Mortality (1)	Derived using CalPERS' membership data for all funds
Post-retirement benefit increase	The lesser of contract COLA or 2.3% until purchasing power protection allowance floor, 2.3% thereafter

(1) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 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 November 2021 that can be found on the CalPERS website.

Changes of Assumptions

The discount rate decreased from 7.15% in fiscal year ended 2022 to 6.90% in fiscal year ended 2023, and the inflation actuarial assumption decreased from 2.50% to 2.30% in the same periods.

NOTE 8 – EMPLOYEES' RETIREMENT PLAN (CONTINUED)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points. The expected real rates of return by asset class are as follows:

Asset Class [1]	Assumed Asset Allocation	Real Return [1] [2]
Global Equity - Cap-weighted	30.0%	4.54%
Global Equity - Non-cap weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
Total	100.0%	

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

[2] Figures are based on the 2021 Asset Liability Management study.

Discount Rate

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

NOTE 8 – 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 6.90%, 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 (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Net Pension Liability	$ 4,882,912	$ 3,586,581	$ 2,510,304

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 9 – OTHER POSTEMPLOYMENT BENEFITS

Plan Description

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 postemployment healthcare benefits provided by the County to its retirees under its Retiree Healthcare Plan in accordance with various labor agreements. The County participates in the California Employers' Retiree Benefit Trust (CERBT), an agent multiple-employer plan administered by CalPERS. CalPERS issues a publicly available 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, deferred outflows and deferred inflows of resources, and OPEB expense. Accordingly, the disclosures and RSI have been reported for the Authority as a cost-sharing OPEB plan.

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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 postemployment 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.

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, 2023, the annual required contribution rate was $3,067 per employee (excluding extra help) and to prefund as determined annually through the County budget process. The Authority's contribution to the Plan for fiscal year ended June 30, 2023 was $32,900.

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

As of June 30, 2023, the Authority reported net OPEB asset of $52,830 for its proportionate share of the County's net OPEB asset. The net OPEB asset was measured as of June 30, 2022, 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 0.4521% as of June 30, 2023, which represented an increase of .0866% compared to the June 30, 2022 proportionate share.

For the fiscal year ended June 30, 2023, the Authority recognized OPEB credit of $19,122. As of June 30, 2023, 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	$ 32,900	$ -
Changes of assumptions	52,072	(113,824)
Differences between actual and expected experiences	46,533	(139,497)
Net differences between projected and actual earnings on OPEB plan investments	176,970	-
Total	$ 308,475	$ (253,321)

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

The amount of $32,900 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	Deferred Outflows/ Inflows of Resources
2024	$ (33,867)
2025	(7,303)
2026	(22,461)
2027	80,797
2028	5,088
Total	$ 22,254

Actuarial Assumptions

The Authority's net OPEB asset was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of June 30, 2022.

Valuation date (census)	June 30, 2022
Measurement date (assets and liabilities)	June 30, 2022
Contribution policy	Pre-funded through CERBT asset allocation Strategy 1.
Actuarial assumptions:	
Discount rate	6.80%
Inflation	2.50%
Mortality	Based on assumptions for Public Agency Miscellaneous and Police members published in the 2021 CalPERS Experience Study. These tables include generational mortality improvement using 80% of scale MP-2000.
Healthcare cost trend rate	6.8% for fiscal year 2023, gradually decreasing over several decades to an ultimate rate of 3.9% in 2076 and later fiscal years.

Changes of Assumptions

The inflation actuarial assumption increased from 2.25% in fiscal year ended 2022 to 2.50% in fiscal year ended 2023.

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (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	49.0%
Fixed Income	23.0%
Treasury Inflation-Protected Securities	5.0%
Real Estate Investment Trusts	20.0%
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 9 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

The County has an established policy to fully-fund the OPEB liability over a fixed period of time (7 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 Rate

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 was calculated using a discount rate 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)	$ 170,404	$ (52,830)	$ (240,687)

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 was calculated using healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease	Current Trend Rate	1% Increase
Net OPEB Liabilty (Asset)	$ (266,266)	$ (52,830)	$ 206,135

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, California, 95603.

