WESTERN PLACER WASTE MANAGEMENT AUTHORITY

Roseville, California

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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

PREPARED BY:

Placer County Auditor-Controller's Office

WESTERN PLACER WASTE MANAGEMENT AUTHORITY

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Other Report

December 23, 2024

To the Board of Directors and Citizens of Placer County:

The Annual Comprehensive Financial Report (ACFR) of the Western Placer Waste Management Authority (WPWMA) for the fiscal year ended June 30, 2024, is hereby submitted. This report consists of management's representations concerning the finances of the WPWMA. 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 WPWMA has established a comprehensive internal control framework that is designed both to protect the WPWMA's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the WPWMA'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 WPWMA'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 WPWMA's financial statements have been audited by Lance, Soll & Lunghard, 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, 2024, 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 WPWMA's basic financial statements for the fiscal year ended June 30, 2024, 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 WPWMA's MD&A can be found immediately following the report of the independent auditors.

Profile of the WPWMA

The WPWMA 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 WPWMA 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 WPWMA.

The WPWMA was formed to acquire, own, operate and maintain a sanitary landfill site and all related improvements. The WPWMA 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 WPWMA 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 WPWMA'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 national record high inflation rates. Population growth coupled with continued residential development suggests that material flows and associated revenues received at the WPWMA's facility will continue to grow in the future.

Long-term Financial Planning

WPWMA 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 WPWMA currently has sufficient capacity at its landfill and MRF to accept more waste on a daily basis than it currently receives, the WPWMA 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 WPWMA to maintain a strong financial position allowing it to seek competitive rates for financing near-term facility improvements while maintaining a competitive advantage amongst other waste management facilities in the greater Sacramento region.

Major Initiatives and Accomplishments

Accomplishments

With the WPWMA Board of Director's approval and certification of the Renewable Waste Action Plan EIR in December 2022, the WPWMA initiated the process of permitting and developing its western and eastern expansion properties. Given the amount of time and effort it will require, the WPWMA determined 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. In December 2023, the WPWMA hired Jacobs Engineering Group, Inc. (Jacobs) to conduct the multi-year design and permitting effort. The project schedule provided by Jacobs suggests it will take approximately six years to fully permit the additional landfill space and could be ready to receive waste, if deemed necessary by the WPWMA, as early as the summer of 2030.

To ensure the availability of adequate landfill airspace to the WPWMA's customer base in the near term, the WPWMA began construction of its next landfill module (Module 6) at the end of June 2023 and anticipates completion by December 2024. Module 6 is expected to provide sufficient disposal capacity for at least 15 years.

Construction of the $120 million improvements to the Materials Recovery Facility (MRF) began in May 2023 with substantial completion of the new construction and demolition debris (C&D) facility occurring in December 2023. After conducting several weeks of conformance testing, the WPWMA began using the new C&D facility to process municipal solid waste (MSW) as the next major phase of construction involving the full replacement of the MSW processing equipment began. This phase is expected to last through mid-2025 with all system improvements online and available by the end of calendar year 2025.

In December 2023, the WPWMA and its MRF contract operator (FCC Environmental Services California, LLC, "FCC") executed the Fourth Amendment to the MRF Operating Agreement. Among other provisions, the Fourth Amendment obligated FCC to market enough compost to fully meet the Member Agencies' SB 1383 recovered organics procurement targets for the duration of FCC's operating agreement at no additional cost to the WPWMA or the Member Agencies. FCC successfully met the Member Agencies' 2023 compost procurement target requirements and in the second half of fiscal year 2024 marketed enough compost to meet approximately 90% of the 2024 target.

Since its inception, the WPWMA has utilized the County of Placer to staff the WPWMA and provide administrative support and other backbone administrative functions. In May 2024, the WPWMA executed a Memorandum of Understanding with the County ensuring the County would continue to provide staffing according to the business needs determined solely by the WPWMA and codify the WPWMA's intent to hire a General Manager to provide dedicated full-time executive leadership reporting exclusively to the WPWMA Board. On June 17, 2024, the WPWMA's General Manager began his tenure with the WPWMA.

Current Activities

As noted above, construction of the newest landfill disposal module (Module 6) and the $120 million improvements to the MRF will continue through fiscal year 2025. Module 6 is anticipated to be complete and operational during the fiscal year while the MRF improvements are anticipated to be completed in early to middle fiscal year 2026. Further, design and permitting efforts for additional landfill capacity west of Fiddyment Road will continue over the next several fiscal years.

Consistent with the recently adopted Memorandum of Understanding between the WPWMA and Placer County that resulted in the hiring of the WPWMA's first General Manager, the WPWMA issued a Request for Proposals in September 2024 for General Counsel services from law firms and/or individuals that have a fully developed practice with experience advising and representing California joint powers agencies and sold waste agencies in particular. The WPWMA anticipates receiving proposals by early October 2024 with the intent of entering into a legal services agreement by the end of calendar year 2024.

In addition to engaging outside legal counsel, the WPWMA has also started recruiting additional staff. Initially, the WPWMA will be focused on hiring staff to handle administrative and fiscal functions historically provided by Placer County such as accounting, fiscal management and analysis, and human resources. Additionally, WPWMA is recruiting for field operations staff that can assume many of the routine, non-specialized duties that have previously been performed by third-party, private consultants and contractors. In doing so, the WPWMA anticipates being able to respond in a more proactive manner to administrative, fiscal, operational, and regulatory matters and to do so in a more cost-effective way.

With the potential to add additional staff, and in acknowledgement of the additional staff that have been hired over the last two fiscal years, WPWMA is evaluating options for renovating its administration building to provide additional office and parking space and improve overall functionality of its facility. To accomplish this, WPWMA will be soliciting proposals from qualified architect firms to design, permit, and provide construction oversight to necessary building improvements. Once approved by the WPWMA Board, the design work is anticipated to occur in fiscal year 2025 with construction following in fiscal year 2026.

Acknowledging the uniqueness of the WPWMA's waste management and material recovery approach, which will be further enhanced upon completion of the MRF upgrades designed to recover at least 75% of organic materials from the mixed waste stream to comply with the requirements of SB 1383 without the need to change waste collection methods, the WPWMA anticipates significant interest in its facility from non-Placer County jurisdictions. It is commonly understood in the waste management industry that it is difficult and costly to comply with material diversion mandates from the multi-family housing and commercial waste sectors. As the WPWMA's facility is designed to not rely, nor require, any upstream separation of materials from the waste stream to recover and recycle materials, it is uniquely situated to market any excess processing capacity it may have to outside agencies struggling to meet recyclable and/or organics diversion mandates. In fiscal year 2025, WPWMA anticipates developing a policy framework for acceptance of these materials as well as establishing an economic model that maintains a reasonable level of competitiveness for these materials while also enhancing the WPWMA's revenues helping to mitigate future rate increases to Placer County customers.

The WPWMA is also exploring new and innovative uses for the materials it recovers from the wastestream and the byproducts from landfill disposal. Over the last several years, the WPWMA's MRF operator has experienced increased difficulties and costs associated with marketing recovered wood. The WPWMA is exploring the option of developing a small biomass facility on its campus that could accept and process a majority of the wood waste recovered at its site and which would generate electricity for sale and transmission over the electrical grid and also offset some facility electrical demand. Additionally, there may be an opportunity to utilize the waste heat from the biomass facility for combined heating and power applications which could be marketable to nearby development. Since 1997, the WPWMA has had a contractual relationship with Energy 2001 to generate and sell electricity generated from methane gas captured by the WPWMA at the WRSL. With the expiration of Energy 2001's lease agreement, the WPWMA is investigating other more financially lucrative options for its methane gas resource including producing pipeline-injectable renewable natural gas. The WPWMA is in the process of developing a Request for Proposals for the use of the gas resource and anticipates issuing the request in the first half of fiscal year 2025 with a decision in late fiscal year 2025 or early fiscal year 2026.

Financial Information

Management of the WPWMA is responsible for establishing and maintaining internal controls designed to ensure that the assets of the WPWMA 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 evaluation 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 WPWMA 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 promote financial soundness, efficiency in government and solvency in public finance. The WPWMA 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, California 95603.

