

**SALINAS VALLEY  
SOLID WASTE AUTHORITY**  
Monterey County, California

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
For the Fiscal Year Ended June 30, 2015



PREPARED BY  
THE AUTHORITY'S FINANCE DIVISION

Ray Hendricks  
Finance Manager  
Treasurer/Controller

J.D. Black, Accountant  
Ernesto Natera, Accounting Technician

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AUDITORS

McGilloway, Ray, Brown & Kaufman  
Accountants and Consultants  
379 W. Market Street  
Salinas, CA 93901

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## **INTRODUCTORY SECTION**



*"To manage Salinas Valley solid waste as a resource, promoting sustainable, environmentally sound and cost effective practices through an integrated system of waste reduction, reuse, recycling, innovative technology, customer service and education"*

November 4, 2015

President and Board of the Salinas Valley Solid Waste Authority:

We are pleased to submit the Salinas Valley Solid Waste Authority's (Authority) Comprehensive Annual Financial Report for the fiscal year ended June 30, 2015. These statements combined with other information are analyzed in the narrative section called Management's Discussion and Analysis (MD&A). The MD&A provides "financial highlights" and interprets the financial reports by analyzing trends and by explaining changes, fluctuations, and variances in the financial data. In addition, the MD&A is intended to disclose any known significant events or decisions that affect the financial condition of the Authority.

This report consists of management's representations concerning the financial position of the Authority. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, the management of the Authority has established a comprehensive internal control framework that is designed both to protect the Authority's assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the Authority's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the Authority's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

McGilloway, Ray, Brown & Kaufman, a firm of certified public accountants, has audited the Authority's financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Authority for the fiscal year ended June 30, 2015, 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. Based upon the audit, the independent auditor concluded that there was a reasonable basis for rendering an unqualified opinion that the Authority's financial statements for the fiscal year ended June 30, 2015, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

## **Reporting Entity**

On January 1, 1997, the Salinas Valley Solid Waste Authority was created through a joint powers agreement among the cities of Salinas, Gonzales, Greenfield, King City, and Soledad, and the unincorporated area of the eastern portion of Monterey County, to provide solid waste disposal services to the member cities and the unincorporated area in the eastern and southern portion of the county. The Authority is governed by a nine-member board consisting of three members of the Salinas City Council, two members of the Monterey County Board of Supervisors, and one City Council member each from the cities of Gonzales, Greenfield, King City, and Soledad.

## **Operating Results**

Generally Accepted Accounting Principles require that depreciation, estimated closure costs and estimated postclosure maintenance costs be charged as a current expense. These expenses are allocated over the estimated remaining capacity of the landfills within the Authority's disposal system. Based on these requirements, the Salinas Valley Solid Waste Authority reports operating income of \$4,348,513 and an increase in net position of \$2,004,418 for the fiscal year ended June 30, 2015.

As part of its adopted policy, the Authority does not set aside funds for postclosure maintenance. Per agreement with the California Integrated Waste Management Board, dated June 19, 1998, the Authority has pledged future revenue to cover the cost of postclosure maintenance. Authority tipping fees are not expected to cover the accrual of postclosure expenses in the current period. At June 30, 2015 the Authority has accrued postclosure liabilities totaling \$13,572,898 which will be paid out of future revenues over the next 30 years.

The Authority's policy is to set aside funds for closure costs. Closure liabilities of \$2,485,378 are fully funded at June 30, 2015.

The Authority's tipping fees are set at an amount sufficient to provide for operations, closure set-aside requirements, postclosure maintenance on a pay-as-you-go basis, capital requirements and debt service on bonds issued for capital replacement. Authority's tipping fees are not expected to recover depreciation expense.

The Statement of Cash Flows for the fiscal year ended June 30, 2015, provides a detailed reconciliation of the Authority's increase in cash of \$763,066 to \$11,463,758.

## **Financial Management**

The Authority carefully monitors its gate rates. On July 1, 2012, the tipping fee increased \$3.00 to \$67.00 per ton, which was necessary to keep up with operating expenses. The decreases in tonnage experienced in the past appear to be leveling off. Effective July 1, 2013 the Board adopted an AB939 Fee, which generated \$1.73 million during the year ended June 30, 2015. This revenue is guaranteed regardless of tonnage received. This will reduce the fluctuations in revenue due to changes in tonnage.

## **Bond Issue 2014**

On January 28, 2014, the Authority completed a refunding of the revenue bonds issued in 2002 and refinancing of the Crazy Horse Canyon Landfill installment purchase agreement with the City of Salinas. The refunding revenue bonds total \$31,390,000. The refunding bonds were sold in two

series, Series 2014A and Series 2014B. Series 2014A, totaling \$27,815,000, refunded the Series 2002 revenue bonds and Series 2014B, totaling \$3,575,000 refinanced the Crazy Horse Canyon Landfill installment purchase agreement.

The maximum annual debt service is \$3,137,000 including interest at varying rates up to 5.50%. The final interest and principal payment on the bonds is scheduled for August 1, 2031.

### **Expansion Fund**

The "Expansion Fund" was established to collect proceeds from the sale of outside waste; pay costs associated with increased tonnage generated by outside waste and pay the costs related to locating and permitting a new landfill site and other long-term expansion costs. Over the term of the revised agreement with South Valley Disposal, revenue from the sale of outside waste is estimated at \$23.18 million, with costs estimated at \$4.9 million to operate Crazy Horse, \$1.8 million for liners at Johnson Canyon, \$2.2 million in closure set-asides, \$1.8 million in taxes and fees and \$0.8 million on conversion technology projects with the balance to be used for locating and permitting a new landfill site. In order to avoid tipping fee increases during the Great Recession the Board of Directors decided to use these funds for operations until a better economic outlook was available. The Authority received its last load of imported waste in December 2014. At June 30, 2015, the Expansion Fund had unrestricted net position of \$8,181,247.

### **Summary**

Benefitting from the first significant tonnage increase in ten years (4.2%) as well as a correction to deferred outflows and inflows from debt refunding in the prior year, the Authority reduced its net deficit by 20% in FY 2014-15 to a deficit of \$8,233,898.

The deficit Net Position is expected to diminish over time as the Postclosure Payable and Bonds Payable are paid down with future revenues.

### **Acknowledgements**

I would like to take this opportunity to thank the members of the Salinas Valley Solid Waste Authority's Board of Directors for their interest and support in the financial operations of the Authority. It is the responsible and progressive manner in which business is conducted that makes the Authority successful. I would also like to extend special recognition to the Authority staff for their day-to-day involvement in the operations. In addition, I would like to offer special thanks to J. D. Black, Accountant, and Ernesto Natera, Accounting Technician, without whom this presentation would not be possible. I would also like to thank the Authority's auditors McGilloway, Ray, Brown & Kaufman. It is the combined effort of all participants that resulted in the issuance of this document.

Respectfully submitted,



C. Ray Hendricks  
Finance Manager,  
Treasurer/Controller



Government Finance Officers Association

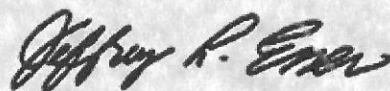
**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Salinas Valley Solid Waste Authority  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**



Executive Director/CEO





## **List of Principal Officials**

**As of June 30, 2015**

**Elizabeth Silva, City of Gonzales**  
President

**Jyl Lutes, City of Salinas**  
Vice President

**Simon Salinas, County of Monterey**  
Alternate Vice President

**Fernando Armenta, County of Monterey**  
Board Member

**Tony Barrera, City of Salinas**  
Board Member

**Robert Cullen, City of King**  
Board Member

**Gloria De La Rosa, City of Salinas**  
Board Member

**Richard Perez, City of Soledad**  
Board Member

**Avelina Torres, City of Greenfield**  
Board Member

**R. Patrick Mathews**  
General Manager/  
Chief Administrative Officer

**Thomas M. Bruen**  
General Counsel

**Rose Gill**  
Human Resources/  
Organizational Development Manager

**C. Ray Hendricks**  
Finance Manager/  
Treasurer/Controller

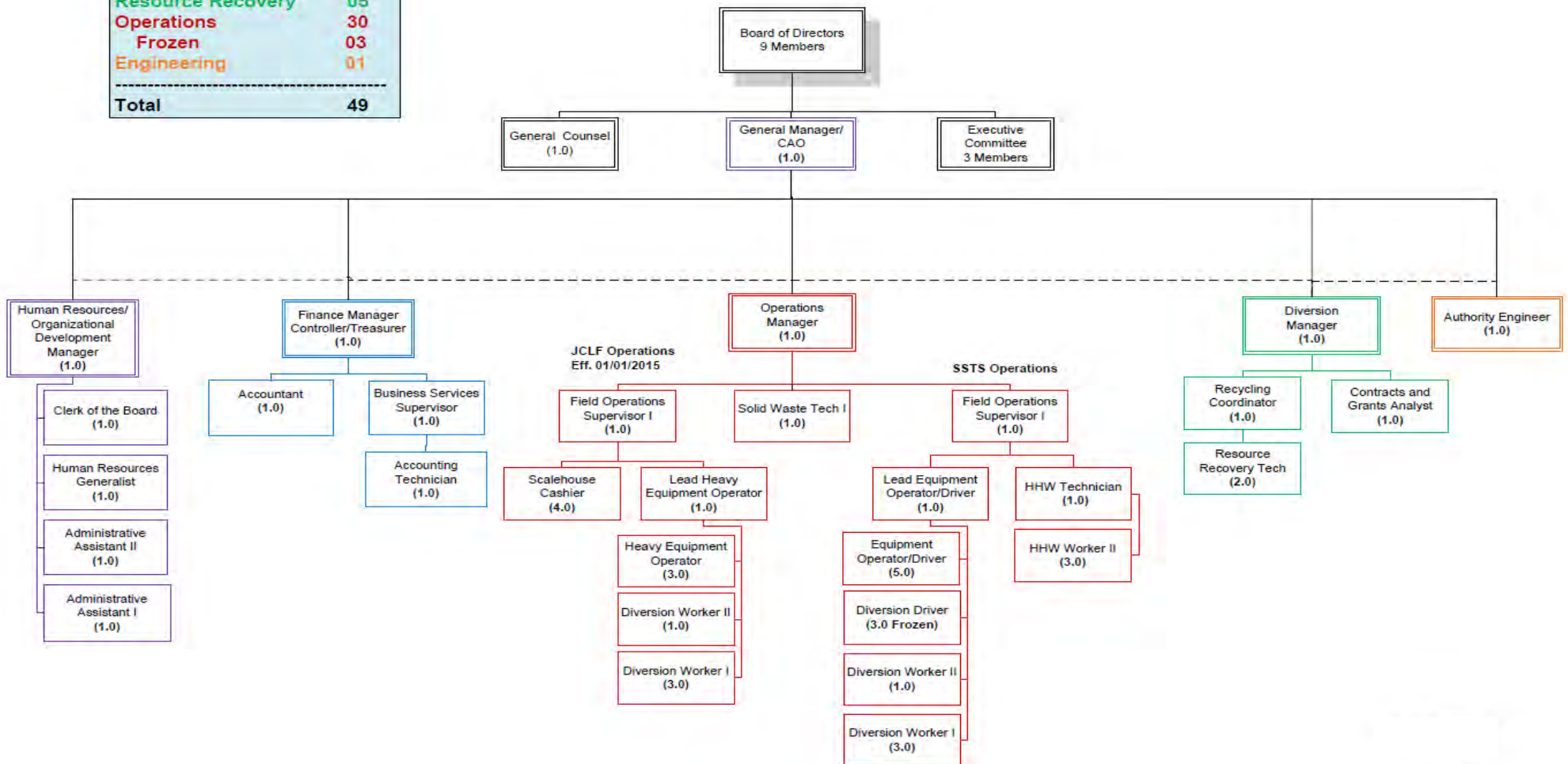
**Dave Meza**  
Authority Engineer

**Susan Warner**  
Diversion Manager

**Cesar Zuniga**  
Operations Manager

**Salinas Valley Solid Waste Authority**  
**Organizational Chart**  
 Effective Date: March 20, 2014

Administration	06
Finance	04
Resource Recovery	05
Operations	30
Frozen	03
Engineering	01
<hr/>	
<b>Total</b>	<b>49</b>



## **FINANCIAL SECTION**

# McGILLOWAY, RAY, BROWN & KAUFMAN

*Accountants & Consultants*

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Board  
of the Salinas Valley Solid  
Waste Authority  
Salinas, California

We have audited the accompanying financial statements of Salinas Valley Solid Waste Authority (Authority), as of and for the year ended June 30, 2015, and the related notes to the basic financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

*Daniel M. McGilloway, Jr., CPA, CVA, Gerald C. Ray, CPA, Clyde W. Brown, CPA, Patricia M. Kaufman, CPA,  
Larry W. Rollins, CPA*

---

*Sarita C. Shannon, CPA, Whitney Ernest, CPA, Devvyn MacBeth, CPA,  
Jesus Montemayor, CPA, Smriti Shrestha, CPA, Wei Ding, CPA*

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority as of June 30, 2015, and the respective 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.

## Other Matters

### *Emphasis of Matter*

#### Implementation of New Accounting Standard

The Authority adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, during the year ended June 30, 2015. Statement No. 68 expands disclosures related to pensions and requires the Authority to report the net pension liability in the statement of net position. The adoption of this statement reduced net position by \$831,230 as of July 1, 2014 as disclosed in Note 12. Our opinion is not modified with respect to this matter.

#### Prior Period Adjustment

As described in Note 20, the Authority recorded a prior period adjustment to decrease interest recorded on the prior year bond refunding and to increase net position by \$1,004,348. Our opinion is not modified with respect to this matter.

### *Restated Summarized Comparative Information*

We have previously audited the Salinas Valley Solid Waste Authority's 2014 financial statements, and our report dated October 29, 2014, expressed an unmodified opinion on those audited financial statements. In our opinion, the restated summarized comparative information presented herein as of and for the year ended June 30, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### *Required Supplementary information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, cost sharing defined benefit pension plans required supplementary information and other post-employment health insurance benefits plans – schedule of funding program, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on the supplementary information.