NOTE 10 – 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 10 – 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 11 – 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 68.38% of the total accounts receivable balance and 58.97% of total tipping fee revenues from facility operations as of and for the fiscal year ended June 30, 2023.

NOTE 12 – 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, 2023 was $328,894.

NOTE 13 – 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.

REQUIRED SUPPLEMENTARY INFORMATION

WESTERN PLACER WASTE MANAGEMENT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

Fiscal Year [1]	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
2023	0.6238%	3,586,581	1,080,644	331.89%	64.83%	6/30/2022

[1] 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.

SCHEDULE OF PENSION PLAN CONTRIBUTIONS

Fiscal Year [1]	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%
2023	494,419	494,419	-	1,123,639	44.00%

[1] 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.

ANNUAL MONEY-WEIGHTED RATE OF RETURN

The annual money-weighted rate of return for the County’s Pension Plan can be obtained from CalPERS’ audited annual comprehensive financial report at: www.calpers.ca.gov.

WESTERN PLACER WASTE MANAGEMENT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

Fiscal Year [1]	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
2023	0.45%	(52,830)	953,118	-5.54%	102.71%	6/30/2022

[1] 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, 2023

SCHEDULE OF OPEB PLAN CONTRIBUTIONS

Fiscal Year [1]	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%
2023	32,900	32,900	-	1,368,346	2.40%

[1] 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.

ANNUAL MONEY-WEIGHTED RATE OF RETURN

The annual money-weighted rate of return for the County's OPEB Plan can be obtained from CalPERS' audited annual comprehensive financial report at: www.calpers.ca.gov.

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 Authority's Annual Comprehensive Financial Reports for the relevant year.

WESTERN PLACER WASTE MANAGEMENT AUTHORITY

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

	2013-14	2014-15	2015-16	2016-17
Net investment in capital assets	$ 42,510,194	$ 46,268,208	$ 44,155,042	$ 43,361,967
Restricted	11,525,044	11,847,607	12,273,871	12,517,773
Unrestricted	18,967,793	14,495,770	16,879,390	18,162,036
Total activities net position	$ 73,003,031	$ 72,611,585	$ 73,308,303	$ 74,041,776

Source: Audited Financial Statements for Fiscal Years 2013-14 through 2022-23.

WESTERN PLACER WASTE MANAGEMENT AUTHORITY

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

(Continued)

2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
$ 43,577,463	$ 41,950,168	$ 40,371,126	$ 39,018,852	$ 38,898,473	$ 42,659,760
13,089,102	13,439,325	14,225,821	-	-	-
19,407,882	22,223,231	20,886,970	36,299,998	49,132,308	47,293,927
$ 76,074,447	$ 77,612,724	$ 75,483,917	$ 75,318,850	$ 88,030,781	$ 89,953,687

Source: Audited Financial Statements for Fiscal Years 2013-14 through 2022-23.

WESTERN PLACER WASTE MANAGEMENT AUTHORITY

TOTAL ANNUAL REVENUES
LAST TEN FISCAL YEARS

	2013-14	2014-15	2015-16	2016-17
OPERATING REVENUES:				
Fees from landfill operations	$ 20,423,095	$ 21,482,481	$ 23,219,364	$ 24,787,361
Rental	130,691	136,210	121,259	88,789
Miscellaneous	120,851	70,137	96,017	282,341
Total operating revenues	20,674,637	21,688,828	23,436,640	25,158,491
NONOPERATING REVENUES:				
Grant and other revenues	70,680	70,621	82,122	43,351
Investment earnings (losses)	901,928	614,791	868,222	216,223
Gain on sale of assets held for resale	-	-	-	-
Total nonoperating revenues	972,608	685,412	950,344	259,574
Capital contributions	-	-	-	-
TOTAL REVENUES	$ 21,647,245	$ 22,374,240	$ 24,386,984	$ 25,418,065

Source: Audited Financial Statements for Fiscal Years 2013-14 through 2022-23.