Budgetary Controls

State law requires the formal adoption of an appropriated budget for governmental enterprise activities. The WPWMA 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 WPWMA's operations.

The WPWMA 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 WPWMA 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 WPWMA for its ACFR for the fiscal year ended June 30, 2023. This is the 10th consecutive year that the WPWMA has received this award. 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 WPWMA staff, with special recognition to Eric Oddo and Becky Correa, and the County Auditor-Controller's Office.

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

Respectfully submitted,

Scott Scholz
General Manager

WESTERN PLACER WASTE MANAGEMENT AUTHORITY
BOARD OF DIRECTORS AND MANAGING STAFF

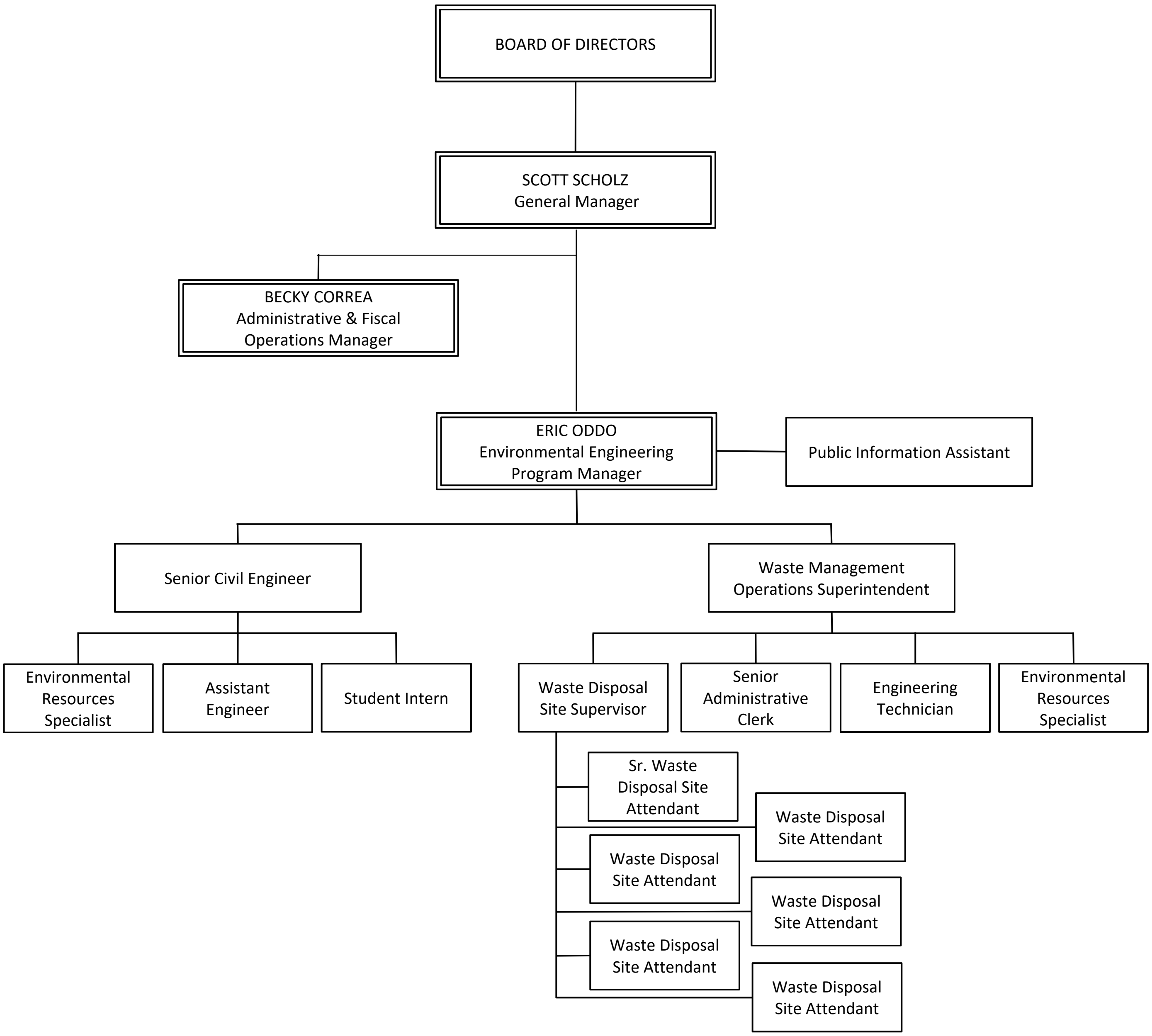
The Western Placer Waste Management Authority is governed by representatives of its member agencies. They are as follows:

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

The Western Placer Waste Management Authority's managing staff are:

Scott Scholz	General Manager
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, 2023

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

To the 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 the Western Placer Waste Management Authority (the Authority), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2024, and the changes in financial position, and cash flows thereof 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 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 the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 the 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.

To the Board of Directors
Western Placer Waste Management Authority
Roseville, California

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 auditor's 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 generally accepted auditing standards 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 generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 the 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 and required pension and other postemployment benefits schedules, as listed on the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial

To the Board of Directors
Western Placer Waste Management Authority
Roseville, California

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.

Report on Summarized Comparative Information

The financial statements of the Authority for the year ended June 30, 2023, were audited by another auditor, who expressed an unmodified opinion on those financial statements in their report dated December 15, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements do 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2024, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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.

Lance, Soll & Lunghard, LLP

Sacramento, California
December 17, 2024

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, 2024. Please read it in conjunction with the Authority's financial statements and accompanying notes, which follow this section.

FINANCIAL HIGHLIGHTS

- Total assets as of June 30, 2024, was approximately $230.6 million, an increase of approximately $9.6 million or 4.3% from 2023.
- Total liabilities as of June 30, 2024, were approximately $135.2 million, an increase of approximately $3.1 million or 2.3% from 2023.
- The Authority's total net position increased by approximately $6.4 million during the fiscal year ended June 30, 2024, an increase of 7.1% from 2023.
- Total operating revenues increased by approximately $4.1 million during the fiscal year ended June 30, 2024, an increase of 8.8% over 2023, while operating expenses decreased by approximately $3.8 million or 8.6% from 2023.

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, 2024. 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 $96.3 million as of June 30, 2024.

As of June 30, 2024, total assets increased by approximately $9.6 million or 4.3% and total liabilities increased approximately $3.1 million or 2.3%. The increase in total assets was primarily due to the increases in capital assets of $93.6 million or 139.8%, offset by decreases in current assets of $28.3 million or 49.8% and other assets of $55.7 million or 57.3%. The increase in capital assets was primarily due to an increase in non-depreciable capital assets related to the construction in progress for the Material Recovery Facility (MRF). The decrease in current assets was due to a decrease in prepaid expenses caused by prepayments made for equipment purchased in fiscal year 2023, which was received and recorded as capital assets in fiscal year 2024. The decrease in other assets was due to a decrease in restricted cash and investments caused by the sale of and liquidation of investments held with US Bank to remit payments for construction in progress. Additionally, the net OPEB asset increased by $178,621 or 338.1% and deferred inflows of resources related to OPEB increased by $57,553 or 22.7% compared to the prior fiscal year, which was mainly due to actuarial changes in assumptions, the discount rate assumption changed from 6.8% to 7.25%, the healthcare trend rates were updated based on the 2023 Getzen model, and favorable asset returns, which resulted in higher than expected investment returns.

The increase in total liabilities was primarily due to the increase in current liabilities of $7.0 million or 76.3%, offset by the decrease in noncurrent liabilities of $3.9 million or 3.2%. The increase in current liabilities was due to the increase in retention payable related to the construction in progress for the MRF. The decrease in noncurrent liabilities was mainly due to debt service payments for long-term debt related to the revenue bonds issued in September 2022, as well as a downward adjustment of the landfill closure and postclosure liabilities due to the Authority revising the closure and postclosure fund with Resolution No. 24-05 to utilize the State-approved Enterprise Fund and Pledge of Revenue mechanism to meet the financial obligations arising from closure and postclosure costs. Additionally, net pension liability increased by $393,143 or 11.0% in the current fiscal year, deferred outflows relating to pension decreased by $103,433 or 9.7%, and deferred inflows relating to pension decreased by $10,316 or 36.4%, which were due to the differences between expected and actual plan experience and higher than expected investment returns.