*McGillaway, Ray, Brown & Kaufman*

November 4, 2015  
Salinas, California

**SALINAS VALLEY SOLID WASTE AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015**

This section of the Salinas Valley Solid Waste Authority (Authority) Comprehensive Annual Financial Report (CAFR) presents a narrative overview and comparative analysis of the financial activities of the Authority for the fiscal years ended June 30, 2015 and June 30, 2014. Please consider the information presented here in conjunction with the basic financial statements that immediately follow, along with the letter of transmittal, and other portions of this CAFR.

For the fiscal year ended June 30, 2015, the Authority adopted the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions." GASB 68 requires that employers report the liabilities of pension plans at the time they are earned by employees. Any changes in the liabilities are recognized as pension expense, deferred outflows, or deferred inflows depending upon the nature of the change. There is additional information about these changes in Note 1 following the Basic Financial Statements.

**Financial Highlights**

- The Authority's net position increased \$2,004,418 to a deficit of \$8,233,898.
- Operating revenues decreased \$1,449,552 (-7.9%) as the result of the ending of imported waste.
- Tons landfilled decreased 66,866 tons (-27.5%) during the year from 242,789 tons in fiscal year 2013-14 to 175,923 tons in fiscal year 2014-15 as the result of the ending of imported waste.
- Operating expenses decreased \$2,211,495 (-15.1%) to \$12,446,882 due primarily to the end of the Recology contract for operating Johnson Canyon Landfill, as well as a reduction in closure/postclosure maintenance liabilities.
- The Authority's total long-term liabilities decreased by \$1,390,546 to \$51,400,258.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Authority's Comprehensive Annual Financial Report (CAFR), which is comprised of three components: 1) Management Discussion and Analysis (this document), 2) Basic Financial Statements, and 3) Notes to the Basic Financial Statements. This report also contains other supplementary information in addition to the basic financial statements for further information and analysis.

**Basic Financial Statements**

The Financial Statements of the Authority report information about the Authority using accounting methods similar to those used by private sector companies. These statements offer short and long-term financial information about its activities. The Statement of Net Position includes all of the Authority's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to Authority creditors (liabilities). It also provides the basis for computing rate of return, evaluating the capital structure of the Authority, and assessing the liquidity and financial flexibility of the Authority.

All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position. This statement measures the success of the Authority's operations over the past year and can be used to determine the Authority's credit worthiness and whether the Authority has successfully recovered all its costs through its user fees and other charges.

The final required Financial Statement is the Statement of Cash Flows. The primary purpose of this statement is to provide information about the Authority's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investments and financing. It also provides answers to such questions as where did the cash come from, what was the cash used for, and what was the change in the cash balance during the reporting period.

**SALINAS VALLEY SOLID WASTE AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015**

**Notes to the Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

**Required Supplementary Information**

In addition to the basic financial statements, this report also presents certain Required Supplementary Information regarding the Authority's retirement plans.

**FINANCIAL STATEMENTS ANALYSIS**

**Statement of Net Position**

The Statement of Net Position is a good indicator of the Authority's financial position. At the end of this fiscal year, the Authority had a net deficit of \$8,233,898 that is a decrease of \$2,004,418.

The following is the condensed Statement of Net Position for the fiscal years ended June 30, 2015 and 2014:

Salinas Valley Solid Waste Authority Condensed Statement of Net Position June 30, 2015 and 2014				
	2015	(As Restated) 2014	Change	% Change
<b>Assets</b>				
Current Assets	\$ 13,638,485	\$ 16,214,511	\$ (2,576,026)	-15.9%
Other Assets	3,292,963	2,778,031	514,932	18.5%
Capital Assets, Net	30,005,496	27,357,419	2,648,077	9.7%
<b>Total Assets</b>	<b>46,936,944</b>	<b>46,349,961</b>	<b>586,983</b>	<b>1.3%</b>
<b>Deferred Outflows of Resources</b>	<b>740,011</b>	<b>502,174</b>	<b>237,837</b>	<b>47.4%</b>
<b>Liabilities</b>				
Current Liabilities	4,169,575	4,299,647	(130,072)	-3.0%
Long-term Liabilities	51,400,258	52,790,804	(1,390,546)	-2.6%
<b>Total Liabilities</b>	<b>55,569,833</b>	<b>57,090,451</b>	<b>(1,520,618)</b>	<b>-2.7%</b>
<b>Deferred Inflows of Resources</b>	<b>341,020</b>	<b>-</b>	<b>341,020</b>	<b>0.0%</b>
<b>Net Position</b>				
Net Investment in				
Capital Assets	(6,007,513)	(6,400,056)	392,543	-6.1%
Restricted	1,101,582	426,877	674,705	158.1%
Unrestricted	(3,327,967)	(4,265,137)	937,170	-22.0%
<b>Total Net Position (Deficit)</b>	<b>\$ (8,233,898)</b>	<b>\$ (10,238,316)</b>	<b>\$ 2,004,418</b>	<b>-19.6%</b>

The total net deficit is due primarily to the deficit of \$6,007,513 Net Investment in Capital Assets. This is the result of capital assets depreciating at a faster rate than the related debt is being paid.



**SALINAS VALLEY SOLID WASTE AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015**

**Statement of Revenues, Expenses and Changes in Net Assets**

The following is the Condensed Statement of Revenues, Expenses, and Changes in Net Position for the fiscal years ended June 30, 2015 and 2014.

Salinas Valley Solid Waste Authority  
Condensed Statement of Revenues, Expenses and Changes in Net Position  
For the years ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>	<u>Change</u>	<u>% Change</u>
Operating Revenues	\$ 16,795,395	\$ 18,244,947	\$ (1,449,552)	-7.9%
Operating Expenses	<u>12,446,882</u>	<u>14,658,377</u>	<u>(2,211,495)</u>	<u>-15.1%</u>
Operating Income/(Loss)	4,348,513	3,586,570	761,943	21.2%
Non-operating Revenues	44,665	46,107	(1,442)	-3.1%
Non-operating Expenses	<u>(1,557,530)</u>	<u>(2,285,894)</u>	<u>728,364</u>	<u>-31.9%</u>
Change in Net Position	<u>2,835,648</u>	<u>1,346,783</u>	<u>1,488,865</u>	<u>110.5%</u>
Net Position - Beginning	(10,238,316)	(11,585,099)	1,346,783	-11.6%
Prior Period Adjustment	<u>(831,230)</u>	<u>-</u>	<u>(831,230)</u>	<u>NA</u>
Net Position - Ending	<u><u>\$ (8,233,898)</u></u>	<u><u>\$ (10,238,316)</u></u>	<u><u>\$ 2,004,418</u></u>	<u><u>-19.6%</u></u>

The Authority's activities decreased the net deficit by \$2,004,418. Key elements of this change are as follows:

Operating revenues decreased \$1,449,552 (-7.9%) primarily due to the ending of imported waste. The implementation of the AB939 Service fee ensured that we were financially prepared for this to happen.

Operating expenses decreased \$2,211,495 (-15.1%) to \$12,446,882 due primarily to the end of the Recology contract for operating Johnson Canyon Landfill, as well as a reduction in closure/postclosure maintenance liability

The single biggest expense for the year was the \$2,340,537 paid to Recology Waste Systems for operation of the Johnson Canyon landfill, diversion services, and air space conservation adjustment. This contract ended in December 2014, and operations were taken over by staff.

The \$1,557,530 in non-operating expenses is for interest paid on the Authority's long-term debt.

The \$(831,230) prior period adjustment is due to GASB 68 reporting requirements taking effect for FY 2014-15.

**SALINAS VALLEY SOLID WASTE AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of fiscal year, the Authority had \$30,005,496 invested in capital assets, primarily in landfills as summarized below. During this fiscal year, the Authority added \$3,828,208 in capital assets and recorded depreciation expense of \$1,180,131. Additional information on the Authority's capital assets can be found in Note 6.

Salinas Valley Solid Waste Authority  
Condensed Statement of Capital Assets  
For the years ended June 30, 2015 and 2014

	2015	2014
Land	\$ 42,600	\$ 42,600
Buildings	456,484	456,484
Improvements other than buildings	54,731,643	54,048,983
Equipment	6,889,631	3,672,307
Construction in progress	52,510	124,286
Total Capital Assets	62,172,868	58,344,660
Accumulated Depreciation	(32,167,372)	(30,987,241)
Net Capital Assets	<u>\$ 30,005,496</u>	<u>\$ 27,357,419</u>

**Long-Term Debt**

At the end of this fiscal year, the Authority had \$36.47 million in long-term debt as shown below. No new debt was incurred during the fiscal year. Principal payments of \$657,279 were paid on the debt. Additional information on the Authority's long-term debt can be found in Note 8.

Standard & Poor's Corporation (S&P) assigned the revenue bonds a rating of "AA-".

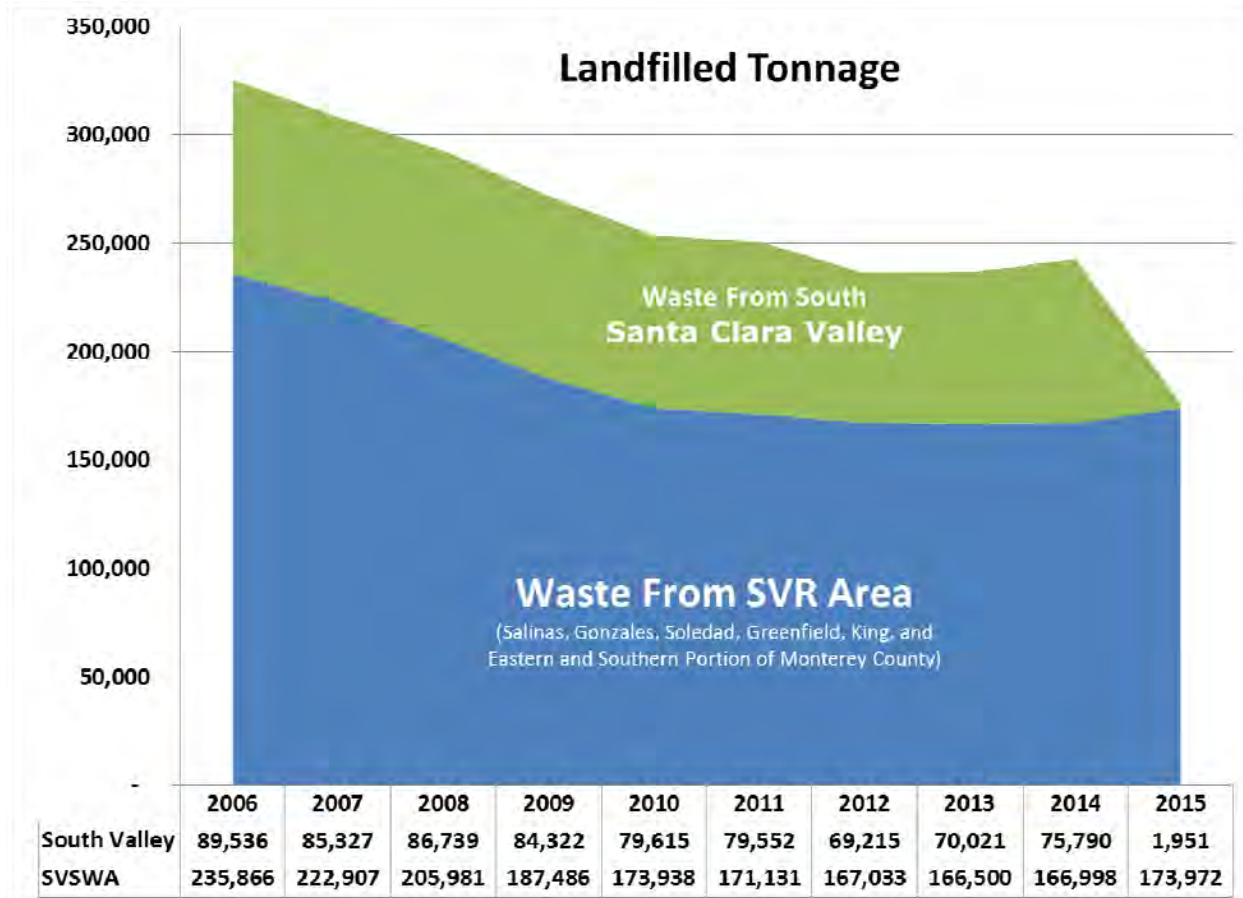
Salinas Valley Solid Waste Authority  
Condensed Statement of Long-Term Debt  
For the years ended June 30, 2015 and 2014

	2015	2014
2014A (AMT) Refunding Revenue Bond	\$ 27,815,000	\$ 27,815,000
2014B (Taxable) Refunding Revenue Bond	3,260,000	3,575,000
2014 Refunding Revenue Bond Premium	2,064,718	2,254,049
Equipment Lease Payable	3,327,721	3,670,000
Total	<u>\$ 36,467,439</u>	<u>\$ 37,314,049</u>

**SALINAS VALLEY SOLID WASTE AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015**

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

The Authority's operations are dependent on the amount of solid waste that is received at the landfills. Tonnage had been steadily declining since 2006. However, incoming landfilled tonnage has remained largely unchanged since the year ended 2012, and saw its first significant increase in FY 2014-15. For FY 2015-16 management is anticipating tonnage will remain flat. The tipping fee continues at \$67.00 per ton. The 2015-16 budget is balanced. The Authority stopped receiving South Santa Clara Valley tonnage at the end of the fiscal year ended June 30, 2015.



**CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, customers, investors, and creditors with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the Authority's Finance Department, at the Salinas Valley Solid Waste Authority, P.O. Box 2159, Salinas, California 93902-2159.