WESTERN PLACER WASTE MANAGEMENT AUTHORITY

TOTAL ANNUAL REVENUES
LAST TEN FISCAL YEARS

(Continued)

2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
$ 26,139,168	$ 27,556,547	$ 28,293,360	$ 33,265,955	$ 44,568,089	$ 45,671,822
106,723	94,357	272,784	496,050	518,822	551,241
314,785	173,938	54,471	25,082	84,418	116,441
26,560,676	27,824,842	28,620,615	33,787,087	45,171,329	46,339,504
73,932	77,124	78,135	43,532	1,643,494	123,444
374,856	1,877,716	992,890	(59,895)	(963,961)	2,169,173
-	-	-	-	-	1,130,560
448,788	1,954,840	1,071,025	(16,363)	679,533	3,423,177
-	-	-	-	-	180,000
$ 27,009,464	$ 29,779,682	$ 29,691,640	$ 33,770,724	$ 45,850,862	$ 49,942,681

Source: Audited Financial Statements for Fiscal Years 2013-14 through 2022-23.

WESTERN PLACER WASTE MANAGEMENT AUTHORITY

TOTAL ANNUAL EXPENSES
LAST TEN FISCAL YEARS

	2013-14	2014-15	2015-16	2016-17
OPERATING EXPENSES:				
Salaries and benefits	$ -	$ -	$ -	$ -
Solid waste contractor:				
MRF	11,418,618	12,357,811	12,620,183	13,430,127
Landfill	2,559,553	2,608,587	2,487,516	2,088,664
Landfill maintenance	683,615	-	-	46,746
Depreciation	2,724,347	2,736,576	2,895,225	2,112,621
Professional services - county	2,390,872	2,324,506	2,759,689	3,135,608
Landfill closure and postclosure care costs	435,621	368,306	446,806	519,835
Professional services - purchased	808,780	1,290,123	1,480,954	2,182,238
Taxes and special department expenses	486,813	597,467	507,808	616,419
Administration (1)	211,344	184,833	180,041	212,584
General liability insurance	108,708	113,192	111,169	109,229
Utilities	82,091	86,555	94,166	126,857
Other expenses	99,116	97,730	106,709	103,664
Total operating expenses	22,009,478	22,765,686	23,690,266	24,684,592
NONOPERATING EXPENSES:				
Interest expense	-	-	-	-
Debt issuance costs	-	-	-	-
Loss on sale of capital assets	-	-	-	-
Total nonoperating revenues	-	-	-	-
TOTAL EXPENSES	$ 22,009,478	$ 22,765,686	$ 23,690,266	$ 24,684,592

Source: Audited Financial Statements for Fiscal Years 2013-14 through 2022-23.

WESTERN PLACER WASTE MANAGEMENT AUTHORITY

TOTAL ANNUAL EXPENSES
LAST TEN FISCAL YEARS

(Continued)

2017-18	2018-19 [1]	2019-20	2020-21	2021-22	2022-23
$ -	$ -	$ -	$ -	$ 4,160,850	$ 2,899,877
13,919,608	15,474,802	17,645,058	18,414,031	17,752,012	28,311,921
2,062,336	2,245,619	2,613,531	2,591,284	2,577,934	2,839,546
-	105,915	-	6,880	-	-
2,041,368	2,041,709	2,301,542	2,305,933	2,322,586	2,306,230
3,308,000	3,326,174	3,361,743	3,879,056	410,906	328,894
63,483	797,652	655,273	591,202	988,275	1,873,972
2,298,769	2,654,232	3,424,032	4,715,368	3,317,620	3,588,660
620,306	993,079	20,622	918,735	894,939	838,041
299,587	-	-	-	-	-
109,181	151,504	132,000	155,694	202,477	417,400
134,050	125,433	637,408	91,604	130,217	112,006
120,105	325,286	1,029,238	266,004	335,037	81,068
24,976,793	28,241,405	31,820,447	33,935,791	33,092,853	43,597,615
-	-	-	-	-	3,431,642
-	-	-	-	-	990,518
-	-	-	-	46,078	-
-	-	-	-	46,078	4,422,160
$ 24,976,793	$ 28,241,405	$ 31,820,447	$ 33,935,791	$ 33,138,931	$ 48,019,775

[1] Starting in fiscal year 2018/2019, the Administration expenses are reported under the Professional Services - County.

Source: Audited Financial Statements for Fiscal Years 2013-14 through 2022-23.