The following table summarizes assets, liabilities and net position as of June 30, 2024 and June 30, 2023:

			Total	
	2024	2023	Dollar Change	Percent Change
Current assets	$ 28,510,534	$ 56,797,408	$ (28,286,874)	-49.8%
Capital assets, net	160,604,701	66,970,127	93,634,574	139.8%
Other assets	41,468,737	97,216,929	(55,748,192)	-57.3%
Total assets	230,583,972	220,984,464	9,599,508	4.3%
Deferred outflows related to pensions	965,570	1,069,003	(103,433)	-9.7%
Deferred outflows related to OPEB	308,631	308,475	156	0.1%
Total deferred outflows of resources	1,274,201	1,377,478	(103,277)	-7.5%
Current liabilities	16,118,313	9,144,201	6,974,112	76.3%
Noncurrent liabilities	119,052,710	122,964,713	(3,912,003)	-3.2%
Total liabilities	135,171,023	132,108,914	3,062,109	2.3%
Deferred inflows related to pensions	18,031	28,347	(10,316)	-36.4%
Deferred inflows related to OPEB	310,874	253,321	57,553	22.7%
Other deferred inflows	9,516	17,673	(8,157)	-46.2%
Total deferred inflows of resources	338,421	299,341	39,080	13.1%
Net investment in capital assets	78,908,195	42,659,761	36,248,434	85.0%
Restricted	1,433,460	52,830	1,380,630	2613.3%
Unrestricted	16,007,074	47,241,096	(31,234,022)	-66.1%
Total net position	$ 96,348,729	$ 89,953,687	$ 6,395,042	7.1%

Changes in Net Position

The following table summarizes the changes in net position for the fiscal years ended June 30, 2024 and June 30, 2023:

			Total	
	2024	2023	Dollar Change	Percent Change
Operating revenues				
Fees from landfill operations	$ 50,031,537	$ 45,671,822	$ 4,359,715	9.5%
Rental	340,572	551,241	(210,669)	-38.2%
Miscellaneous	52,472	116,441	(63,969)	-54.9%
Total operating revenues	50,424,581	46,339,504	4,085,077	8.8%
Operating expenses				
Salaries and benefits	2,683,660	2,899,877	(216,217)	-7.5%
Solid waste contractor:				
MRF	26,670,279	28,311,921	(1,641,642)	-5.8%
Landfill	2,842,471	2,839,546	2,925	0.1%
Closure and postclosure care costs	(518,594)	1,873,972	(2,392,566)	-127.7%
General and administrative	5,649,647	5,366,069	283,578	5.3%
Depreciation	2,520,054	2,306,230	213,824	9.3%
Total operating expenses	39,847,517	43,597,615	(3,750,098)	-8.6%
Operating income (loss)	10,577,064	2,741,889	7,835,175	285.8%
Nonoperating revenues (expenses)				
Lease revenue and interest	8,235	8,844	(609)	-6.9%
Insurance proceeds	3,563	8,949	(5,386)	-60.2%
Grant revenue	301,752	105,651	196,101	185.6%
Debt issuance	-	(990,518)	990,518	-100.0%
Interest expense	(4,084,283)	(3,431,642)	(652,641)	19.0%
Investment gain (loss)	3,985,983	2,169,173	1,816,810	83.8%
Gain on sale of assets held for resale	-	1,130,560	(1,130,560)	-100.0%
Gain/(loss) on sale of capital assets	(4,397,272)	-	(4,397,272)	N/A
Total nonoperating revenues	(4,182,022)	(998,983)	(3,183,039)	318.6%
Capital contributions	-	180,000	(180,000)	-100.0%
Change in net position	6,395,042	1,922,906	4,472,136	232.6%
Net position, beginning of year	89,953,687	88,030,781	1,922,906	2.2%
Net position, end of year	$ 96,348,729	$ 89,953,687	$ 6,395,042	7.1%

Operating revenues for fiscal year 2024 increased approximately $4.1 million or 8.8% over the prior year primarily due to an increase in tipping fee rates of 8.5% effective in July 1, 2023. Total operating expenses decreased approximately $3.8 million or 8.6% from 2023 was due to the decrease in salaries and benefits resulting from challenges in filling technical staff vacancies. The decrease in solid waste contractor expense at the MRF as a result of a lower quantity of certain materials being directed to the MRF for processing during the facility expansion project. And the decrease in landfill closure and postclosure costs due to the Authority revising its closure and postclosure fund with Resolution No. 24-05 to utilize the State-approved

Enterprise Fund and Pledge of Revenue mechanism to meet the financial obligations arising from closure and postclosure costs. These decreases were offset by the increase in general and administrative expenses due to increased insurance premiums and the increase in depreciation expense resulting from the increase in depreciable capital assets in the fiscal year 2024.

The increase in interest expense of $652.6 thousand was due to bond interest payments remitted for the entire fiscal year 2024 compared to only one payment in fiscal year 2023. Similarly, the decrease in debt issuance expense of $990.5 thousand was due to the issuance of the September 2022 revenue bonds in fiscal year 2023. The increase in investment income of $1.8 million or 83.8% was due to earnings from investments as part of the bond issuance proceeds in guaranteed investment contracts as well as an increase in the investment fair value adjustment for fiscal year 2024 due to strong investment performance. The decrease 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 2023. The increase in loss on disposal of capital assets was due to the demolition of outdated MRF facility and related equipment in fiscal year 2024 as part of the new construction in progress of the MRF.

CAPITAL ASSETS

As of June 30, 2024, the Authority's investment in capital assets was approximately $160.6 million (net of accumulated depreciation). During 2024, net capital assets increased by $93.6 million or 139.8% mainly due to the on-going construction in progress for the MRF offset by current year depreciation expense and the demolition of outdated MRF facility and related equipment. The following table presents a summary of capital assets as of June 30, 2024, and June 30, 2023:

			Total	
	2024	2023	Dollar Change	Percent Change
Land	$ 13,024,848	$ 13,024,848	$ -	0.0%
Construction in progress	127,262,342	30,243,844	97,018,498	320.8%
Land improvements	14,987,536	14,987,536	-	0.0%
Buildings and improvements	41,480,720	60,033,996	(18,553,276)	-30.9%
Equipment	3,718,990	532,318	3,186,672	598.6%
Infrastructure	346,729	-	346,729	N/A
Total	200,821,165	118,822,542	81,998,623	69.0%
Less accumulated depreciation	(40,216,464)	(51,852,415)	11,635,951	-22.4%
Total capital assets, net	$ 160,604,701	$ 66,970,127	$ 93,634,574	139.8%

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 liabilities as of June 30, 2024, and June 30, 2023:

			Total	
	2024	2023	Dollar Change	Percent Change
Revenue bonds	$ 101,626,548	$ 105,277,765	$ (3,651,217)	-3.5%
Compensated absences	326,560	304,710	21,850	7.2%
	$ 101,953,108	$ 105,582,475	$ (3,629,367)	-3.4%

The decrease in long-term debts is due to debt service payments on the revenue bonds that were issued in September 2022 for the purpose of financing the acquisition and construction of capital improvements at the MRF and sanitary landfill and recognition of bond premiums in the current fiscal year.

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

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. In fiscal year 2024, in recognition of the Authority's continuing evolution, the Authority and County formally amended this relationship by executing a Memorandum of Understanding (MOU). Under the 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 and obtain separate, dedicated legal counsel. The MOU requires the Authority to continue utilizing the core County administrative functions of the Treasurer, Auditor, and Human Resources while maintaining the option to utilize other County services such as procurement, document solutions and information technology or utilize other third parties for these services.