SALINAS VALLEY SOLID WASTE AUTHORITY  
STATEMENT OF NET POSITION  
JUNE 30, 2015  
With Comparative Totals as of June 30, 2014

	2015	(As Restated) 2014
Assets		
Current Assets		
Cash and Investments	\$ 11,463,758	\$ 10,700,692
Restricted Cash	334,909	3,320,685
Accounts Receivable, Net	1,634,471	1,984,625
Interest Receivable	8,093	5,048
Prepaid Expenses	197,254	203,461
Total Current Assets	<u>13,638,485</u>	<u>16,214,511</u>
Noncurrent Assets		
Restricted Cash	3,292,963	2,778,031
Capital Assets, Net	30,005,496	27,357,419
Total Noncurrent Assets	<u>33,298,459</u>	<u>30,135,450</u>
Total Assets	<u>46,936,944</u>	<u>46,349,961</u>
Deferred Outflows of Resources		
Deferred Pensions	285,581	-
Deferred Loss on Refunding of Bonds	454,430	502,174
Total Deferred Outflows of Resources	<u>740,011</u>	<u>502,174</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 47,676,955</u>	<u>\$ 46,852,135</u>

The accompanying notes are an integral part of this financial statement

SALINAS VALLEY SOLID WASTE AUTHORITY  
STATEMENT OF NET POSITION  
JUNE 30, 2015  
With Comparative Totals as of June 30, 2014

	2015	(As Restated) 2014
Liabilities		
Current Liabilities		
Accounts Payable	\$ 764,437	\$ 1,757,234
Wages Payable	124,747	94,601
Accrued Leave	364,902	352,388
Interest Payable	697,059	676,348
Closure Payable	342,140	230,197
Postclosure Payable - Current	605,050	531,600
Equipment Lease Payable	700,453	342,279
Bonds Payable - Current	509,331	315,000
Unearned Revenues	61,456	-
Total Current Liabilities	<u>4,169,575</u>	<u>4,299,647</u>
Long Term Liabilities		
OPEB Liability	360,820	289,020
Pension Liability	670,697	-
Closure Payable	2,143,238	2,396,803
Postclosure Payable	12,967,848	13,448,211
Equipment Lease Payable	2,627,268	3,327,721
Bonds Payable, Net	32,630,387	33,329,049
Total Long Term Liabilities	<u>51,400,258</u>	<u>52,790,804</u>
Total Liabilities	<u>55,569,833</u>	<u>57,090,451</u>
Deferred Inflows of Resources		
Deferred Pensions	341,020	-
Total Deferred Inflows of Resources	<u>341,020</u>	<u>-</u>
Net Position		
Net Investment in Capital Assets	(6,007,513)	(6,400,056)
Restricted for Grants	61,684	69,427
Restricted per Lease Agreement	242,326	-
Restricted for Closure Reserve	797,572	357,450
Unrestricted	(3,327,967)	(4,265,137)
Total Net Position (Deficit)	<u>(8,233,898)</u>	<u>(10,238,316)</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 47,676,955</u>	<u>\$ 46,852,135</u>

The accompanying notes are an integral part of this financial statement

SALINAS VALLEY SOLID WASTE AUTHORITY  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR FISCAL YEAR ENDED JUNE 30, 2015  
With Comparative Totals for fiscal year ended June 30, 2014

	2015	(As Restated) 2014
Operating Revenues		
Charges for Services	\$ 16,095,020	\$ 17,534,111
Sales of Materials	583,734	594,056
Operating Grants and Contributions	116,641	116,780
Total Operating Revenues	<u>16,795,395</u>	<u>18,244,947</u>
Operating Expenses		
Personnel Services	4,221,550	4,089,205
Contractual Services	1,714,543	1,666,689
Operating Contracts	3,313,514	4,737,350
Supplies	687,375	488,037
Insurance	287,724	238,915
Building Rent	105,070	104,658
Taxes and Permits	610,254	736,417
Utilities	146,427	138,820
Depreciation/Amortization	1,180,131	1,412,742
Closure/Postclosure Maint.	(267,617)	639,510
Hazardous Waste	202,715	172,520
Other	245,196	233,514
Total Operating Expenses	<u>12,446,882</u>	<u>14,658,377</u>
Operating Income (Loss)	<u>4,348,513</u>	<u>3,586,570</u>
Non-Operating Revenues (Expenses)		
Investment Earnings	36,631	28,013
Other Non-Operating Revenue	8,034	18,094
Interest Expense	(1,557,530)	(1,724,013)
Bond Underwriter	-	(561,881)
Total Non-Operating Revenues (Expenses)	<u>(1,512,865)</u>	<u>(2,239,787)</u>
Change in Net Position	2,835,648	1,346,783
Total Net Position - Beginning	(10,238,316)	(11,585,099)
Prior Period Adjustment Related to Pension Liabilities	<u>(831,230)</u>	<u>-</u>
Total Net Position (Deficit) - End of Year	<u><u>\$ (8,233,898)</u></u>	<u><u>\$ (10,238,316)</u></u>

The accompanying notes are an integral part of this financial statement

SALINAS VALLEY SOLID WASTE AUTHORITY  
STATEMENT OF CASH FLOWS  
FOR FISCAL YEAR ENDED JUNE 30, 2015  
With Comparative Totals for fiscal year ended June 30, 2014

	2015	2014
<b>Cash Flows from Operating Activities:</b>		
Receipts from Customer and Users	\$ 17,207,013	\$ 17,908,950
Payments to Suppliers	(8,581,236)	(8,810,239)
Payments to Employees	(4,211,282)	(4,016,924)
Net Cash Provided (Used) by Operating Activities	<u>4,414,495</u>	<u>5,081,787</u>
<b>Cash Flows from Non-Capital Financing Activities:</b>		
Rental Income	6,191	9,914
Finance Charges	1,843	8,180
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>8,034</u>	<u>18,094</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Refunding of 2002 Bonds and Installment Purchase Agreements	-	(2,192,903)
Capital Lease	-	3,670,000
Acquisition of Capital Assets	(3,828,208)	(991,267)
Principal paid on Capital Debt	(657,279)	(1,097,517)
Interest paid on Capital Debt	(1,678,406)	(2,101,728)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(6,163,893)</u>	<u>(2,713,415)</u>
<b>Cash Flows from Investing Activities:</b>		
Interest Received	33,586	26,923
Increase (Decrease) in Fair Value of Investments	-	326
Transfer (to) from Restricted Cash	2,470,844	(289,033)
Net Cash Provided (Used) by Investing Activities	<u>2,504,430</u>	<u>(261,784)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	763,066	2,124,682
Cash and Cash Equivalents at Beginning of Year	10,700,692	8,576,010
Cash and Cash Equivalents at End of Year	<u>\$ 11,463,758</u>	<u>\$ 10,700,692</u>
<b>Reconciliation of Operating Income to Net Cash Provided (used) by Operating Activities:</b>		
Operating Income (Loss)	\$ 4,348,513	\$ 3,586,570
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation	1,180,131	1,412,742
Changes in deferred outflows of resources(pensions)	(105,094)	-
(Increase) Decrease in Accounts Receivable	350,154	(325,309)
(Increase) Decrease in Prepaid Expenses	6,207	(203,461)
Increase (Decrease) in Accounts Payable	(992,797)	128,030
Increase (Decrease) in Wages Payable	30,146	(3,337)
Increase (Decrease) in Accrued Leave	12,514	8,507
Increase (Decrease) in OPEB Payable	71,800	67,100
Increase (Decrease) in Closure/Postclosure Payable	(548,535)	410,945
Increase (Decrease) in Unearned Revenue	61,456	-
Total Adjustments to Net Income	<u>65,982</u>	<u>1,495,217</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 4,414,495</u>	<u>\$ 5,081,787</u>

The accompanying notes are an integral part of this financial statement

SALINAS VALLEY SOLID WASTE AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015

1. **Summary of Significant Accounting Policies:**

**Financial Reporting Entity:** The Salinas Valley Solid Waste Authority (Authority) is a joint exercise of powers authority, created pursuant to an agreement dated as of January 1, 1997, (the "Authority Agreement") among the County of Monterey and the cities of Salinas, Gonzales, Greenfield, Soledad and King (the "Members"). The Authority was established to acquire and manage the landfill assets of each member, ensure long-term landfill capacity of the Authority service area and provide unified and coordinated solid waste management for the member agencies.

The Authority is governed by a nine member governing board, consisting of three members of the Salinas City Council, two members of the Monterey County Board of Supervisors, and one City Council member each from the cities of Gonzales, Greenfield, King City and Soledad. Pursuant to the Authority Agreement, the affirmative vote of at least one member of the Authority Board who is a member of the Salinas City Council is required to approve Board actions.

**Accounting Principles:**

The accounting policies of the Authority conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountant (AICPA).

**New Accounting Pronouncements:**

The following Governmental Accounting Standards Board (GASB) Statements have been implemented in the current financial statements:

Statement No. 68	<i>"Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27"</i>	The provisions of this statement are effective for financial statements for fiscal years beginning after June 15, 2014. The requirements of this statement have been recorded in these financial statements
Statement No. 69	<i>"Government Combinations and Disposals of Government Operations"</i>	The provisions of this statement are effective for financial statements for periods beginning after December 15, 2013. This statement has no financial effect on these financial statements
Statement No. 70	<i>"Accounting and Financial Reporting for Nonexchange Guarantees"</i>	The provisions of this statement are effective for financial statements for periods beginning after June 15, 2013. This statement has no financial effect on these financial statements.



SALINAS VALLEY SOLID WASTE AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015

Statement No. 71 *"Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68"*

The provisions of this statement are effective for financial statements for fiscal years beginning after June 15, 2014. This statement has been applied simultaneously with statement No. 68.

Basis of Presentation: The financial activities of the Authority are accounted for in a single enterprise fund that reports the operations of the solid waste system, which is financed primarily by tipping fees. The solid waste system includes landfills, transfer stations and resource recovery facilities located in Monterey County. Solid waste collection services are provided by local municipalities and private companies.

Basis of Accounting: The Authority's single enterprise fund is accounted for using the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when they are incurred.

Measurement Focus: The Authority's single enterprise fund is accounted for on a cost of service or "economic resources" measurement focus. This means that assets and all activities are included on the statement of net position. Operating statements present increases (revenues) and decreases (expenses) in net total assets. The financial statements distinguish operating revenue and expenses from non-operating items. Operating revenue and expenses generally result from providing services and producing and delivering services in connection with the Authority's principal ongoing operations. The principal operating revenues of the Authority are charges to residents and customers for waste collection and disposal and the revenues from the sale of processed waste materials. Operating expenses include the cost of waste disposal and recycling services, administrative expenses, closure and post closure maintenance and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenue and expenses.

Budgets: The Authority adopts an annual, operating budget as a financial plan for the year, pursuant to the legal requirements of the Authority's bond documents. The budget is adopted by the governing Board as an operating plan and budgetary basis financial statements are not presented because there is no legal requirement to report budgetary basis financial information.

Cash and Cash Equivalents: Cash and cash equivalents consist of petty cash, deposits in non-interest bearing checking accounts, certificates of deposit, public investment money market accounts, and investments with Local Authority Investment Fund (LAIF) managed by the State of California. Deposits in LAIF are generally available for withdrawal by the Authority on a next day basis and are therefore considered cash equivalents.

For purposes of determining cash equivalents, the Authority has defined its policy concerning the treatment of short-term investments to include investments with a maturity of three months or less when purchased as cash equivalents if management does not plan to reinvest the proceeds. Short-term investments that management intends to rollover into similar investments are considered part of the investment portfolio and are classified as investments.

Investments: Investments consisted of deposits in open end, money market mutual funds and deposits with the LAIF, an investment pool with restricted withdrawals, which is restricted for debt service. All investments are stated at fair value.

SALINAS VALLEY SOLID WASTE AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015

Accounts Receivable: Accounts receivable are composed primarily of monthly billings for tipping fees, services and contractual amounts receivables. All accounts receivable are uncollateralized.

The Authority sets aside an allowance for uncollectible accounts based on an analysis of those accounts considered to be uncollectible at year-end. Accounts receivable are reported net of the allowance for uncollectible accounts.

Capital Assets: Capital assets which include property, plant, equipment, and landfills are recorded at historical cost or estimated historical cost if actual cost is not available. Donated assets are recorded at estimated fair value at the date of donation. Capital Assets are defined by the Authority as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Expenses, which materially extend the useful life of existing assets, are capitalized. Certain costs for professional services and interest associated with the acquisition and construction of capital assets have been capitalized. The cost of capital assets sold or retired is removed from the appropriate accounts and any resulting gain or loss is included in the increase in net position.

The cost of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized.

Depreciation of capital assets other than landfill cells is computed using the straight-line method over the estimated useful lives of the assets, which are summarized as follows:

Buildings	20-40 years
Other Improvements	4-50 years
Equipment	5-10 years

Landfill cells are depreciated/amortized based on units of consumption. Units-of-consumption depreciation rates are determined annually for our operating landfill at Johnson Canyon. The rates are based on estimates provided by our engineers and accounting personnel and consider the information provided by airspace surveys, which are performed at least annually. Significant changes in our estimates could materially increase our landfill depletion rates, which could have a material adverse effect on our financial condition and results of operations. In addition, by the time a landfill stops accepting waste that landfill must be fully depreciated. This may lead to larger amounts of depreciation charged at the end of the landfill's life for projects capitalized in those latter years.

Restricted Cash: Restricted cash of the Authority represent bond proceeds legally required by the Authority's bond covenants and trust indenture to be set aside for debt service and funds required to be set-aside for the eventual closure of the landfills under state law. Restricted resources are used first to fund expenses incurred for restricted purposes.

Net Position: The statement of net position reports all financial and capital resources. The difference between assets and liabilities is net position. There are three components of net position.

*Net investment in capital assets* - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balance of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent, related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

SALINAS VALLEY SOLID WASTE AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015

*Restricted* - This component of net position consists of constraints placed on the use of net position by external restrictions imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. There are no net positions restricted by enabling legislation.

*Unrestricted* - This component of net position consists of net position that do not meet the definition of net investment in capital assets, Net of Related Debt, or Restricted.

Deferred Outflows and Inflows of Resources: Pursuant to GASB Statement No. 63, "*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*," and GASB Statement No. 65, "*Items Previously Reported as Assets and Liabilities*," the Authority recognizes deferred outflows and inflows of resources.