WESTERN PLACER WASTE MANAGEMENT AUTHORITY

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	2013-14	2014-15	2015-16	2016-17
Operating Revenues:				
Fees from landfill operations	$ 20,423,095	$ 21,482,481	$ 23,219,364	$ 24,787,361
Rental	130,691	136,210	121,259	88,789
Miscellaneous	120,851	70,137	96,017	282,341
Total operating revenues	20,674,637	21,688,828	23,436,640	25,158,491
Nonoperating Revenues (Expenses):				
Grant and other revenues	70,680	70,621	82,122	43,351
Interest expense	-	-	-	-
Investment earnings (losses)	901,928	614,791	868,222	216,223
Debt issuance costs	-	-	-	-
Gain on sale of assets held for resale	-	-	-	-
Gain on sale of capital assets	-	-	-	-
Total nonoperating revenues	972,608	685,412	950,344	259,574
Capital contributions	-	-	-	-
Total revenues	21,647,245	22,374,240	24,386,984	25,418,065
Total expenses	22,009,478	22,765,686	23,690,266	24,684,592
Changes in net position	(362,233)	(391,446)	696,718	733,473
Net position, beginning of year, as restated	73,365,264	73,003,031	72,611,585	73,308,303
Net position, end of year	$ 73,003,031	$ 72,611,585	$ 73,308,303	$ 74,041,776

Source: Audited Financial Statements for Fiscal Years 2013-14 through 2022-23.

WESTERN PLACER WASTE MANAGEMENT AUTHORITY

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

(Continued)

2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
$ 26,139,168	$ 27,556,547	$ 28,293,360	$ 33,265,955	$ 44,568,089	$ 45,671,822
106,723	94,357	272,784	496,050	518,822	551,241
314,785	173,938	54,471	25,082	84,418	116,441
26,560,676	27,824,842	28,620,615	33,787,087	45,171,329	46,339,504
73,932	77,124	78,135	43,532	1,643,494	123,444
-	-	-	-	-	(3,431,642)
374,856	1,877,716	992,890	(59,895)	(963,961)	2,169,173
-	-	-	-	-	(990,518)
-	-	-	-	-	1,130,560
-	-	-	-	(46,078)	-
448,788	1,954,840	1,071,025	(16,363)	633,455	(998,983)
-	-	-	-	-	180,000
27,009,464	29,779,682	29,691,640	33,770,724	45,804,784	45,520,521
24,976,793	28,241,405	31,820,447	33,935,791	33,092,853	43,597,615
2,032,671	1,538,277	(2,128,807)	(165,067)	12,711,931	1,922,906
74,041,776	76,074,447	77,612,724	75,483,917	75,318,850	88,030,781
$ 76,074,447	$ 77,612,724	$ 75,483,917	$ 75,318,850	$ 88,030,781	$ 89,953,687

Source: Audited Financial Statements for Fiscal Years 2013-14 through 2022-23.

WESTERN PLACER WASTE MANAGEMENT AUTHORITY

SCHEDULE OF CURRENT TIPPING FEES
Fiscal Year 2022-23

Category	Tipping Fees
Municipal Solid Waste	$ 95.50 /ton
	$ 21.75 /cy
Construction and Demolition Debris	$ 95.50 /ton
	$ 21.75 /cy
Sludge and Mixed Inerts (1)	$ 54.25 /ton
Commercial Food Waste	$ 74.00 /ton
Source Separated Green Waste	$ 74.00 /ton
	$ 17.50 /cy
Source Separated Wood Waste (2)	$ 55.00 /ton
	$ 16.00 /cy
Inert Materials (3)	$ 60.00 /ton
	$ 60.00 /cy
Water Treatment Plant Sludge	$ 11.00 /ton
Refrigerated Appliances	$ 42.50 each
Non-refrigerated Appliances	$ 9.50 each
Car and Light Truck Tires	$ 4.50 each
Semi-trailer Tires	$ 23.00 each
Tractor Tires	$ 91.50 each
Euclid & Bulk Tires	$ 228.75 /ton
Treated Wood Waste	$ 210.25 /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
CURRENT YEAR AND NINE YEARS AGO