On June 17, 2024, the Authority's first General Manager commenced his employment agreement with the Authority and began the process of working with Placer County Counsel to engage and hire outside legal counsel and identifying and recruiting additional dedicated staff for day-to-day accounting, administrative and operational matters. Preliminary estimates suggest adding additional staff could result in an increased annual labor cost to the Authority of approximately $450,000 and may begin to be realized mid fiscal year 2025 but would also be partially offset by savings on third-party consultant contracts.

In fiscal year 2023, the Authority established long-term flow commitment agreements with the Member Agencies that obligate the Member Agencies and any other third-party solid waste haulers operating in their respective jurisdictions to deliver their solid waste to the Authority's facility; approximately 67% of tipping fee revenue is received from customers subject to these flow commitment agreements. In fiscal year 2024, the Authority experienced an overall 3.5% decline in tonnages received at the facility compared to fiscal year 2023. However, due in part to the tipping fee adjustment effective July 1, 2023, overall tipping fee revenue increased approximately 9.5% compared to the previous fiscal year. Further evaluation of customer data indicated that there was a 0.4% increase in tonnages delivered by customers bound by flow commitment agreements and a 12.1% reduction of tonnages delivered by non-obligated customers. While the Authority's facility generally 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 2024 and could continue to impact the future quantity of materials delivered to the Authority's facility. Consequently, the Authority has budgeted for an additional overall 2.7% reduction in tonnages for fiscal year 2025. Despite this anticipated reduction in material, in conjunction with the Board approved fiscal year 2025 tipping fee increase of 2.5%, the Authority anticipates a modest overall 0.2% increase in annual tipping fee revenues compared to fiscal year 2024. Furthermore, approximately 67% of the Authority's ongoing operational costs (excluding bond related expenses and debt service) 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.

On July 1, 2022, contract operation of the Authority's Materials Recovery Facility (MRF) and Western Regional Sanitary Landfill (WRSL) transitioned to FCC Environmental Services California LLC (FCC). In addition to operating the Authority's facilities, FCC was also hired to modify the MRF (inclusive of the composting operation and Construction & Demolition Debris (C&D) processing area). The primary goal of the facility upgrades is to meet the ambitious organics diversion goals identified in California Senate Bill (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 calendar year 2025, the MRF upgrades will enable the Authority to divert at least 75% of all organic material from the municipal solid waste (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.

In addition to the MRF modifications, at the end of fiscal year 2023, 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 is funded through bond proceeds. The Authority anticipates Module 6 will be completed in the first half of fiscal year 2025 and should provide sufficient disposal capacity for at least 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. In fiscal year 2024, the Authority initiated a multi-year effort to plan, permit and develop a master design plan for securing future landfill disposal capacity on its western expansion property. These efforts are planned to continue throughout fiscal year 2025. As noted above, with the development of Module 6 sufficient landfill capacity will be available for approximately 15 years (i.e., through fiscal year 2040). However, given the magnitude of planning and permitting future landfill capacity on its expansion property, the Authority determined it is appropriate to begin the lengthy planning and permitting process to ensure 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 food waste 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. Over the next fiscal year, the Authority anticipates furthering these discussions with an emphasis on energy production from woody biomass sources as well as conducting a competitive procurement process for developers interested in utilizing the Authority's landfill gas resource.

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 Scott Scholz, General Manager, 3013 Fiddyment Road, Roseville, California 95747 or by phone at (916) 543-3960.

WESTERN PLACER WASTE MANAGEMENT AUTHORITY

STATEMENT OF NET POSITION
JUNE 30, 2024
(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2023)

	2024	2023
ASSETS		
Current assets:		
Cash and investments in Treasury Pool	$ 22,795,330	$ 17,852,045
Petty cash	9,400	8,600
Accounts receivable, less allowance for uncollectible accounts of $6,167 for 2024 and 2023	5,563,567	3,675,642
Assets held for resale	-	45,000
Interest receivable	119,958	76,883
Lease receivable	8,688	8,308
Prepaid expenses	13,591	35,130,930
Total current assets	28,510,534	56,797,408
Noncurrent assets:		
Restricted cash and investments in Treasury Pool	15,150,894	15,210,657
Restricted cash and investments with fiscal agent	26,084,935	81,943,297
Net OPEB asset	231,451	52,830
Lease receivable, net of current portion	1,457	10,145
Non-depreciable capital assets	140,287,190	43,268,692
Depreciable capital assets, net of accumulated depreciation	20,317,511	23,701,435
Total noncurrent assets	202,073,438	164,187,056
Total assets	230,583,972	220,984,464
Deferred outflows of resources:		
Deferred outflows related to pensions	965,570	1,069,003
Deferred outflows related to OPEB	308,631	308,475
Total deferred outflows of resources	1,274,201	1,377,478
LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses	12,810,657	5,993,730
Bonds payable	3,275,000	3,120,000
Compensated absences	32,656	30,471
Total current liabilities	16,118,313	9,144,201
Noncurrent liabilities:		
Landfill closure and postclosure care costs	16,427,534	16,946,128
Bonds payable	98,351,548	102,157,765
Compensated absences	293,904	274,239
Net pension liability	3,979,724	3,586,581
Total noncurrent liabilities	119,052,710	122,964,713
Total liabilities	135,171,023	132,108,914
Deferred inflows of resources:		
Deferred inflows related to pensions	18,031	28,347
Deferred inflows related to OPEB	310,874	253,321
Deferred inflows related to leases	9,516	17,673
Total deferred inflows of resources	338,421	299,341
NET POSITION		
Net investment in capital assets	78,908,195	42,659,761
Restricted for landfill pledged revenue	1,202,009	-
Restricted for net OPEB asset	231,451	52,830
Unrestricted	16,007,074	47,241,096
Total net position	$ 96,348,729	$ 89,953,687

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

WESTERN PLACER WASTE MANAGEMENT AUTHORITY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE FISCAL YEAR ENDED JUNE 30, 2024 (WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2023)

	2024	2023
OPERATING REVENUES:		
Fees from landfill operations	$ 50,031,537	$ 45,671,822
Rental	340,572	551,241
Miscellaneous	52,472	116,441
Total operating revenues	50,424,581	46,339,504
OPERATING EXPENSES:		
Salaries and benefits	2,683,660	2,899,877
Solid waste contractor:		
MRF	26,670,279	28,311,921
Landfill	2,842,471	2,839,546
Depreciation	2,520,054	2,306,230
Professional services - county	1,496,893	328,894
Landfill closure and postclosure care costs	(518,594)	1,873,972
Professional services - purchased	2,520,525	3,588,660
Taxes and special department expenses	550,653	838,041
General liability insurance	617,849	417,400
Utilities	119,374	112,006
Other expenses	344,353	81,068
Total operating expenses	39,847,517	43,597,615
Operating income	10,577,064	2,741,889
NONOPERATING REVENUES / (EXPENSES):		
Lease revenue and interest	8,235	8,844
Insurance proceeds	3,563	8,949
Interest expense	(4,084,283)	(3,431,642)
Debt issuance costs	-	(990,518)
Grant revenue	301,752	105,651
Investment gain	3,985,983	2,169,173
Gain on sale of assets held for resale	-	1,130,560
Loss on disposal of capital assets	(4,397,272)	-
Total nonoperating expenses	(4,182,022)	(998,983)
Capital contributions	-	180,000
Changes in net position	6,395,042	1,922,906
Net position, beginning of year	89,953,687	88,030,781
Net position, end of year	$ 96,348,729	$ 89,953,687