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. A deferred outflow of resources is defined as a consumption of net position by the Authority that is applicable to a future reporting period. The Authority has two items that qualify for reporting as deferred outflows as described further in Note 4 and Note 12.

In addition to liabilities, the Statement of Financial Position will sometimes report a separate section for deferred inflows of resources. A deferred inflow of resources is defined as an acquisition of net position by the Authority that is applicable to future reporting periods. The Authority has one item that qualifies for reporting as deferred inflows as described further in Note 12.

Revenue Recognition: Revenue from tipping fees is recognized when the service is provided for customers using the Authority's facilities. Credit customers are billed monthly and non-credit customers pay at the transfer station, landfill or resource recovery facility.

Amortization: Premium, discount and insurance on long-term debt are amortized on the effective interest rate method over the life of the related debt issues.

Landfill Expenses: Landfill expenses include the cost to design and construct landfill cells on property permitted and approved as a landfill site. The design and construction costs for each cell are recorded as capital assets. Landfill expenses also include accruals for landfill closure and post closure care costs based on the landfill capacity used in each year.

Compensated Absences: Authority employees accumulate Paid Time Off (PTO) which is payable to employees upon termination or retirement at the pay rate on that date. The Authority accrues unused PTO and related taxes and benefits on the statement of net position as current liabilities.

Public Employees Retirement System: The Authority offers 2 retirement plans to its employees. Employees hired before January 1, 2013 are members of the CalPERS Classic Plan and employees hired after January 1, 2013 are members of the California Public Employees' Pension Reform Act Plan (PEPRA Plan).

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions and pension expenses, information about the fiduciary net position of the Salinas Valley Solids Waste Authority's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS finance office. 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. See Note 12 for the CalPERS Classic Plan disclosures.

SALINAS VALLEY SOLID WASTE AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015

Estimates: Management uses estimates and assumptions in preparing financial statements in accordance with U.S. generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Future Accounting Pronouncements:

GASB Statements Nos. 72-76 listed below will be implemented in future financial statements:

Statement No. 72 <i>"Fair Value Measurement and Application"</i>	The provisions of this statement are effective for financial statements for reporting periods beginning after June 15, 2015.
Statement No. 73 <i>"Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68"</i>	The provisions of this statement are effective for fiscal years beginning after June 15, 2015 - except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of GASB Statement No. 68, which are effective for fiscal years beginning after June 15, 2016.
Statement No. 74 <i>"Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans"</i>	The provisions of this statement are effective for fiscal years beginning after June 15, 2016.
Statement No. 75 <i>"Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions"</i>	The provisions of this statement are effective for fiscal years beginning after June 15, 2017.
Statement No. 76 <i>"The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments"</i>	The provisions of this statement are effective for reporting periods beginning after June 15, 2015.

**2. Cash and Investments:**

Cash and Cash Equivalents: The bank balance and carrying value of the Authority's cash and cash equivalents, including restricted balances, at June 30, 2015 were as follows:

Cash and Investments	\$ 11,463,758
Restricted Cash	3,627,872
	<hr/>
Total	\$ 15,091,630
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SALINAS VALLEY SOLID WASTE AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015

The Authority's cash and investments at June 30, 2015, were held as follows:

Cash managed by the Authority's Treasurer	\$ 1,837,502
Investments managed by the Authority's Treasurer	13,254,128
Total	<u>\$ 15,091,630</u>

The Authority follows the practice of pooling cash and investments of all funds except for funds required to be held by outside fiscal agents under the provisions of bond indentures. The Authority's investment policy conforms to state law (Government Code Sections 53601 through 53659). The investment of bond proceeds is governed by the specific Indenture of Trust. The investment policy is reviewed annually. The Authority's investments are carried at fair value, as required by generally accepted accounting principles. The Authority adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

Investment in State Investment Pool (LAIF): The Authority participates in the California Local Agency Investment Fund (LAIF), an investment pool managed by the State of California. The LAIF is a special fund of the California State Treasury through which local governments may pool investments. At June 30, 2015, the total fair value amount invested by all public agencies in LAIF is \$69,606,487,716 managed by the State Treasurer. Of that amount, 2.08% is invested in medium-term and short-term structured notes and asset-back securities. No amounts were invested in derivative financial products. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. The fair value of the Authority's investment in this pool is reported in the accompanying financial statements at amounts based upon the Authority's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Custodial Credit Risk: Custodial credit risk is defined as the risk that the Authority may not recover the securities held by another party in the event of a financial failure. The Authority's investment policy for custodial credit risk requires all investment securities to be held in the Authority's name by a third party safekeeping institution. All deposits with financial institutions are considered fully insured or collateralized pursuant to the custodial credit risk categories of GASB Statement No. 3. According to the investment policy investment of bond proceeds are restricted by the provisions of relevant bond documents.

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

The Local Agency Investment Fund (LAIF) managed by the State Treasurer, representing 76.3% of the investment portfolio, is not rated. Investments in money market funds are limited by Government Code Section 53601 to those that have attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations.

Concentration of Credit Risk: Concentration of credit risk is defined as the risk of loss attributed to the magnitude of an investment in a single issuer. The Authority's investment policy addresses the concentration of credit risk by limiting the maximum amount that may be invested in certain investments and in any one issuer, except for investments in LAIF. The investment in LAIF and the

**SALINAS VALLEY SOLID WASTE AUTHORITY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

Public Investment Money Market Account, representing 84.9% and 1.9%, respectively, of the portfolio are not considered a concentrated risk. The Rabobank Certificates of Deposit represents 13.2% of the portfolio. They are fully collateralized at 110% of value.

The Authority was in compliance with these limitations at June 30, 2015. At June 30, 2015, certain individual investments exceeded 5% of the total investment portfolio (including cash and cash equivalents) as follows:

Investment Type	Investment Maturities				% of Total
	Fair Value	0-6 Mths	6-12 Mths	1-5 years	
State of California					
Local Agency Investment Fund	\$ 11,254,019	\$ -	\$ 11,254,019	\$ -	84.9
Public Investment Money Market Account	250,109	250,109	-	-	1.9
Rabobank Certificates of Deposit	1,750,000	-	-	1,750,000	13.2
	<u>\$ 13,254,128</u>	<u>\$ 250,109</u>	<u>\$ 11,254,019</u>	<u>\$ 1,750,000</u>	<u>100.0</u>

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Authority generally manages its interest rate risk by holding investments to maturity.

Information about the sensitivity of the fair values of the Authority's investments to market interest rate fluctuations is provided by the table above that shows the distribution of the Authority's investments by maturity.

**3. Accounts Receivable:**

Accounts receivable and the related allowance for doubtful accounts at June 30, 2015, are summarized as follows:

Billed Receivables:

Tipping Fee Accounts Receivable	\$ 1,349,105
Intergovernmental Grants Receivable	99,691
LFG Gas Royalties	66,894
Sales of Recycling Materials	86,148
Franchise Administration	31,137
Employees' Flexible Spending Account	7,662
Vision Recycling Fuel	569
Miscellaneous Receivable	11
	<u>1,641,217</u>
Total Accounts Receivable	1,641,217
Allowance for Doubtful Accounts	<u>(6,746)</u>
	<u><u>\$ 1,634,471</u></u>

SALINAS VALLEY SOLID WASTE AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015

**4. Loss on Bonds Refunding:**

For the fiscal year ended June 30, 2014, Salinas Valley Solid Waste Authority adopted GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities". An increase in the Authority's Net Position that is expected to occur in a future period is a Deferred Inflow of Resources. A decrease in the Authority's Net Position that is expected to occur in a future period is a Deferred Outflow of Resources.

For the fiscal year ended June 30, 2014, Salinas Valley Solid Waste Authority had a loss on the refunding of the Series 2002 Revenue Bonds, which is a deferred outflow of resources.

Deferred Outflows Resources balances for the year ended June 30, 2015 were as follows:

	June 30, 2014	Increases	Decreases	June 30, 2015
Loss on Refunding of Bonds:				
2014A (AMT) Refunding Revenue Bonds	\$ 444,981	\$ -	\$ (37,377)	\$ 407,604
2014B (Taxable) Refunding Revenue Bonds	57,193	-	(10,367)	46,826
	<u>\$ 502,174</u>	<u>\$ -</u>	<u>\$ (47,744)</u>	<u>\$ 454,430</u>

The loss is amortized using the effective interest rate method as principal payments are made and is attributed to each of the refunding series of bonds, as follows.

Fiscal year Ended June 30,	2014A (AMT) Refunding Revenue Bond	2014B (Taxable) Refunding Revenue Bond	Total
2016	\$ 37,377	\$ 9,404	\$ 46,781
2017	37,377	8,426	45,803
2018	37,279	7,425	44,704
2019	36,332	6,393	42,725
2020	34,588	5,332	39,920
2021-2025	143,171	9,846	153,017
2026-2030	74,387	-	74,387
2031-2032	7,093	-	7,093
	<u>\$ 407,604</u>	<u>\$ 46,826</u>	<u>\$ 454,430</u>

**5. Restricted Cash:**

Cash and investments of \$3,627,872 are recorded as restricted assets at June 30, 2015.

Cash and investments of \$3,292,963 are restricted by the California Integrated Waste Management Board for the closure of Johnson Canyon Landfill.

Cash and investments of \$57,399 are restricted by the California Department of Conservation grant for recycling activities and \$6,472 are restricted for the United States Department of Agriculture grant for the 2 anaerobic basins at Crazy Horse Canyon Landfill.

Cash and investments of \$242,326 are restricted by the capital equipment lease financing agreement with Capital One Public Funding, LLC. This equipment is to be used for the operation of the Johnson Canyon Landfill.

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Cash and investments of \$4,138 are restricted by the Flexible Spending Arrangement to for employees' pay out-of-pocket health and child care costs.

Cash and investments of \$24,574 are restricted by agreement with the Central Coast Recycling Media Coalition. These funds are to be used for the Tri-County public/private cooperative marketing and advertising projects.

**6. Capital Assets:**

The changes in capital assets of the Authority for the year ended June 30, 2015, are summarized as follows:

	June 30, 2014	Increases	Decreases	June 30, 2015
<b>Business-type activities</b>				
Nondepreciable assets:				
Land	\$ 42,600	\$ -	\$ -	\$ 42,600
Construction in Progress	124,286	104,532	(176,308)	52,510
Total nondepreciable assets	<u>166,886</u>	<u>104,532</u>	<u>(176,308)</u>	<u>95,110</u>
Depreciable Assets:				
Buildings	456,484	-	-	456,484
Other Improvements	54,048,983	682,660	-	54,731,643
Machinery and Equipment	3,672,307	3,217,324	-	6,889,631
Total depreciable assets	<u>58,177,774</u>	<u>3,899,984</u>	<u>-</u>	<u>62,077,758</u>
Less Accumulated Depreciation	<u>(30,987,241)</u>	<u>-</u>	<u>(1,180,131)</u>	<u>(32,167,372)</u>
Total Depreciable Assets, Net	<u>27,190,533</u>	<u>3,899,984</u>	<u>(1,180,131)</u>	<u>29,910,386</u>
Total Capital Assets, Net	<u>\$ 27,357,419</u>	<u>\$ 4,004,516</u>	<u>\$ (1,356,439)</u>	<u>\$ 30,005,496</u>

Construction in progress at June 30, 2015, consists of \$52,510 in costs associated with various landfill projects.

**7. Accrued Leave:**

Employees are eligible to receive their entire unused paid time off upon termination, or can elect to be paid annually for a maximum of fifteen days of annual leave, depending on years of service. At June 30, 2015, the liability for this accrued leave is \$364,902.



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**8. Long Term Liabilities:**

The following is a summary of long term liabilities for the fiscal year ended June 30, 2015:

	June 30, 2014	Increases	Decreases	June 30, 2015	Due Within One year
Long Term Debt:					
2014A (AMT) Refunding					
Revenue Bond	\$27,815,000	\$ -	\$ -	\$27,815,000	\$ -
2014B (Taxable) Refunding					
Revenue Bond	3,575,000	-	315,000	3,260,000	320,000
2014 Revenue Bond					
Original Issue Premium	2,254,049	-	189,331	2,064,718	189,331
Equipment Lease Payable	3,670,000	-	342,279	3,327,721	700,453
Long Term Debt Subtotal	37,314,049	-	846,610	36,467,439	1,209,784
Other Long Term Liabilities:					
Post Employment Benefits	289,020	742,497	-	1,031,517	-
Closure Payable	2,627,000	5,349	146,971	2,485,378	342,140
Postclosure Payable	13,979,811	197,620	604,533	13,572,898	605,050
Total Long Term Liabilities	<u>\$54,209,880</u>	<u>\$ 945,466</u>	<u>\$1,598,114</u>	<u>\$53,557,232</u>	<u>\$ 2,156,974</u>

The annual debt service requirements for long term debt are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2016	\$ 1,020,453	\$ 1,685,789	\$ 2,706,242
2017	1,047,193	1,658,221	2,705,414
2018	1,224,608	1,624,258	2,848,866
2019	2,377,718	1,555,854	3,933,572
2020	2,077,749	1,455,064	3,532,813
2021-2025	9,780,000	5,900,179	15,680,179
2026-2030	11,665,000	3,044,663	14,709,663
2030-2032	5,210,000	290,400	5,500,400
	<u>\$ 34,402,721</u>	<u>\$ 17,214,428</u>	<u>\$ 51,617,149</u>

On January 28, 2014, Salinas Valley Solid Waste Authority issued Alternative Minimum Taxable bonds (Series 2014A) with a par value of \$27,815,000. These refunding revenue bonds were sold for \$30,069,049. This resulted in an original issue premium of \$2,254,049 meaning the bonds sold at 108.10% of the par value. The purpose of the bonds issuance was to currently refund the refunded Series 2002 revenue bonds. The balance of the Series 2002 bonds refunded was \$33,050,000. The Series 2014A bonds bear an interest rate of between 5% and 5.5% with varying annual principal payments beginning August 1, 2017 and semi-annual interest payments beginning August 1, 2014. The final principal and interest payment is due August 1, 2031.