	June 30, 2023		June 30, 2014	
	Tipping Fees	% of Total Tipping Fee Revenue	Tipping Fees	% of Total Tipping Fee Revenue
Recology	$ 15,071,729	33.00%	$ 8,101,896	39.68%
City of Roseville	11,862,163	25.97%	6,842,009	33.50%
City of Lincoln	3,003,989	6.58%	1,597,890	7.82%
Atlas Disposal Industries	657,513	1.44%	215,193	1.05%
Quality Construction Clean Up	614,082	1.34%	-	0.00%
Allied Waste Services	268,703	0.59%	47,086	0.23%
CalTrans	242,277	0.53%	44,616	0.22%
Eagle Painting and Drywall	236,416	0.52%	-	0.00%
Sonray Construction	166,735	0.37%	-	0.00%
Future Plastering, Inc.	143,045	0.31%	-	0.00%
Cash Customer	-	0.00%	2,698,952	13.22%
Inviro-Tec	-	0.00%	104,665	0.51%
Placer County - Utilities	-	0.00%	61,763	0.30%
Operations Management International, Inc.	-	0.00%	44,435	0.22%
Ten Largest Principal Customers	32,266,652	70.65%	19,758,505	96.75%
All Other Customers	13,405,170	29.35%	664,590	3.25%
Total	$ 45,671,822	100.00%	$ 20,423,095	100.00%

Source: Western Placer Waste Management Authority.

WESTERN PLACER WASTE MANAGEMENT AUTHORITY

CUSTOMER ACCOUNTS
LAST TEN FISCAL YEARS

Fiscal Year	Number of Customer Accounts	Annual % Increase (Decrease)
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%
2022-23	387	-15%

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]
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	409	31,684,782 (1)	77	74,446	2.6%
2022 (3)	410	34,170,169	82	74,545	2.8% (2)

Notes:

(1) Estimated 5% increase in personal income.

(2) Unemployment rate was 3.8% as of June 30, 2023.

(3) Calendar year 2022 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
CURRENT YEAR AND NINE YEARS AGO

June 30, 2023			June 30, 2014		
Company or Organization	Number of Employees [1]	Percentage of Total Employment	Company or Organization	Number of Employees	Percentage of Total Employment
Sutter Health	6,223	3.33%	Sutter Health	3,890	2.16%
Kaiser Permanente	5,865	3.13%	Kaiser Permanente	3,826	2.13%
County of Placer	2,795 [2]	1.49%	Squaw Valley Resort	2,500	1.39%
Thunder Valley Casino Resort	2,300	1.23%	Thunder Valley Casino Resort	2,391	1.33%
Sierra Joint Community College District	1,900	1.02%	County of Placer	2,300	1.28%
Palisades Tahoe	1,321	0.71%	Hewlett-Packard Co.	2,230	1.24%
City of Roseville	1,320	0.71%	City of Roseville	1,254	0.70%
Roseville City School District	1,286	0.69%	PRIDE Industries, Inc.	1,164	0.65%
Safeway	1,217	0.65%	Roseville City School District	1,006	0.56%
Pacific Gas and Electric Company	1,120	0.60%	State of California	940	0.52%

Note:
(1) Ranked by number of employees in full-time equivalents as of May 2023.
(2) Fiscal Year 2023 Adopted Budget for Funded Positions, County of Placer.

Sources:
Sacramento Business Journal
State of California, Employment Development Department

WESTERN PLACER WASTE MANAGEMENT AUTHORITY

OPERATING INDICATORS
LAST TEN FISCAL YEARS

Fiscal Year	Tonnage Disposed at Western Regional Sanitary Landfill	Percentage of Diversion Recycled Waste
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%
2022-23	331,670	38%

Source: Western Placer Waste Management Authority

WESTERN PLACER WASTE MANAGEMENT AUTHORITY

SCHEDULE OF ANNUAL REFUSE TONNAGE
LAST TEN FISCAL YEARS

	Delivered by					
Fiscal Year	Recology	City of Roseville	City of Lincoln	Other Entities	Total Tonnage	Annual % Increase (Decrease)
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%
2022-23	174,805	144,498	35,284	180,675	535,262	-5.39%

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, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Western Placer Waste Management Authority's basic financial statements, and have issued our report thereon dated December 15, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Western Placer Waste Management 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 Western Placer Waste Management Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Western Placer Waste Management 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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Western Placer Waste Management 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 15, 2023