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

WESTERN PLACER WASTE MANAGEMENT AUTHORITY

STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2023)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash receipts from customers	$ 48,143,612	$ 45,114,755
Cash paid to employees	(2,296,774)	(2,329,604)
Cash receipts from other operating activities	393,044	667,682
Cash paid to suppliers for goods and services	(34,144,573)	(35,053,283)
Net cash provided by operating activities	12,095,309	8,399,550
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
State grant receipts	301,752	105,651
Net cash provided by noncapital financing activities	301,752	105,651
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition of capital assets	(60,258,992)	(29,609,714)
Prepayment of capital assets	-	(6,385,639)
Proceeds from issuance of long-term debt	-	107,935,446
Principal paid on long-term debt	(3,120,000)	(2,215,000)
Debt issuance costs	-	(990,518)
Interest paid on long-term debt	(4,628,500)	(3,488,615)
Insurance proceeds	3,563	2,161,580
Net cash provided by (used for) capital and related financing activities	(68,003,929)	67,407,540
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(2,390,820)	(86,009,328)
Sale of investments	54,294,671	12,937,010
Interest received and fair value adjustment	4,579,443	2,108,523
Proceeds from sale of assets held for resale	45,000	1,085,560
Lease principal and interest received	8,386	8,064
Net cash provided by (used for) investing activities	56,536,680	(69,870,171)
Net change in cash and cash equivalents	929,812	6,042,570
Cash and cash equivalents, beginning of year	41,942,281	35,899,711
Cash and cash equivalents, end of year	$ 42,872,093	$ 41,942,281
RECONCILIATION TO THE STATEMENTS OF NET POSITION:		
Cash and investments in Treasury Pool	$ 22,795,330	$ 17,852,045
Petty cash	9,400	8,600
Restricted cash and investments in Treasury Pool	15,150,894	15,210,657
Restricted cash and investments with fiscal agent	26,084,935	81,943,297
Less: Long-term investments included in restricted cash and investments with fiscal agent	(21,168,466)	(73,072,318)
Total cash and cash equivalents	$ 42,872,093	$ 41,942,281
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	$ 10,577,064	$ 2,741,889
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	2,520,054	2,306,230
(Increase) in accounts receivable	(1,887,925)	(557,067)
Decrease (increase) in prepaid expenses	3,427	(17,018)
Decrease (increase) in net OPEB asset	(178,621)	383,261
Decrease (increase) in deferred outflows related to pension and OPEB	103,277	(864,535)
Increase in accounts payable and accrued expenses	1,014,397	1,481,271
Increase in compensated absences	21,850	52,647
Increase (decrease) in estimated liability for landfill closure and postclosure care costs	(518,594)	1,873,972
(Decrease) in net pension liability	393,143	1,760,811
Increase (decrease) in deferred inflows related to pension and OPEB	47,237	(761,911)
Net cash provided by operating activities	$ 12,095,309	$ 8,399,550
SCHEDULE OF NON-CASH FROM INVESTING AND CAPITAL AND RELATED FINANCING ACTIVITIES:		
Investment fair value adjustment	$ 347,060	$ 201,951
Capital asset purchased payable	5,178,995	975,898
Received of prepaid capital assets	35,113,912	-

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

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 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 include investments with original maturities of three 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 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, 2024, 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).

Investments held by fiscal agents are restricted as to their use and are reported at net asset value.

Capital Assets

Additions by the Authority are recorded as capital assets for equipment with a cost of $5,000 or more and for land improvements and buildings and improvements 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 is calculated on each class of depreciable asset 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 pensions, OPEB, and leases.

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) plan and additions to/deductions from the plan’s 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, 2024, 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, 2024, 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. No employee shall receive more than two thousand dollars for such unused sick leave.

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

- *Placer Public Employees Organization General Unit (PPEO)* – 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. Effective January 2023, all employees and current retirees shall receive reimbursement for monthly group health insurance premiums utilizing the dollar value of the employee's sick leave balance, up to 1,500 hours, at the time of retirement; any excess will be applied to CalPERS Service Credit.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- *Management and Confidential Employees* – 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 and related bond premiums as liabilities 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 as follows:

- Net investment in capital assets consists of all of the 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, 2023, to conform to the presentation as of and for the fiscal year ended June 30, 2024.

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, 2023, from which the information was derived.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Current Governmental Accounting Standards Board (GASB) Pronouncements

The Authority adopted the following GASB pronouncements in the fiscal year ended June 30, 2024:

The GASB issued Statement No. 100, *Accounting Changes and Error Corrections,* in June 2022. This Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice.

The GASB issued Statement No. 101, *Compensated Absences*, in June 2022. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences and by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The Authority early implemented this statement as of and for the fiscal year ended June 30, 2024. With the implementation of this statement, the Authority disclosed the net change in compensated absences liability.

NOTE 3 – CASH AND INVESTMENTS

Cash and investments as of June 30, 2024, are classified in the accompanying financial statements as follows:

Cash and investments in Treasury Pool	$ 22,795,330
Restricted cash and investments in Treasury Pool	15,150,894
Restricted investments with fiscal agent	21,168,466
Restricted cash with fiscal agent	4,916,469
Petty cash	9,400
Total	$ 64,040,559

Investments

The Placer County Treasurer pools all funds that it manages, and monthly 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, 2024, the Authority 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.

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

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, 2024, 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, 2024, 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 other than certain restricted cash and investments held by fiscal agent. In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Authority's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Deposits and withdrawals from the County Pool are made on the basis of $1 and not fair value. Accordingly, the Authority's proportionate share of cash and investments in the County Pool as of June 30, 2024, totaled $37,946,224 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 $21,168,466 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 was 582 days as of June 30, 2024. The maturity for the Authority's guaranteed investment contracts of $21,168,466 held by fiscal agent ranged from February 3, 2025 to March 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.

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

The credit rating and other information regarding specific investments maintained in the Treasury Pool as of June 30, 2024, are disclosed in the County's ACFR. The County external investment pool is not rated. Investments held by the fiscal agent represented guaranteed investment contracts, which totaled $21,168,466 and were not rated as of June 30, 2024.

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, 2024, the carrying amount and bank balance of the Authority's deposits held by fiscal agent was $4,768,972, and total uncollateralized deposits was $4,518,972.

NOTE 4 – LEASES

The Authority entered into a lease agreement as lessor with a third party for land. The lease terms include the 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, 2024, the statement of revenues, expenses and changes in net position includes lease revenue and interest of $8,235.

The following table presents lease receivable as of June 30, 2024:

Description	Current	Noncurrent	Total
Land	$ 8,688	$ 1,457	$ 10,145

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
2025	$ 8,688	$ 33
2026	1,457	1
Total	$ 10,145	$ 34

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2024, was as follows:

	Balance July 1, 2023	Additions	Retirements	Transfers	Balance June 30, 2024
Capital Assets, Not Being Depreciated					
Land	$ 13,024,848	$ -	$ -	$ -	$ 13,024,848
Construction in progress	30,243,844	100,181,954	-	(3,163,456)	127,262,342
Total	43,268,692	100,181,954	-	(3,163,456)	140,287,190
Capital Assets, Being Depreciated					
Land improvements	14,987,536	-	-	-	14,987,536
Building and improvements	60,033,996	-	(18,553,276)	-	41,480,720
Equipment	532,318	23,216	-	3,163,456	3,718,990
Infrastructure	-	346,729	-	-	346,729
Total	75,553,850	369,945	(18,553,276)	3,163,456	60,533,975
Less accumulated depreciation for:					
Land improvements	(3,578,365)	(587,323)	-	-	(4,165,688)
Building and improvements	(48,015,109)	(1,794,702)	14,156,005	-	(35,653,806)
Equipment	(258,941)	(129,361)	-	-	(388,302)
Infrastructure	-	(8,668)	-	-	(8,668)
Total	(51,852,415)	(2,520,054)	14,156,005	-	(40,216,464)
Total capital assets being depreciated, net	23,701,435	(2,150,109)	(4,397,271)	3,163,456	20,317,511
Total capital assets, net	$ 66,970,127	$ 98,031,845	$ (4,397,271)	$ -	$ 160,604,701

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 $12,578,524 for the fiscal year ended June 30, 2024.

NOTE 6 – LONG-TERM LIABILITIES (CONTINUED)

A summary of changes in long-term liabilities for the fiscal year ended June 30, 2024, for the Authority is as follows:

	Balance July 1, 2023	Additions	Retirements	Balance June 30, 2024	Due Within One Year
Revenue bonds	$ 95,230,000	$ -	$ (3,120,000)	$ 92,110,000	$ 3,275,000
Original issue premiums	10,047,765	-	(531,217)	9,516,548	-
Compensated absences	304,710	21,850	-	326,560	32,656
Total	$ 105,582,475	$ 21,850	$ (3,651,217)	$ 101,953,108	$ 3,307,656

(*) The change in the compensated absences liability is presented as a net change.