In order to fully refund the Series 2002 revenue bonds, the Salinas Valley Solid Waste Authority made a debt service fund contribution of \$848,859 and a debt service reserve fund contribution of \$2,829,714. Unamortized Series 2002 bond issuance costs were \$252,002 at the date of refunding.

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Additionally, on January 28, 2014, Salinas Valley Solid Waste Authority issued Taxable bonds (Series 2014B) with a par value of \$3,575,000. These bonds were sold at par. The purpose of the issuance of these bonds was to refund the Authority's 1997 Installment Purchase Agreement. The balance of the 1997 Installment Purchase Agreement refunded was \$3,287,588. The Series 2014B bonds bear an interest rate of between .990% and 4.841% with varying annual principal payments beginning August 1, 2014 and semi-annual interest payments beginning August 1, 2014. The final principal and interest payment is due August 1, 2023.

The annual debt service requirements for the 2014A (AMT) Refunding Revenue Bond are as follows:

2014A (AMT) Refunding Revenue Bond			
Fiscal Year Ended June 30,	Principal	Interest	Total
2016	\$ -	\$ 1,475,125	\$ 1,475,125
2017	-	1,475,125	1,475,125
2018	145,000	1,471,500	1,616,500
2019	1,265,000	1,436,250	2,701,250
2020	1,330,000	1,371,375	2,701,375
2021-2025	8,200,000	5,749,125	13,949,125
2026-2030	11,665,000	3,044,663	14,709,663
2031-2032	5,210,000	290,400	5,500,400
	<u>\$ 27,815,000</u>	<u>\$ 16,313,563</u>	<u>\$ 44,128,563</u>

The annual debt service requirements for the 2014B (Taxable) Refunding Revenue Bond are as follows:

2014B (Taxable) Refunding Revenue Bond			
Fiscal Year Ended June 30,	Principal	Interest	Total
2016	\$ 320,000	\$ 113,523	\$ 433,523
2017	325,000	107,695	432,695
2018	335,000	99,772	434,772
2019	345,000	89,728	434,728
2020	355,000	77,640	432,640
2021-2024	1,580,000	151,054	1,731,054
	<u>\$ 3,260,000</u>	<u>\$ 639,412</u>	<u>\$ 3,899,412</u>

Equipment Lease Payable:

The Equipment Lease is a capital lease for certain landfill equipment in the amount of \$3,670,000 for a term of 5 years. The first interest and principal payment is due June 30, 2015 and each year thereafter until June 30, 2020. The interest rate for this capital lease is 3.08%.

As of June 30, 2015, the Authority purchased \$3,427,674 in equipment under this capital lease. The equipment under this capital lease is included in machinery and equipment. Amortization of this equipment is included in depreciation expense.

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The annual debt service requirements are as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 700,453	\$ 97,141	\$ 797,594
2017	722,193	75,401	797,594
2018	744,608	52,986	797,594
2019	767,718	29,876	797,594
2020	392,749	6,049	398,798
	<u>\$ 3,327,721</u>	<u>\$ 261,453</u>	<u>\$ 3,589,174</u>

Other Long Term Payable:

The other long term liabilities include Other Post Employee Benefits as required by GASB Statement No. 45. This liability is for the employer's portion of medical insurance benefits for retirees from the Salinas Valley Solid Waste Authority.

The amounts accrued for Closure Payable and Postclosure Payable are mandated by the California Department of Resources, Recycling, and Recovery. This is the estimated liability for closing and maintaining for 30 years after closure the landfills of the Salinas Valley Solid Waste Authority.

**9. Unamortized Bond Premium:**

The refunding bonds Series 2014A was sold at a premium of \$2,254,049. The premium is being amortized over the life of the bond issue.

The following is a summary of the 2014 Revenue Bonds unamortized premium at June 30, 2015:

	<u>June 30, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2015</u>
Revenue Bonds, Series 2014	\$ 2,254,049	\$ -	\$ (189,331)	\$ 2,064,718

Total bonded debt outstanding at June 30, 2015 net of the unamortized bond premium is as follows:

Bonds payable	\$ 31,075,000
Add unamortized bond issue premium	<u>2,064,718</u>
Net bonds payable	<u>\$ 33,139,718</u>

**10. Landfill Closure and Postclosure Requirements:**

The Salinas Valley Solid Waste Authority operates a solid waste disposal system serving the waste shed of the cities of Salinas, Gonzales, Greenfield, Soledad and King, and the eastern and southern portions of the unincorporated area of Monterey County. The system currently consists of one active landfill (Johnson Canyon), two transfer stations (Sun Street and Jolon Road) and three closed landfills (Lewis Road, Jolon Road and Crazy Horse).

The landfills are regulated by the California Department of Resources, Recycling, and Recovery (CalRecycle) which requires the Authority to set-aside funds annually for landfill closure and to fund postclosure maintenance for at least 30 years after closure. On June 19, 1998, the CalRecycle, approved the Authority's financial assurance mechanisms for closure and postclosure maintenance for the Authority's four landfills. Since then, the CalRecycle and the Authority have agreed to the financial assurance mechanism for corrective action for the Jolon Road, Johnson Canyon and

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Crazy Horse Landfills. The State found that the Enterprise Fund and Pledge of Revenue Agreement met the requirements of Title 27 of the California Code of Regulations and Federal Title 40 regulations. Under the terms of these agreements the Authority is to annually set-aside funds for the closure of the landfills. The postclosure maintenance and corrective action costs will be funded on a pay-as-you go basis when they are actually incurred and are secured by a pledge of revenue.

Closure costs are determined and funded annually based on landfill capacity used. Although postclosure maintenance costs will be paid near or after the date that the landfills stop accepting waste, the Authority reports a portion of these costs as an operating expense in each period based on landfill capacity used as of each Statement of Net Position date.

Postclosure maintenance costs are based on the level of service required to protect the environment during the postclosure period. These include the cost of equipment and facilities, such as leachate collection systems and final cover maintenance. Postclosure care costs extend over a 30 year period of time. For this reason, it is likely there will be unforeseen repair or replacement costs during the postclosure period. Some of these variances are due to changes in technologies, changes in operational conditions and physical changes at the landfills. Estimated current costs of closure and postclosure care are evaluated annually as required by Generally Accepted Accounting Principles (GAAP). The results of the annual evaluation can increase or decrease closure and postclosure costs depending on the various components here described.

The system estimated capacity at June 30, 2015 is presented as follows:

	<u>Johnson Canyon</u>
Permitted Capacity (cu. yd.)	12,566,162
Cumulative Capacity Used (cu. yd.)	<u>(1,941,778)</u>
Remaining Capacity (cu. yd.)	<u><u>10,624,384</u></u>

System Capacity:

As of June 30, 2015, the Authority has 84.55% of its system capacity remaining. System capacity is based on the capacity of the one active landfill, Johnson Canyon. During the fiscal year ended June 30, 2015, the Authority landfilled a total of 175,923 tons of solid waste. As of June 30, 2015 the Authority has 46 years remaining landfill capacity.

Johnson Canyon Landfill:

On February 1, 2008, Johnson Canyon was granted a revised permit by the California Integrated Waste Management Board increasing its landfill capacity. The site capacity estimates and closure and postclosure costs were revised as part of the permit process. Johnson Canyon Landfill has capacity to the year 2060 based on remaining capacity and current in-place density per 2015 calculations.

Closed Landfills:

Crazy Horse Landfill closed on May 31, 2009. It is now undergoing the closure process.

Jolon Road Landfill is accepting waste only as a transfer station. The landfill was closed in October 2007. No refuse is being landfilled on this site.

Lewis Road Landfill is a closed landfill. No refuse is being landfilled on this site.

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**Closure and Postclosure Maintenance Costs:**

Estimated closure and postclosure maintenance costs and amounts set-aside for closure as of June 30, 2015, are presented as follows:

	June 30, 2015				
	Total	Crazy Horse	Johnson Canyon	Lewis Road	Jolon Road
Estimated:					
Closure Cost	\$ 14,819,381	\$ 231,141	\$ 14,588,240	\$ -	\$ -
Postclosure Maintenance Cost	15,491,871	11,294,634	2,269,696	772,151	1,155,390
Total Estimated	<u>\$ 30,311,252</u>	<u>\$ 11,525,775</u>	<u>\$ 16,857,936</u>	<u>\$ 772,151</u>	<u>\$ 1,155,390</u>
Expense (Income):					
Closure	\$ (10,795)	\$ 5,349	\$ (16,144)	\$ -	\$ -
Postclosure Maintenance	(256,822)	166,916	(454,442)	13,120	17,584
Total Expense (Income)	<u>\$ (267,617)</u>	<u>\$ 172,265</u>	<u>\$ (470,586)</u>	<u>\$ 13,120</u>	<u>\$ 17,584</u>
Outstanding Liability:					
Closure	\$ 2,485,378	\$ 231,140	\$ 2,254,238	\$ -	\$ -
Postclosure Maintenance	13,572,898	11,294,634	350,723	772,151	1,155,390
Total Liability	<u>\$ 16,058,276</u>	<u>\$ 11,525,774</u>	<u>\$ 2,604,961</u>	<u>\$ 772,151</u>	<u>\$ 1,155,390</u>
Assets Set-Aside for Closure-Cash	<u>\$ 3,295,050</u>	<u>\$ -</u>	<u>\$ 3,295,050</u>	<u>\$ -</u>	<u>\$ -</u>
Cash over/(under) Closure Liability	<u>\$ 809,672</u>	<u>\$ (231,140)</u>	<u>\$ 1,040,812</u>	<u>\$ -</u>	<u>\$ -</u>

The closure and post closure payables were recalculated on December 22, 2014 as part of the Joint Technical Document, Johnson Canyon Landfill estimated closure costs increased \$5,590,828 as a result of the revised capacity and CalRecycle inflation factor of 1.5%. After taking into account the capacity used at the landfill, the Authority recognized a closure income of \$16,144 for Johnson Canyon.

Johnson Canyon Landfill estimated postclosure costs decreased \$921,132 as a result of the CalRecycle inflation factor of 1.5% and recalculation. After taking into account the remaining capacity of the landfill, the Authority recognized a postclosure income of \$454,442.

The postclosure maintenance liability of \$13,572,898 will be funded from future revenues as expenditures take place.

**11. Deferred Compensation Plan:**

Effective July 1, 2004, the Authority established a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Small Business Job Protection Act of 1996 requires the establishment of a trust or similar vehicle to ensure that the assets of the deferred compensation plans under the Internal Revenue Code Section 457 are protected and used exclusively for the benefit of plan participants and/or their beneficiaries. All employees are eligible to participate through voluntary salary reduction. The Authority's adopted Plan Document includes the provision for such a Trust. The existence of the trust does little to change the Plan structure except to add a layer of protection for money set aside for the employee against claims of the Employer's creditors.

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The Authority's deferred compensation plan is administered by the ICMA Retirement Corporation. The ICMA Deferred Compensation plan has a balance of \$651,303 as of June 30, 2015. Since these funds are held by the ICMA Retirement Corporation under a trust arrangement for the benefit of the employees, these funds are not reported on the financial statements.

**12. Retirement Programs:**

**A. General Information about the Pension Plan**

**Plan Description:** All qualified employees are eligible to participate in the Authority's Miscellaneous Employee Pension Plan, cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees Retirement System (CalPERS). The Authority selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

**Benefits Provided:** CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. The Authority entered into a contract with CalPERS effective July 1, 2004, to provide 2% at 55 for Local Miscellaneous Members. All CalPERS participant benefits vest after five years of service. Miscellaneous employees under CalPERS who retire at or after age 55 with five years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount that varies from 2% at age 55 to a maximum 2.418% at age 63, of the single highest year's salary for each year of credited service.

The Plans' provisions and benefits in effect at June 30, 2015, are summarized as follows:

	Miscellaneous
Benefit formula	2% @ 55
Benefit vesting schedule	5 years service
Benefit payments	monthly for life
Retirement age	55-63
Monthly benefits, as a % of eligible compensation	2%-2.418%
Required employee contribution rates	7%
Required employer contribution rates	11.435%

**Contributions:** Section 20814(c) of the California Public Employee's Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Funding contributions are determined annually on an actuarial basis as of June 30 by CalPERS. 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 contribute rate of employees.

For the year ended June 30, 2015, the contributions recognized as part of pension expense for each Plan were as follows:

	Miscellaneous
Contributions - employee	\$ 183,175
Contributions - employer	285,581

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**B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions**

As of June 30, 2015, the Authority reported net pension liabilities for its proportionate share of the net pension liability as follows:

	Proportionate Share of Net Pension Liability
Authority's Miscellaneous Plan	\$ 670,697
Total Net Pension Liability	\$ 670,697

The Authority's net pension liability is measured as the proportionate share of the net pension liability. The net pension liability is measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. The Authority's proportion of the net pension liability was based on a projections of the Authority's long-term share of contributions to the pension plans relative to the projected contributions for all participating employers, actuarially determined. The Authority's proportionate share of the net pension liability as of June 30, 2013 and 2014 was a follows:

	Miscellaneous
Proportion - June 30, 2013	NA (1)
Proportion - June 30, 2014	0.01078%

(1) Historical information is not required before measurement periods for which GASB 68 is applicable

For the year ended June 30, 2015, the Authority recognized pension expense of \$180,489. At June 30, 2015, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Classic plan contributions subsequent to measurement date	\$ 264,022	\$ -
Changes in assumption	-	-
Adjustment due to differences in proportions	-	(111,530)
Net difference between projected and actual earnings on plan investments	-	(229,490)
CalPERS PEPRA Plan employer contribution	21,559	-
Total	\$ 285,581	\$ (341,020)

\$341,020 reported as deferred inflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016.

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Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30		
2016	\$	(97,205)
2017		(97,205)
2018		(89,239)
2019		(57,371)
Thereafter		-
Total	\$	<u>(341,020)</u>

**Actuarial Assumptions:** For the measurement period ended June 30, 2014, the total pension liabilities were determined by rolling forward the June 30, 2013 total pension liability. The June 30, 2013 and June 30, 2014 total pension liabilities were based on the following actuarial methods and assumptions:

	Miscellaneous
Valuation Date	June 30, 2013
Measurement Date	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions	
Discount Rate	7.5%
Inflation	2.75%
Payroll Growth	3.0%
Projected Salary Increase	(1)
Investment Rate of Return	7.5% (2)
Mortality	(3)

(1) Depending on age, service and type of employment

(2) Net of pension plan investment expenses, including inflation

(3) Derived using CalPERS' Membership Data for all Funds. The mortality tables used were developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details, please refer to the CalPERS website

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website.