The following is a schedule of total debt service requirements to maturity as of June 30, 2024:

Fiscal Year Ending June 30,	Principal	Interest	Total
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	3,980,000	3,766,250	7,746,250
2030-2034	23,110,000	15,638,250	38,748,250
2035-2039	29,490,000	9,253,750	38,743,750
2040-2042	21,405,000	1,838,450	23,243,450
	$ 92,110,000	**$ 47,370,700**	**$ 139,480,700**

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. The following table summarizes the changes in landfill closure and postclosure care liabilities for the fiscal year ended June 30, 2024:

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Landfill closure and postclosure costs	$ 16,946,128	$ -	$ (518,594)	$ 16,427,534

NOTE 7 – CLOSURE AND POSTCLOSURE CARE COSTS (CONTINUED)

The $16,427,534 reported as landfill closure and postclosure care liability as of June 30, 2024, represented the cumulative amount reported to date based on the use of approximately 40.91% of the estimated capacity of the landfill. The estimated landfill closure and postclosure care costs at permitted capacity totaled $40,150,629 as of June 30, 2024. 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, 2024, the volume of the landfill remained at 36,350,000 yards. As of June 30, 2024, total estimated costs for closure and postclosure decreased from $42,775,672 at June 30, 2023, to $40,150,629 at June 30, 2024, and the remaining capacity of the landfill decreased from approximately 60.38% at June 30, 2023, to approximately 59.09% at June 30, 2024. Furthermore, the Board of Directors revised its closure and postclosure fund with Resolution No. 24-05 to utilize the State-approved Enterprise Fund and Pledge of Revenue mechanism to meet the financial obligations arising from closure and postclosure costs. These changes resulted in an adjustment to decrease the landfill closure and postclosure care liability by $518,594 for the fiscal year ended June 30, 2024.

Future closure and postclosure care costs are based on what it would cost to perform all closure and postclosure care in 2024. 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, 2024. 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 and Resolution No. 24-05 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, 2024, assets set-aside of $15,150,894 have been restricted to provide the final cover, postclosure maintenance, and corrective action costs 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. As of June 30, 2024, $1,202,009 was included in restricted net position for postclosure maintenance and corrective action costs.

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 52 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, 2024, are summarized as follows:

	Tier 1	Tier 2	Tier 3
	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
Minimum service years to vest	5	5	5
Benefit payments	monthly for life	monthly for life	monthly for life
Earliest allowable retirement age	50	50	52
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 employees, the County pays 7% of the 8% Miscellaneous Plan employee contribution. Management employees hired on or after March 13, 2011, and on or after January 1, 2013, pay 100% of their employee contribution of 7% and 8%, respectively. For Confidential and Unclassified Nonmanagement employees, the County pays 6% of the 8% Miscellaneous Plan employee contribution. Confidential and Unclassified Nonmanagement employees hired on or after March 13, 2011, and on or after January 1, 2013, pay 100% of their employee contribution of 7% and 8%, respectively.

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, 2024, the average active employee contribution rate was 7.78% of annual pay, and the employer's contribution rate was 10.53%. Employer contribution rates may change if Plan contracts are amended. The Authority's contributions to the County's Miscellaneous Plan totaled $431,860 for the fiscal year ended June 30, 2024.

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

As of June 30, 2024, the Authority reported a net pension liability of $3,979,724 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, 2023, using an annual actuarial valuation as of June 30, 2022, rolled forward to June 30, 2023. The Authority's proportionate share of the County's Miscellaneous Plan's net pension liability as of June 30, 2024, was 0.6802%, which represented an increase of 0.0564% compared to the June 30, 2023, proportionate share. For the year ended June 30, 2024, the Authority recognized pension expense of $486,260. As of June 30, 2024, 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	$ 431,860	$ -
Changes of assumptions	139,326	-
Differences between expected and actual experience	60,498	(18,031)
Net differences between projected and actual earnings on pension plan investments	333,886	-
Total	$ 965,570	$ (18,031)

NOTE 8 – EMPLOYEES' RETIREMENT PLAN (CONTINUED)

The amount of $431,860 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, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized over five years for the net differences between projected and actual earnings on pension plan investments and over the expected average remaining service lifetime (EARSL) of employees for the remaining items as follows:

Fiscal Year Ending June 30,	Deferred Outflows/Inflows of Resources
2025	$ 174,699
2026	90,567
2027	241,683
2028	8,730
Total	$ 515,679

The EARSL for the County's Miscellaneous Plan was 3.3 years for the measurement period ended June 30, 2023.

Actuarial Assumptions

The total pension liability was determined based on the June 30, 2022, actuarial valuation using the following actuarial assumptions:

Actuarial cost method	Entry age actuarial cost method
Valuation date	June 30, 2022
Measurement date	June 30, 2023
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 and Review of Actuarial Assumptions.* Mortality rates incorporate full 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 2021 experience study report from November 2021 that can be found on the CalPERS website.

Changes of Assumptions

There were no changes of assumptions in fiscal year ended June 30, 2024.

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	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	$ 5,427,057	$ 3,979,724	$ 2,776,962

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, California, 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.

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.

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

Contributions

The County Board of Supervisors is granted the authority to establish and amend contribution requirements of the County, employees, and retirees. The Board establishes rates based on an actuarially determined rate based on annual actuarial valuation reports. For the fiscal year ended June 30, 2024, the annual required contribution rate was $6,964 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, 2024, was $98,892.

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

As of June 30, 2024, the Authority reported net OPEB asset of $231,451 for its proportionate share of the County's net OPEB asset. The net OPEB asset was measured as of June 30, 2023, 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 0.5316% as of June 30, 2024, which represented an increase of 0.0795% compared to the June 30, 2023, proportionate share.

For the fiscal year ended June 30, 2024, the Authority recognized an OPEB credit of $121,224. As of June 30, 2024, 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	$ 98,892	$ -
Changes of assumptions	48,369	(77,591)
Differences between expected and actual experience	12,812	(233,283)
Net differences between projected and actual earnings on OPEB plan investments	148,558	-
Total	$ 308,631	$ (310,874)

The amount of $98,892 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Fiscal Year Ending June 30,		Deferred Outflows/ Inflows of Resources
2025	$	(43,860)
2026		(61,685)
2027		59,740
2028		(29,290)
2029		(26,040)
Total	$	(101,135)

Actuarial Assumptions

The Authority's net OPEB asset was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of June 30, 2023.

Valuation date (census)	June 30, 2023
Measurement date (assets and liabilities)	June 30, 2023
Contribution policy	Pre-funded through CERBT asset allocation Strategy 1.
Actuarial assumptions:	
Discount rate	7.25%
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	7.00% (pre-Medicare) and 6.00% (Medicare) for fiscal year 2024, gradually decreasing over several decades to an ultimate rate of 3.94% in fiscal year 2080 and later years.

Changes of Assumptions

The discount rate increased from 6.80% in fiscal year ended 2023 to 7.25% in fiscal year ended 2024.

The CERBT enables employers to pre-fund liabilities for OPEB. Three diversified policy portfolios (Strategies 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.

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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 7.25%. 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."

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.

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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 (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net OPEB Liability (Asset)	$ (37,350)	$ (231,451)	$ (503,082)

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

	1% Decrease 6.00%	Current Trend Rate 7.00%	1% Increase 8.00%
Net OPEB Liability (Asset)	$ (527,098)	$ (231,451)	$ (3,251)

OPEB Plan Fiduciary Net Position

Detailed information about the County's collective net OPEB asset 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, 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.

Property policies have sub-coverages that could have higher or lower deductibles than the "all risk" $250,000 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 83.07% of the total accounts receivable balance and 60.33% of total tipping fee revenues from facility operations as of and for the fiscal year ended June 30, 2024.

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, 2024, was $1,496,892.

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 the financial position or changes in financial position of the Authority as of and for the fiscal year ended June 30, 2024.

REQUIRED SUPPLEMENTARY INFORMATION

WESTERN PLACER WASTE MANAGEMENT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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

Fiscal Year (*)	Authority's Proportion of the County's Net Pension Liability	Authority's Proportionate Share of the County's Net Pension Liability	Authority's Covered Payroll	Authority's Proportionate Share of the County's Net Pension Liability as a Percentage of Covered Payroll	County's Miscellaneous Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	Measurement Date
2022	0.49%	$ 1,825,770	$ 935,445	195.18%	75.43%	6/30/2021
2023	0.62%	3,586,581	1,080,644	331.89%	64.83%	6/30/2022
2024	0.68%	3,979,724	1,123,639	354.18%	65.40%	6/30/2023

(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.

WESTERN PLACER WASTE MANAGEMENT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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%
2024	431,860	431,860	-	1,156,966	37.33%

(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, 2024

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
2024	0.53%	(231,451)	1,368,346	-16.91%	110.36%	6/30/2023

[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.

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%
2024	98,892	98,892	-	1,222,969	8.09%

(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.

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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.

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WESTERN PLACER WASTE MANAGEMENT AUTHORITY

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

Fiscal Year	Net Investment in Capital Assets	Restricted	Unrestricted	Total Net Position
2014-15	$ 46,268,208	$ 11,847,607	$ 14,495,770	$ 72,611,585
2015-16	44,155,042	12,273,871	16,879,390	73,308,303
2016-17	43,361,967	12,517,773	18,162,036	74,041,776
2017-18	43,577,463	13,089,102	19,407,882	76,074,447
2018-19	41,950,168	13,439,325	22,223,231	77,612,724
2019-20	40,371,126	14,225,821	20,886,970	75,483,917
2020-21	39,018,852	-	36,299,998	75,318,850
2021-22	38,898,473	-	49,132,308	88,030,781
2022-23	42,659,761	52,830	47,241,096	89,953,687
2023-24	78,908,195	1,433,460	16,007,074	96,348,729

Source: Audited Financial Statements for Fiscal Years 2014-15 through 2023-24.

WESTERN PLACER WASTE MANAGEMENT AUTHORITY

TOTAL ANNUAL REVENUES
LAST TEN FISCAL YEARS

	2014-15	2015-16	2016-17	2017-18
OPERATING REVENUES:				
Fees from landfill operations	$ 21,482,481	$ 23,219,364	$ 24,787,361	$ 26,139,168
Rental	136,210	121,259	88,789	106,723
Miscellaneous	70,137	96,017	282,341	314,785
Total operating revenues	21,688,828	23,436,640	25,158,491	26,560,676
NONOPERATING REVENUES:				
Grant and other revenues	70,621	82,122	43,351	73,932
Investment earnings (losses)	614,791	868,222	216,223	374,856
Donated assets held for resale	-	-	-	-
Total nonoperating revenues	685,412	950,344	259,574	448,788
Capital contributions	-	-	-	-
TOTAL REVENUES	$ 22,374,240	$ 24,386,984	$ 25,418,065	$ 27,009,464

Source: Audited Financial Statements for Fiscal Years 2014-15 through 2023-24.

WESTERN PLACER WASTE MANAGEMENT AUTHORITY

TOTAL ANNUAL REVENUES
LAST TEN FISCAL YEARS

2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
$ 27,556,547	$ 28,293,360	$ 33,265,955	$ 44,568,089	$ 45,671,822	$ 50,031,537
94,357	272,784	496,050	518,822	551,241	340,572
173,938	54,471	25,082	84,418	116,441	52,472
27,824,842	28,620,615	33,787,087	45,171,329	46,339,504	50,424,581
77,124	78,135	43,532	1,643,494	123,444	313,550
1,877,716	992,890	(59,895)	(963,961)	2,169,173	3,985,983
-	-	-	-	1,130,560	-
1,954,840	1,071,025	(16,363)	679,533	3,423,177	4,299,533
-	-	-	-	180,000	-
$ 29,779,682	$ 29,691,640	$ 33,770,724	$ 45,850,862	$ 49,942,681	$ 54,724,114

Source: Audited Financial Statements for Fiscal Years 2014-15 through 2023-24.

WESTERN PLACER WASTE MANAGEMENT AUTHORITY

TOTAL ANNUAL EXPENSES
LAST TEN FISCAL YEARS

	2014-15	2015-16	2016-17	2017-18
OPERATING EXPENSES:				
Salaries and benefits	$ -	$ -	$ -	$ -
Solid waste contractor:				
MRF	12,357,811	12,620,183	13,430,127	13,919,608
Landfill	2,608,587	2,487,516	2,088,664	2,062,336
Landfill maintenance	-	-	46,746	-
Depreciation	2,736,576	2,895,225	2,112,621	2,041,368
Professional services - county	2,324,506	2,759,689	3,135,608	3,308,000
Landfill closure and postclosure care costs	368,306	446,806	519,835	63,483
Professional services - purchased	1,290,123	1,480,954	2,182,238	2,298,769
Taxes and special department expenses	597,467	507,808	616,419	620,306
Administration (1)	184,833	180,041	212,584	299,587
General liability insurance	113,192	111,169	109,229	109,181
Utilities	86,555	94,166	126,857	134,050
Other expenses	97,730	106,709	103,664	120,105
Total operating expenses	22,765,686	23,690,266	24,684,592	24,976,793
NONOPERATING EXPENSES:				
Interest expense	-	-	-	-
Debt issuance costs	-	-	-	-
Loss on disposal of capital assets	-	-	-	-
Total nonoperating revenues	-	-	-	-
TOTAL EXPENSES	$ 22,765,686	$ 23,690,266	$ 24,684,592	$ 24,976,793

Source: Audited Financial Statements for Fiscal Years 2014-15 through 2023-24.

WESTERN PLACER WASTE MANAGEMENT AUTHORITY

TOTAL ANNUAL EXPENSES
LAST TEN FISCAL YEARS

2018-19 [1]	2019-20	2020-21	2021-22	2022-23	2023-24
$ -	$ -	$ -	$ 4,160,850	$ 2,899,877	$ 2,683,660
15,474,802	17,645,058	18,414,031	17,752,012	28,311,921	26,670,279
2,245,619	2,613,531	2,591,284	2,577,934	2,839,546	2,842,471
105,915	-	6,880	-	-	-
2,041,709	2,301,542	2,305,933	2,322,586	2,306,230	2,520,054
3,326,174	3,361,743	3,879,056	410,906	328,894	1,496,893
797,652	655,273	591,202	988,275	1,873,972	(518,594)
2,654,232	3,424,032	4,715,368	3,317,620	3,588,660	2,520,525
993,079	20,622	918,735	894,939	838,041	550,653
-	-	-	-	-	-
151,504	132,000	155,694	202,477	417,400	617,849
125,433	637,408	91,604	130,217	112,006	119,374
325,286	1,029,238	266,004	335,037	81,068	344,353
28,241,405	31,820,447	33,935,791	33,092,853	43,597,615	39,847,517
-	-	-	-	3,431,642	4,084,283
-	-	-	-	990,518	-
-	-	-	46,078	-	4,397,272
-	-	-	46,078	4,422,160	8,481,555
$ 28,241,405	$ 31,820,447	$ 33,935,791	$ 33,138,931	$ 48,019,775	$ 48,329,072

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

Source: Audited Financial Statements for Fiscal Years 2014-15 through 2023-24.