**Discount Rate:** The discount rate used to measure the total pension liability was 7.50% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculations is not necessary. The long term expected discount rate of 7.50 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.



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According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalPERS is schedule to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of 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 as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	12.0%	6.83%	6.95%
Real Estate	11.0%	4.50%	5.13%
Infrastructure and Forestland	3.0%	4.50%	5.09%
Liquidity	2.0%	-0.55%	-1.05%
Total	100%		

(a) An expected inflation of 2.5% used for this period

(b) An expected inflation of 3.0% used for this period

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**Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate:** The following presents the Authority's proportionate share of the net pension liability for each Plan, calculated using the discount rate of each Plan, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Miscellaneous
1% Decrease	6.50%
Net Pension Liability	\$ 1,202,906
Current Discount Rate	7.50%
Net Pension Liability	\$ 670,699
1% Increase	8.50%
Net Pension Liability	\$ 229,018

**Pension Plan Fiduciary Net Positions:** Detailed information about each plan's fiduciary net position is available in the separately issued CalPERS financial reports.

**13. Other Post Employment:**

Annual OPEB Costs and Net OPEB Obligation:

The Authority funds the payment of current retirees health costs on a pay-as-you go basis. For the fiscal year ended June 30, 2015, the Authority's pay-as-you-go contributions for health care benefits for retirees are \$800. There was 1 retiree on the health insurance plan.

Postemployment Healthcare Plan:

The Authority's annual Other Post Employment Benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The components of the Authority's annual OPEB costs for the year, the amount actually contributed to the plan, and changes in the Authority's net OPEB obligation (NOO) for the years ended June 30, 2015 and June 30, 2014 are as follows:

	June 30, 2015	June 30, 2014
Annual required contribution	\$ 73,800	\$ 68,500
Interest on net OPEB obligation	12,300	9,400
Adjustments to net OPEB obligation	(13,500)	(10,000)
Annual OPEB expense	72,600	67,900
Contribution under "pay-as-you-go"	(800)	(800)
Payment for CalPers	(800)	(800)
Increase in OPEB obligation	71,800	67,100
Net OPEB obligation - beginning of year	289,020	221,920
Net OPEB obligation - end of year	\$ 360,820	\$ 289,020

**SALINAS VALLEY SOLID WASTE AUTHORITY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

The Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for year ended June 30, 2015 and the preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2015	\$ 72,600	1.10%	\$ 360,820
6/30/2014	\$ 67,900	1.18%	\$ 289,020
6/30/2013	\$ 63,500	0.91%	\$ 221,920

**Funded Status and Funding Progress:**

As of June 30, 2012, the most recent actuarial valuation date, the plan was unfunded. The actuarial accrued liability for benefits as well as the unfunded actuarial accrued liability (UAAL) was \$234,100. The covered payroll (annual payroll of active employees covered by the plan) was \$2,252,000 and the ratio of the UAAL to the covered payroll was 10.4%. The plan has no segregated assets.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are about the future. The Schedule of Funding Progress, presented as Required Supplementary Information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**Actuarial Methods and Assumptions:**

In the June 30, 2012 actuarial valuation, the actuarial cost method used is Entry Age Normal (EAN) cost method. Under the EAN cost method, the plan's Normal Cost is developed as a level percent of payroll throughout the participants' working lifetime. Entry age is based on current age minus years of service. The Actuarial Accrued Liability (AAL) is the cumulative value on the valuation date of prior Normal Cost. For the retirees, the AAL is the present value of all projected benefits. The Unfunded AAL is being amortized as a level dollar closed 30 year basis, as a level percent of payroll with a remaining amortization period at June 30, 2015 for 27 years. GASB 45 requires the interest rate to represent the underlying expected return for the source of funds used to pay benefits. The actuarial methods and assumptions included 4.25% interest rate, representing the long term expected rate of return on the Authority's pooled investments. Annual inflation assumed to increase at 3% per annum and Aggregate Payroll assumed to increase at 3.25% per annum. The study also used assumptions for the salary merit and longevity increases, and demographic assumptions such as mortality withdrawal, and disability based on CalPERS 1997-2007 Experience Study. Retirement assumption was also based on CalPERS 1997-2002 Experience Study of the Miscellaneous Plan 2.0% at 55 years, with expected retirement age of approximately 62.78.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued

SALINAS VALLEY SOLID WASTE AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015

liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

**14. Concentrations:**

The Authority received 68.8% of its Charges for Services (tipping fees) from two haulers: Republic Services, Inc. and Waste Management, Inc. These two haulers comprised approximately \$990,192 (73.4%) of accounts receivable balances at June 30, 2015. A major reduction in revenue from any of the above sources may have a significant effect on the future operations of the Authority, however this is very unlikely.

Under the Waste Delivery Agreements that support the Revenue Bonds and under the Joint Powers Agreement, establishing the Authority, each member agency is required to direct all garbage to Authority facilities. They do this by means of the Franchise Agreements with their respective haulers. Republic Services, Inc. serving the City of Salinas, and Waste Management, Inc. serving Unincorporated Monterey County and the City of King, are required to bring their garbage and yard waste to Authority facilities.

**15. Commitments and Contingencies:**

USA Waste, Inc. Long-Term Contract:

As part of the Settlement Agreement and Release on the Jolon Road litigation, the Authority entered into an Amended and Restated Operating Agreement for the Jolon Road Transfer Station. The initial term of this Amended Agreement commenced on June 3, 2004 and ends on September 1, 2016, however, the contract allows for up to three (3) additional one-year renewal terms.

Effective June 1, 2015, the base compensation consists of a fuel component of \$2,323 and a non-fuel component of \$57,910. The base compensation is adjusted annually on the anniversary date of the Amended Agreement based on changes in the Retail On-Highway Diesel Prices and Consumer Price Index. The basic contract terms at June 30, 2015, were as follows:

<u>Contract Ending Date</u>	<u>Service</u>	<u>Basic Annual Fee</u>	<u>Future Minimum Contractual Amount</u>
9/1/2016	Jolon Road Transfer Station	\$ 722,798	\$ 843,264

Lease Obligations:

On October 19, 2006, the Authority entered into a ten year lease commencing January 1, 2007, for office space at 128 Sun Street in Salinas. Effective January 1, 2012, the current monthly lease payments are \$7,194. The lease has an option to extend for two five-year periods.

The future minimum lease payments through December 2016 are as follows:

<u>Year Ended June 30</u>	<u>Amount</u>
2016	\$ 86,328
2017	43,165
	<u>\$ 129,493</u>

**SALINAS VALLEY SOLID WASTE AUTHORITY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Risk Management:**

The Authority is exposed to various risks of losses related to torts, theft of, damage to, and destruction of assets, errors, and omissions, injuries to employees, and natural disasters. Effective July 1, 2013 the Authority has purchased worker's compensation insurance through the State Compensation Insurance Fund for its employees. The Authority has the following commercial insurance policies:

Coverage	Detail	Limits	Deductible
Environmental impairment liability	Per occurrence	\$ 10,000,000	\$ 25,000
Additional pollution liability limited occurrence		1,000,000	10,000
General liability	Aggregate	1,000,000	-
Automobile liability	Per accident	1,000,000	1,000
Property damage	Per occurrence	3,650,565	5,000
Public officials/employment practices	Each act	1,000,000	10,000
Excess liability	Each act	5,000,000	-
Crime	-	1,000,000	5,000
Equipment Floater	-	10,000,000	5,000

There have been no significant reductions in any insurance coverage, nor have there been any insurance related settlements that exceeded insurance coverage during the past three fiscal years.

**Corrective Action Plan:**

The California Code of Regulations requires landfill owners and operators to demonstrate the availability of financial resources to conduct corrective action activities for all known or reasonably foreseeable releases of contaminants from the disposal facility affecting water quality.

The Authority has conducted studies to determine the site remediation cost to mitigate those releases. These cost estimates are incorporated into the Final Closure and Postclosure Maintenance Plan for each of the landfills. These amounts have been reviewed and approved by CalRecycle and the Regional Water Quality Control Board.

The estimated cost of capital improvements and operations and maintenance costs to mitigate a potential release of contaminants at the Authority landfills is estimated as follows:

Landfill - Action	Capital Improvements	Maintenance	Total	Contingency
Johnson Canyon	\$ 385,106	\$ 377,220	\$ 762,326	\$ -
Crazy Horse	2,908,200	6,583,500	9,491,700	-
Jolon Road	-	1,302,000	1,302,000	-
Lewis Road	122,700	226,000	348,700	35,000
Total Corrective Actions	\$ 3,416,006	\$ 8,488,720	\$ 11,904,726	\$ 35,000

The capital improvements costs are one-time costs. The maintenance costs are the total estimated cost ranging from 18 years for Lewis Road to 56 years for Johnson Canyon. If there should be a release at one of the landfill sites the Authority would have to spend up to the amounts shown on capital improvements. If the capital improvements have to be completed, the Authority would be obligated to spend the maintenance amounts shown on the table for maintenance of the improvements.

SALINAS VALLEY SOLID WASTE AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015

These amounts have not been recorded as a liability because while some releases are possible, they are not considered probable or if they are considered probable, they are not sufficiently measureable.

**16. Related Parties:**

The Authority entered into a MOU with the City of Gonzales for mitigation issues for hosting the landfill, under this agreement, the Authority will pay the City \$20,833 per month commencing on the date of closure of the Crazy Horse landfill until the initial landfill expansion is entirely filled up by disposed solid waste.

**17. Restricted Net Position:**

At June 30, 2015, the statement of net position reports restricted net position of \$1,101,582. None of the net positions are restricted by enabling legislation. This consists of \$61,684 of unspent grant monies, \$242,326 per lease agreement, and \$797,572 for closure reserve.

**18. Net Position:**

Deficit Net Investment in Capital Assets:

The deficit of \$6,007,513 in Net Investment in Capital Assets is the result of the Authority issuing 30-year debt to purchase and improve assets that depreciated at a much faster rate than the debt is being repaid. Three of the Authority's landfills are closed and fully depreciated, however, the debt associated with those assets will not be paid in full until 2032.

Unrestricted Net Deficit:

The deficit of \$3,327,967 in Unrestricted Net Deficit is the result of accrued operating expenses such as postclosure that will be paid from future revenues. Per Board policy tipping fees are set at an amount such that postclosure maintenance is funded on a pay-as-you-go basis. Thus far, \$13,572,898 in operating expenses has been accrued as a long term liability which will be funded over the next 30 years from tipping fees. This is in accordance with the Pledge of Revenue that is part of the Financial Assurances agreement between the Authority and CalRecycle.

**19. Bond Rate Covenant:**

Pursuant to the Master Indenture of the Revenue Bonds, Series 2014, the Authority has agreed, at all times while any of the Bonds remain outstanding, to set fees and charges and manage operations so as to yield Net Revenues during the fiscal year equal to at least one hundred fifteen percent (115%) of the bond's annual debt service for the fiscal year.

This calculation is based on Net Revenues as described in the Master Indenture. The calculation is based on operating income increased by investment earnings on all funds other than bond project funds and reduced by postclosure expense, depreciation and amortization, all non-cash items. At June 30, 2015, the calculation is 268%.

SALINAS VALLEY SOLID WASTE AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015

Net revenue available for debt service for the year ended June 30, 2015, is determined as follows:

**Salinas Valley Solid Waste Authority  
Debt Service Coverage Ratio Calculations  
Fiscal year ended June 30, 2015**

Revenues	
Operating revenues	\$ 16,795,395
Interest not on Project funds	36,631
Revised Revenues	<u>16,832,026</u>
Maintenance & Operations Costs	
GAAP Operating Expenses	12,446,882
Less the following items per Master Indenture	
Postclosure maintenance	256,822
Closure	10,795
Depreciation	(1,180,131)
Add Postclosure liability being paid	
Lewis Road	115,654
Jolon Road	<u>34,437</u>
Revised Maintenance and Operations Expenses per Master Indenture	<u>11,684,459</u>
Net Revenues	<u>\$ 5,147,567</u>
Debt service on 2014 Bond	<u>\$ 1,920,876</u>
<b>Debt Service Coverage Ratio</b>	<b>268%</b>

**20. Prior Period Adjustment:**

**Bond Refunding:**

A prior period adjustment of \$1,004,348 was made to increase the Authority's beginning net position. The adjustment was made due to prior period interest being overstated related to the bond refunding for the year ended June 30, 2014. In addition, the Authority adjusted its balance sheet as of June 30, 2014 for the deferred outflow resources related to this bond refunding of \$502,174.

The restatement of beginning net position is summarized as follows:

Net position at July 1, 2014, as previously stated	\$(11,242,664)
Interest expense, prior period adjustment	<u>1,004,348</u>
Net position at July 1, 2014, as restated	<u>\$(10,238,316)</u>

**Pension Liabilities:**

As part of implementing the requirements of GASB statements 68 and 71, the Authority adjusted its beginning net position as of July 1, 2014 for the portion of pension liability attributable to periods before the year ended June 30, 2014. A pension liability of \$921,577 and deferred outflow of resources related to pension contributions of \$90,347 were recorded as prior year adjustments. This resulted in a net decrease to net position of \$831,230. This adjustment was recorded prospectively, as it was not practical for management to attempt to estimate pension expense for prior years.

SALINAS VALLEY SOLID WASTE AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015

**21. Subsequent Events:**

Date of Management Review:

Management has evaluated subsequent events through November 4, 2015, the date which these financial statements were available to be issued.