WESTERN PLACER WASTE MANAGEMENT AUTHORITY

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	2014-15	2015-16	2016-17	2017-18
OPERATING EXPENSES:				
Fees from landfill operations	$ 21,482,481	$ 23,219,364	$ 24,787,361	$ 26,139,168
Rental	136,210	121,259	88,789	106,723
Miscellaneous	70,137	96,017	282,341	314,785
Total operating revenues	21,688,828	23,436,640	25,158,491	26,560,676
NONOPERATING REVENUES (EXPENSES):				
Grant and other revenues	70,621	82,122	43,351	73,932
Interest expense	-	-	-	-
Investment earnings (losses)	614,791	868,222	216,223	374,856
Debt issuance costs	-	-	-	-
Donated assets held for resale	-	-	-	-
Gain (loss) on disposal of capital assets	-	-	-	-
Total nonoperating revenues	685,412	950,344	259,574	448,788
Capital contributions	-	-	-	-
Total revenues	22,374,240	24,386,984	25,418,065	27,009,464
Total operating expenses	22,765,686	23,690,266	24,684,592	24,976,793
Changes in net position	(391,446)	696,718	733,473	2,032,671
Net position, beginning of year, as restated	73,003,031	72,611,585	73,308,303	74,041,776
Net position, end of year	$ 72,611,585	$ 73,308,303	$ 74,041,776	$ 76,074,447

Source: Audited Financial Statements for Fiscal Years 2014-15 through 2023-24.

WESTERN PLACER WASTE MANAGEMENT AUTHORITY

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
$ 27,556,547	$ 28,293,360	$ 33,265,955	$ 44,568,089	$ 45,671,822	$ 50,031,537
94,357	272,784	496,050	518,822	551,241	340,572
173,938	54,471	25,082	84,418	116,441	52,472
27,824,842	28,620,615	33,787,087	45,171,329	46,339,504	50,424,581
77,124	78,135	43,532	1,643,494	123,444	313,550
-	-	-	-	(3,431,642)	(4,084,283)
1,877,716	992,890	(59,895)	(963,961)	2,169,173	3,985,983
-	-	-	-	(990,518)	-
-	-	-	-	1,130,560	-
-	-	-	(46,078)	-	(4,397,272)
1,954,840	1,071,025	(16,363)	633,455	(998,983)	(4,182,022)
-	-	-	-	180,000	-
29,779,682	29,691,640	33,770,724	45,804,784	45,520,521	46,242,559
28,241,405	31,820,447	33,935,791	33,092,853	43,597,615	39,847,517
1,538,277	(2,128,807)	(165,067)	12,711,931	1,922,906	6,395,042
76,074,447	77,612,724	75,483,917	75,318,850	88,030,781	89,953,687
$ 77,612,724	$ 75,483,917	$ 75,318,850	$ 88,030,781	$ 89,953,687	$ 96,348,729

Source: Audited Financial Statements for Fiscal Years 2014-15 through 2023-24.

WESTERN PLACER WASTE MANAGEMENT AUTHORITY

SCHEDULE OF CURRENT TIPPING FEES
Fiscal Year 2023-24

Category	Tipping Fees
Municipal Solid Waste	$ 103.75 /ton
	$ 23.75 /cy
Construction and Demolition Debris	$ 103.75 /ton
	$ 23.75 /cy
Sludge and Mixed Inerts (1)	$ 59.00 /ton
Commercial Food Waste	$ 80.50 /ton
Source Separated Green Waste	$ 80.50 /ton
	$ 19.00 /cy
Source Separated Wood Waste (2)	$ 56.75 /ton
	$ 16.50 /cy
Inert Materials (3)	$ 61.75 /ton
	$ 61.75 /cy
Water Treatment Plant Sludge	$ 11.50 /ton
Refrigerated Appliances	$ 43.75 each
Non-refrigerated Appliances	$ 10.00 each
Car and Light Truck Tires	$ 4.75 each
Semi-trailer Tires	$ 23.75 each
Tractor Tires	$ 94.25 each
Euclid & Bulk Tires	$ 235.50 /ton
Treated Wood Waste	$ 216.50 /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, 2024		June 30, 2015	
	Tipping Fees	% of Total Tipping Fee Revenue	Tipping Fees	% of Total Tipping Fee Revenue
Recology [1]	$ 17,149,890	34.28%	$ 8,396,950	39.08%
City of Roseville	13,032,383	26.05%	7,038,313	32.76%
Cash Customer	10,805,421	21.60%	3,017,946	14.05%
City of Lincoln	3,430,190	6.86%	1,623,374	7.56%
Atlas Disposal Industries	668,793	1.34%	230,427	1.07%
Quality Construction Clean Up	582,321	1.16%	-	0.00%
Eagle Painting and Drywall	342,446	0.68%	-	0.00%
Waste Management, Inc.	333,643	0.67%		0.00%
Allied Waste Services	271,169	0.54%	61,599	0.29%
Caltrans	221,831	0.44%	-	0.00%
Inviro-Tec	-	0.00%	106,487	0.50%
Jim Dobbas, Inc.	-	0.00%	67,949	0.32%
Placer County - Utilities	-	0.00%	66,730	0.31%
Operations Management International, Inc.	-	0.00%	55,309	0.26%
Ten Largest Principal Customers	46,838,087	93.62%	20,665,084	96.20%
All Other Customers	3,193,450	6.38%	817,397	3.80%
Total	$ 50,031,537	100.00%	$ 21,482,481	100.00%

[1] The City of Rocklin is included in the Recology figure.

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)
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%
2023-24	323	-17%

Source: Western Placer Waste Management Authority.

WESTERN PLACER WASTE MANAGEMENT AUTHORITY

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS [*]

Fiscal Year	Revenue Bonds Payable	Personal Income [a]	Percentage of Personal Income	Per Capita [b] (in dollars)
2023	$ 105,277,765	$ 34,170,169,000	0.31%	$ 257
2024	101,626,548	36,114,725,000	0.28%	246

[*] The revenue bonds were issued in fiscal year ended June 30, 2023; therefore, only two years of data is presented.

Sources:

[a] U.S. Department of Commerce - Bureau of Economic Analysis / Local Data.

[b] This ratio is calculated using population for the latest calendar year for each corresponding fiscal year.

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]
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 (1)	59	71,435	4.4%
2017	390	24,527,289	63	72,769	3.8%
2018	397	26,223,081	66	74,927	3.1%
2019	404	27,459,330	68	75,208	3.1%
2020	405	29,124,683	72	73,926	7.3%
2021	409	31,684,782	77	74,446	2.6%
2022	410	34,170,169	83	74,545	2.8%
2023 (3)	413	36,114,725	87	76,050	4.0% (2)

Notes:

(1) Estimated 5% increase in personal income.

(2) Unemployment rate was 4.2% as of June 30, 2024.

(3) Calendar year 2023 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, 2024			June 30, 2015		
Company or Organization	**Number of Employees (1)**	**Percentage of Total Employment**	**Company or Organization**	**Number of Employees**	**Percentage of Total Employment**
Sutter Health	6,672	3.56%	Kaiser Permanente	3,839	2.26%
Kaiser Permanente	6,094	3.25%	Sutter Health	3,693	2.17%
County of Placer	2,869 (2)	1.53%	County of Placer	2,378	1.40%
Thunder Valley Casino Resort	2,400	1.28%	Hewlett-Packard Co.	2,000	1.18%
Sierra Joint Community College District	1,900	1.01%	Thunder Valley Casino Resort	1,875	1.10%
Roseville City School District	1,783	0.95%	PRIDE Industries, Inc.	1,221	0.72%
City of Roseville	1,386	0.74%	City of Roseville	1,047	0.62%
Palisades Tahoe	1,321	0.71%	Roseville City School District	1,015	0.60%
Safeway	1,217	0.65%	State of California	993	0.58%
Pacific Gas and Electric Company	1,120	0.60%	Raley's Inc.	930	0.55%

Note:
(1) Ranked by number of employees in full-time equivalents as of December 2023.
(2) Fiscal Year 2024 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
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%
2023-24	299,880	42%

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)
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%
2023-24	175,434	138,033	35,640	167,470	516,577	-3.49%

Source: Western Placer Waste Management Authority

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OTHER REPORT

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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*

To the Board of Directors
Western Placer Waste Management Authority
Roseville, 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 (the Authority), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated December 17, 2024.

Report on Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

To the Board of Directors
Western Placer Waste Management Authority
Roseville, California

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 Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lance, Soll & Lunghard, LLP

Sacramento, California
December 17, 2024.