SALINAS VALLEY SOLID WASTE AUTHORITY  
REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2015

Cost Sharing Defined Benefit Pension Plan  
As of June 30, 2015

Last 10 Years\*

Schedule of the proportionate share of the net pension liability and related ratios as of measurement date

	Authority's Miscellaneous Plan June 30, 2015
Plan's proportions of the net pension liability (asset)	0.01078%
Plan's proportionate share of the net pension liability (asset)	\$670,697
Plan's covered - employee payroll	\$2,418,312
Plan's proportionate share of the net pension liability (asset) as percentage of its covered-employee payroll	27.73%
Plan's proportionate fiduciary net position	\$3,341,028
Plan's proportionate share of fiduciary net position as a percentage of the total pension liability	83.28%

**SALINAS VALLEY SOLID WASTE AUTHORITY  
REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2015**

Cost Sharing Defined Benefit Pension Plan  
As of June 30, 2015  
Last 10 Years\*  
Schedule of contributions

	June 30, 2015
Contractually required contribution (actuarially determined)	\$ 263,516
Contributions in relation to the actuarially determined contributions	(263,516)
Contribution deficiency (excess)	\$ -
Covered-Employee Payroll	\$ 2,418,312
Contributions as a percentage of covered-employee payroll	10.9%

**Notes to Schedule**

Valuation date: 6/30/2013

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll
Remaining amortization period	30 years
Asset valuation method	Market value
Inflation	2.75%
Salary increases	3.00%
Individual salary growth	3.3%-14.2%, depending on age, service and type of employment
Investment rate of return	7.75%, net of pension plan investment and administrative expenses; includes inflation
Retirement age	55-63
Mortality	Derived using CalPERS' Membership Data for all Funds

\* - Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

SALINAS VALLEY SOLID WASTE AUTHORITY  
REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2015

Postemployment Health Insurance Benefits Plan  
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Accrued Liability (AAL) - Entry Age (a)	Actuarial Value of Assets (b)	Unfunded AAL (UAAL) (a-b)	Funded Ratio (b/a)	Covered Payroll ( c )	UAAL as a Percentage of Covered Payroll ((a-b)/c)
6/30/2009	\$ 84,600	\$ -	\$ 84,600	0.00%	\$ 2,096,000	4.04%
6/30/2012	\$ 234,100	\$ -	\$ 234,100	0.00%	\$ 2,252,000	10.40%

Note: Fiscal year 2010 was the year of implementation of GASB No. 45 and the Authority elected to implement prospectively, therefore, prior year comparative data is not available. The Authority is required to have a valuation triennially.

## **STATISTICAL SECTION**

# SALINAS VALLEY SOLID WASTE AUTHORITY

## Index to Statistical Section

This part of the Authority's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statement, note disclosures, and required supplementary information says about the Authority's overall financial health.

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**Debt Capacity** - These schedules present information to help the reader assess the affordability of the Authority's current level of outstanding debt and the Authority's ability to issue additional debt in the future.

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Salinas Valley Solid Waste Authority  
Net Position (unaudited)  
Last Ten Years  
(accrual basis of accounting)

Description	(As Restated)									
	06/30/06	06/30/07	06/30/08	06/30/09	06/30/10	06/30/11	06/30/12	06/30/13	06/30/14	06/30/15
Net investment in capital assets	\$ (5,519,727)	\$ (16,391,014)	\$ (16,102,591)	\$ (12,533,301)	\$ (9,445,282)	\$ (9,560,964)	\$ (8,493,008)	\$ (8,341,693)	\$ (6,400,056)	\$ (6,007,513)
Restricted	10,835,323	12,208,279	13,379,080	6,876,058	2,820,700	2,820,700	3,438,482	3,419,936	426,877	1,101,582
Unrestricted	(6,915,911)	(1,373,007)	(2,885,990)	(5,894,727)	(3,798,683)	(3,496,327)	(5,024,860)	(5,342,702)	(4,265,137)	(3,327,967)
Total Net Position	\$ (1,600,315)	\$ (5,555,742)	\$ (5,609,501)	\$ (11,551,970)	\$ (10,423,265)	\$ (10,236,591)	\$ (10,079,386)	\$ (10,264,459)	\$ (10,238,316)	\$ (8,233,898)

Note: The Authority adopted Governmental Accounting Standards Board (GASB) Statement No. 34 in fiscal year 2003.

Data Source: Salinas Valley Solid Waste Authority Finance Division

Salinas Valley Solid Waste Authority  
Changes in Net Position (unaudited)  
Last Ten Years  
(accrual basis of accounting)

Description	06/30/06	06/30/07	06/30/08	06/30/09	06/30/10	06/30/11	06/30/12	06/30/13	(As Restated) 06/30/14	06/30/15
Changes in Net Position:										
Operating Revenues (see Schedule 2)	\$ 14,809,642	\$ 15,295,892	\$ 15,706,134	\$ 15,298,739	\$ 16,135,595	\$ 15,070,564	\$ 15,273,792	\$ 15,980,945	\$ 18,244,947	\$ 16,795,395
Operating Expenses (see Schedule 3)	12,944,909	14,589,056	12,244,092	17,370,851	12,610,300	11,720,409	12,554,260	12,837,292	13,245,635	11,266,751
Depreciation and amortization	855,321	2,519,469	1,979,453	2,411,454	552,132	566,286	698,156	1,359,411	1,412,742	1,180,131
Operating income(loss)	1,009,412	(1,812,633)	1,482,589	(4,483,566)	2,973,163	2,783,869	2,021,376	1,784,242	3,586,570	4,348,513
Non-operating revenue(expenses)										
Interest income	1,219,357	1,498,000	1,397,018	764,812	289,760	233,541	52,658	39,180	28,013	36,631
Gain(loss) on disposition of capital assets	(50,512)	(1,437,223)	-	-	-	(848,017)	-	-	-	-
Interest expense	(2,352,878)	(2,310,063)	(2,265,802)	(2,225,196)	(2,177,895)	(2,132,513)	(2,085,322)	(2,026,114)	(1,724,013)	(1,557,530)
Grant income	-	-	-	-	-	-	-	-	-	-
Other revenue(expense), net	146,499	106,492	(667,564)	1,481	43,678	149,793	168,493	17,619	-	-
Rental Income	-	-	-	-	-	-	-	-	9,914	6,191
Finance Charges	-	-	-	-	-	-	-	-	8,180	1,843
Cost of bond issuance	-	-	-	-	-	-	-	-	(561,881)	-
Total non-operating revenue(expense), net	(1,037,534)	(2,142,794)	(1,536,348)	(1,458,903)	(1,844,457)	(2,597,196)	(1,864,171)	(1,969,315)	(2,239,787)	(1,512,865)
Change in net assets	\$ (28,122)	\$ (3,955,427)	\$ (53,759)	\$ (5,942,469)	\$ 1,128,706	\$ 186,673	\$ 157,205	\$ (185,073)	\$ 1,346,783	\$ 2,835,648
Net assets by component:										
Net investment in capital asset	\$ (5,519,727)	\$ (16,391,014)	\$ (16,102,591)	\$ (12,533,301)	\$ (9,445,282)	\$ (9,560,964)	\$ (8,493,008)	\$ (8,341,693)	\$ (6,400,056)	\$ (6,007,513)
Restricted for debt service	2,821,420	2,821,882	2,821,862	2,820,700	2,820,700	2,820,700	2,820,700	2,820,700	-	-
Restricted for grant	-	-	-	-	-	-	112,906	196,309	69,427	61,684
Restricted per lease agreement	-	-	-	-	-	-	-	-	-	242,326
Restricted for capital projects	8,813,993	8,745,386	8,149,009	4,055,358	-	-	-	-	-	-
Restricted for closure reserve	(800,090)	641,011	2,408,209	-	-	-	504,876	402,927	357,450	797,572
Unrestricted	(6,915,911)	(1,373,007)	(2,885,990)	(5,894,727)	(3,798,683)	(3,496,327)	(5,024,860)	(5,342,702)	(4,265,137)	(3,327,967)
Total Net Position	\$ (1,600,315)	\$ (5,555,742)	\$ (5,609,501)	\$ (11,551,970)	\$ (10,423,265)	\$ (10,236,591)	\$ (10,079,386)	\$ (10,264,459)	\$ (10,238,316)	\$ (8,233,898)

Note: The Authority adopted Governmental Accounting Standards Board (GASB) Statement No. 34 in fiscal year 2003.

Data Source: Salinas Valley Solid Waste Authority Finance Division

Salinas Valley Solid Waste Authority  
Operating Revenue by Source  
Last Ten Years  
(accrual basis of accounting)

Fiscal Year		Charges for Services		Sales of Materials		Operating Grants and Contributions		Total Operating Revenues
06/30/06	\$	14,774,920	\$	-	\$	34,722	\$	14,809,642
06/30/07		15,241,960		-		53,932		15,295,892
06/30/08		15,281,310		266,657		158,167		15,706,134
06/30/09		15,038,687		186,521		73,531		15,298,739
06/30/10		15,612,328		405,466		117,801		16,135,595
06/30/11		14,621,695		433,359		15,510		15,070,564
06/30/12		14,654,565		419,613		199,614		15,273,792
06/30/13		15,438,514		392,958		149,473		15,980,945
06/30/14		17,534,111		594,056		116,780		18,244,947
06/30/15		16,095,020		583,734		116,641		16,795,395

Data Source: Salinas Valley Solid Waste Authority Finance Division



Salinas Valley Solid Waste Authority  
Operating Expenses by Activity  
Last Ten Fiscal Years  
(accrual basis of accounting)

Fiscal Year	Personnel Services	Contractural Services	Operating Contracts	Supplies	Insurance	Building Rent	Taxes and Permits	Utilities	Closure/ Postclosure Maintenance	Hazardous Waste	Other	Total Operating Expenses
06/30/06	\$ 1,510,747	\$ 1,136,668	\$ 6,350,548	\$ 294,943	\$ 220,400	\$ 42,441	\$ 856,633	\$ 100,847	\$ 2,182,801	\$ 127,346	\$ 121,535	\$ 12,944,909
06/30/07	1,572,729	1,572,274	5,825,771	90,958	286,669	74,108	840,698	116,233	3,835,518	203,060	171,038	14,589,056
06/30/08	2,217,099	2,042,237	5,907,393	176,589	254,783	90,733	772,394	125,726	296,515	177,680	182,943	12,244,092
06/30/09	2,704,352	1,916,644	5,539,953	230,557	233,477	99,190	735,705	134,839	5,435,843	168,862	171,429	17,370,851
06/30/10	3,273,902	1,561,538	5,326,362	319,126	216,357	96,814	733,494	155,505	556,332	174,900	195,970	12,610,300
06/30/11	3,697,152	1,136,289	4,422,103	361,401	189,062	99,310	685,116	160,573	641,333	171,496	156,574	11,720,409
06/30/12	3,593,200	1,390,036	4,804,124	382,533	220,868	99,606	742,681	133,416	897,535	173,359	116,902	12,554,260
06/30/13	3,763,121	1,453,881	4,783,575	454,034	219,004	104,508	728,267	137,788	712,257	192,176	288,681	12,837,292
06/30/14	4,089,205	1,666,689	4,737,350	488,037	238,915	104,658	736,417	138,820	639,510	172,520	233,514	13,245,635
06/30/15	4,221,550	1,714,543	3,313,514	687,375	287,724	105,070	610,254	146,427	(267,617)	202,715	245,196	11,266,751

Data Source: Salinas Valley Solid Waste Authority Finance Division

Salinas Valley Solid Waste Authority  
Revenue Base  
Last Ten Fiscal Years

Fiscal Year	Solid Waste Landfilled (tons)
06/30/06	325,402
06/30/07	308,234
06/30/08	292,720
06/30/09	271,808
06/30/10	253,553
06/30/11	250,683
06/30/12	236,248
06/30/13	236,521
06/30/14	242,788
06/30/15	175,923

Data Source: Salinas Valley Solid Waste Authority Finance Division

Salinas Valley Solid Waste Authority  
Revenue Rates  
Last Ten Fiscal Years

Tipping Fees	06/30/06	06/30/07	06/30/08	06/30/09	06/30/10	06/30/11	06/30/12	06/30/13	06/30/14	06/30/15
Tipping Fee	\$ 50.00	\$ 54.50	\$ 58.00	\$ 63.00	\$ 63.00	\$ 64.00	\$ 64.00	\$ 67.00	\$ 67.00	\$ 67.00
Surcharge on Salinas franchise waste	\$ -	\$ -	\$ -	\$ -	\$ 6.00	\$ 5.00	\$ 5.00	\$ 8.00	\$ 11.00	\$ 14.00
AB939 Fee (1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12.00	\$ 12.00

Data Source: Salinas Valley Solid Waste Authority Finance Division

Salinas Valley Solid Waste Authority  
Principal Customers  
Current Fiscal Year and Nine Years Ago

Customer	6/30/2015		Customer	6/30/2006	
	Tons Processed	Percentage of Total		Tons Processed	Percentage of Total
Republic Services Of Salinas	100,487	46.54%	Republic Services Of Salinas	131,330	34.91%
Recology South Valley	28,330	13.12%	Recology South Valley	89,536	23.80%
Waste Management - Madison Lane	15,606	7.23%	Waste Management	36,116	9.60%
Waste Management - Jolon Road	8,848	4.10%	Rural Dispose-All	32,334	8.59%
City Of Soledad	7,457	3.45%	City Of Soledad	7,611	2.02%
City Of Greenfield	7,320	3.39%	City Of Greenfield	6,688	1.78%
Rural Dispose-All	4,454	2.06%	Tri-Cities Disposal	5,394	1.43%
Tri-Cities Disposal	3,855	1.79%	City Of Gonzales	5,229	1.39%
City Of Gonzales	2,275	1.05%	Correctional Trn.Fac.Soledad	3,980	1.06%
Correctional Trn.Fac.Soledad	1,951	0.90%	Don Chapin Company	2,740	0.73%
All Other Customers	35,350	16.37%	All Other Customers	55,265	14.69%
Total Tons for All Customers	<u>215,933</u>	<u>100.00%</u>	Total Tons for All Customers	<u>376,223</u>	<u>100.00%</u>

Data Source: Salinas Valley Solid Waste Authority Finance Division

Salinas Valley Solid Waste Authority  
Ratio of Outstanding Debt  
Last Ten Fiscal Years

Total				
Fiscal Year	Amount (1)	Per Capita (2)	As a Share of Personal Income	
6/30/2006	\$ 61,456,927	\$ 153	0.37%	
6/30/2007	\$ 63,996,727	\$ 159	0.38%	
6/30/2008	\$ 61,607,943	\$ 152	0.36%	
6/30/2009	\$ 65,726,918	\$ 163	0.39%	
6/30/2010	\$ 64,595,160	\$ 156	0.38%	
6/30/2011	\$ 63,334,082	\$ 150	0.36%	
6/30/2012	\$ 55,791,466	\$ 131	0.30%	
6/30/2013	\$ 52,538,372	\$ 122	0.27%	
6/30/2014	\$ 54,209,880	\$ 127	N/A	
6/30/2015	\$ 53,557,232	N/A	N/A	

(1) Data Source: Salinas Valley Solid Waste Authority Finance Division

(2) Amount of debt divided by population as provided by U.S. Census Bureau - see Schedule 10 (Demographic Statistics)

Salinas Valley Solid Waste Authority  
Pledged-Revenue Coverage  
Last Ten Fiscal Years

Description	06/30/06	06/30/07	06/30/08	06/30/09	06/30/10	06/30/11	06/30/12	06/30/13	06/30/14	06/30/15
Operating Income (see Schedule 2)	\$ 1,009,412	\$ (1,812,633)	\$ 1,482,589	\$ (4,483,566)	\$ 2,973,163	\$ 2,783,869	\$ 2,021,376	\$ 1,784,242	\$ 3,586,570	\$ 4,348,513
Investment Earnings	1,219,357	1,498,000	1,033,793	650,090	289,760	233,541	52,658	39,180	28,013	36,631
Closure/Postclosure Expense	2,182,801	3,835,518	296,515	2,400,249	556,332	641,333	897,535	712,257	639,510	(267,617)
Lewis Rd Postclosure	-	-	(52,767)	(154,128)	(99,706)	(134,012)	(135,362)	(103,497)	(97,684)	(115,654)
Jolon Rd Postclosure	-	-	(25,064)	(38,081)	(37,209)	(35,581)	(21,935)	(29,946)	(29,657)	(34,437)
Depreciation and Amortization	855,321	2,519,469	1,979,453	2,411,454	552,132	566,286	698,156	1,359,411	1,412,742	1,180,131
Total	<u>\$ 5,266,891</u>	<u>\$ 6,040,354</u>	<u>\$ 4,714,519</u>	<u>\$ 786,018</u>	<u>\$ 4,234,472</u>	<u>\$ 4,055,436</u>	<u>\$ 3,512,428</u>	<u>\$ 3,761,647</u>	<u>\$ 5,539,494</u>	<u>\$ 5,147,567</u>
Annual Debt Service	<u>\$ 2,249,300</u>	<u>\$ 2,437,000</u>	<u>\$ 2,749,804</u>	<u>\$ 2,754,916</u>	<u>\$ 2,753,154</u>	<u>\$ 2,753,091</u>	<u>\$ 2,753,092</u>	<u>\$ 2,754,954</u>	<u>\$ 2,879,137</u>	<u>\$ 1,920,876</u>
Coverage Percentage	234%	248%	171%	29%	154%	147%	128%	137%	192%	268%
Required Percentage	115%	115%	115%	115%	115%	115%	115%	115%	115%	115%

Data Source: Salinas Valley Solid Waste Authority Finance Division

Salinas Valley Solid Waste Authority  
Demographic Statistics  
Last Ten Fiscal Years

Year	County of Monterey			
	Unemployment Rate (1)	Population (2)	Personal Income (000) (3)	Personal Income Per Capita (4)
06/30/06	5.3%	401,374	\$ 16,572,657	\$ 41,243
06/30/07	5.5%	402,116	\$ 17,065,338	\$ 42,411
06/30/08	6.4%	405,660	\$ 16,920,682	\$ 41,674
06/30/09	9.8%	410,370	\$ 16,724,481	\$ 40,765
06/30/10	10.3%	415,057	\$ 16,947,037	\$ 40,705
06/30/11	10.8%	421,898	\$ 17,678,701	\$ 41,958
06/30/12	10.0%	426,762	\$ 18,496,346	\$ 43,411
06/30/13	8.5%	429,123	\$ 19,233,171	\$ 44,851
06/30/14	7.1%	431,344	N/A	N/A
06/30/15	N/A	N/A	N/A	N/A

Data Sources:

- (1) California Employment Development Department; Labor Market Info Division
- (2) U.S. Census Bureau
- (3) U.S. Department of Commerce, Bureau of Economic Analysis (in thousands)
- (4) U.S. Department of Commerce, Bureau of Economic Analysis

Salinas Valley Solid Waste Authority  
Number of Businesses, Number of Employees, and Third Quarter Payroll by Size Category (Private Industry)  
Classified by North American Industry Classification System (NAICS) Codes for Metropolitan Statistical Areas (MSAs)

MSA and Industry	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>SALINAS MSA</b>									
Total									
No. of Businesses	11,543	11,614	11,822	11,770	11,895	12,022	11,167	11,717	11,038
No. of Employees	150,949	152,069	152,846	146,140	148,321	150,224	150,590	158,846	160,954
Payroll (in thousands)	\$1,275,051	\$1,337,691	\$1,376,250	\$1,283,014	\$1,341,043	\$1,406,250	\$1,450,657	\$1,507,712	\$1,565,332
<b>Agriculture</b>									
No. of Businesses	577	571	562	546	529	529	532	540	546
No. of Employees	51,097	52,341	54,430	54,635	56,258	58,401	60,673	62,874	66,033
Payroll (in thousands)	\$342,021	\$369,937	\$383,147	\$380,582	\$416,294	\$448,534	\$472,663	\$520,761	\$557,753
<b>Mining</b>									
No. of Businesses	9	8							
No. of Employees	201	195							
Payroll (in thousands)	\$3,742	\$3,828							
<b>Utilities</b>									
No. of Businesses	26	25	23	21	19	20	21	21	22
No. of Employees	569	553	508	500	482	557	868	872	763
Payroll (in thousands)	\$8,836	\$9,266	\$10,210	\$11,086	\$10,735	\$14,754	\$19,317	\$21,089	\$183,131
<b>Construction and Mining</b>									
No. of Businesses	1,012	990	967	930	866	824	787	825	857
No. of Employees	7,367	7,102	6,144	4,578	4,314	3,997	4,673	4,823	5,080
Payroll (in thousands)	\$80,519	\$81,155	\$76,843	\$59,777	\$54,275	\$51,117	\$58,685	\$62,188	\$65,513

(1) Data are confidential if there are fewer than 3 businesses in a category or one employer makes up 80 percent or more of the employment in a category.

(2) Data are suppressed because confidential data could be extrapolated if these totals were included.

(3) Data does not include totals for government employment.

(4) Data is reported at September 30 each year.

(5) Data for the mining industry is combined with the construction industry beginning in 2008.

(6) Rules instituted by the Federal Bureau of Labor Statistics after September 11, 2001, prohibit state departments of labor or economic security from publically identifying the names of individual employers.

(7) Information for 2015 not yet available.

Definitions of Terms and Source Notes

[www.labormarketinfo.edd.ca.gov/?pageid=1035](http://www.labormarketinfo.edd.ca.gov/?pageid=1035)



Salinas Valley Solid Waste Authority  
Number of Businesses, Number of Employees, and Third Quarter Payroll by Size Category (Private Industry)  
Classified by North American Industry Classification System (NAICS) Codes for Metropolitan Statistical Areas (MSAs)

MSA and Industry	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Manufacturing</b>									
No. of Businesses	281	269	251	255	256	244	248	265	267
No. of Employees	6,274	6,163	6,107	5,861	5,457	5,869	5,287	5,439	5,337
Payroll (in thousands)	\$65,346	\$64,045	\$62,187	\$56,038	\$57,445	\$66,066	\$63,429	\$59,826	\$60,774
<b>Wholesale Trade</b>									
No. of Businesses	429	420	400	402	391	377	377	368	411
No. of Employees	4,938	4,987	5,260	4,940	5,281	5,120	5,480	5,227	4,710
Payroll (in thousands)	\$69,628	\$72,518	\$78,282	\$74,947	\$79,735	\$83,299	\$88,422	\$92,922	\$59,857
<b>SALINAS MSA</b>									
<b>Retail Trade</b>									
No. of Businesses	1,330	1,288	1,267	1,221	1,227	1,200	1,195	1,175	1,358
No. of Employees	16,688	17,045	16,557	14,877	15,251	15,530	15,812	16,144	16,969
Payroll (in thousands)	\$120,907	\$123,776	\$123,551	\$107,453	\$111,004	\$122,602	\$120,195	\$120,072	\$114,448
<b>Transportation and Warehousing</b>									
No. of Businesses	248	250	248	241	239	227	230	239	240
No. of Employees	2,925	3,228	3,192	3,032	2,942	2,715	3,085	3,309	2,814
Payroll (in thousands)	\$28,644	\$34,632	\$36,789	\$34,856	\$36,081	\$36,164	\$37,895	\$40,049	\$26,107
<b>Information</b>									
No. of Businesses	116	105	107	98	106	99	102	102	119
No. of Employees	2,163	2,137	2,020	1,671	1,619	1,532	1,525	1,517	2,307
Payroll (in thousands)	\$33,618	\$35,998	\$31,248	\$24,735	\$23,894	\$24,061	\$23,229	\$23,947	\$31,249

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Salinas Valley Solid Waste Authority  
Number of Businesses, Number of Employees, and Third Quarter Payroll by Size Category (Private Industry)  
Classified by North American Industry Classification System (NAICS) Codes for Metropolitan Statistical Areas (MSAs)

MSA and Industry	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Finance and Insurance</b>									
No. of Businesses	389	398	390	363	367	363	345	333	375
No. of Employees	3,816	3,819	3,541	2,857	2,630	2,528	2,480	2,235	3,711
Payroll (in thousands)	\$63,144	\$69,518	\$77,659	\$47,648	\$46,824	\$43,452	\$46,190	\$43,238	\$50,791
<b>Real Estate and Rental and Leasing</b>									
No. of Businesses	445	420	400	393	386	360	369	380	428
No. of Employees	2,497	2,243	1,932	1,730	1,745	1,654	1,753	1,639	2,313
Payroll (in thousands)	\$22,315	\$21,402	\$17,392	\$15,087	\$15,752	\$17,044	\$17,891	\$18,071	\$20,400
<b>Services</b>									
No. of Businesses	6,681	6,870	7,207	7,300	7,509	7,779	6,989	7,469	6,415
No. of Employees	52,414	52,256	53,155	51,459	52,342	52,321	54,233	54,767	50,917
Payroll (in thousands)	\$436,331	\$451,616	\$478,942	\$470,805	\$489,004	\$499,157	\$502,741	\$505,549	\$395,309

Notes:

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Salinas Valley Solid Waste Authority  
Building Permits - County of Monterey  
Last Ten Fiscal Years

Fiscal Year	New Single Family Residence	Other Residential	Total Residential	Nonresidential	Total All Building Permits
06/30/06	195	753	948	2,639	3,587
06/30/07	257	711	968	2,326	3,294
06/30/08	261	671	932	2,027	2,959
06/30/09	67	511	578	1,539	2,117
06/30/10	72	973	1,045	1,139	2,184
06/30/11	71	1,655	1,726	408	2,134
06/30/12	111	1,711	1,822	355	2,177
06/30/13	118	1,578	1,696	522	2,218
06/30/14	119	1,958	2,077	338	2,415
06/30/15	204	2,340	2,544	452	2,996

Data Source: Monterey County Department of Building Services

Salinas Valley Solid Waste Authority  
Housing Stock - County of Monterey  
Last Ten Fiscal Years

Fiscal Year	Single Family Residential	Multiple	Mobile Homes	Total All Housing
06/30/06	96,021	96,021	5,715	197,757
06/30/07	96,474	96,474	5,723	198,671
06/30/08	96,672	96,672	5,736	199,080
06/30/09	96,668	96,668	5,709	199,045
06/30/10	96,569	96,569	5,678	198,816

Data Source: CA Dept. of Finance - Report E-8 Historical Population and Housing Estimates - Organized by Geography

Date	Single Family Residential Detached	Single Family Residential Attached	Multiple Two to Four	Multiple Five Plus	Mobile Homes
01/01/11	87,355	8,902	12,388	23,593	5,672
01/01/12	87,610	8,902	12,394	23,625	5,675
01/01/13	87,563	8,903	12,412	23,753	5,677
01/01/14	87,723	8,910	12,494	24,005	5,685
01/01/15	87,833	8,910	12,513	24,232	5,689

Data Source: CA Dept. of Finance - Report E-5 Population and Housing Estimates for Cities, Counties, and the State, 2011-2015, with 2010 Census Benchmark

Salinas Valley Solid Waste Authority  
Operating and Capacity Indicators  
Last Ten Fiscal Years

Fiscal Year	Authority's Employees by Department				
	Administration	Finance	Engineering	Operations	Diversion
06/30/06	6	2	2	4	1
06/30/07	6	3	2	3	6
06/30/08	6	3	2	3	8
06/30/09	6	4	1	9	8
06/30/10	6	4	2	15	8
06/30/11	6	4	2	15	8
06/30/12	6	4	1	22	5
06/30/13	6	4	1	19	5
06/30/14	6	4	1	21	5
06/30/15	6	3	1	29	5

Fiscal Year	Other Operating and Capacity Indicators		
	Authority Area (1) (Square Miles)	Landfill Acreage	Daily Landfill Capacity (tons)
06/30/06	3,280.600	943.000	1,574.000
06/30/07	3,280.600	943.000	1,574.000
06/30/08	3,280.600	943.000	1,574.000
06/30/09	3,280.600	943.000	1,574.000
06/30/10	3,280.600	943.000	1,574.000
06/30/11	3,280.600	943.000	1,574.000
06/30/12	3,280.600	943.000	1,574.000
06/30/13	3,280.600	943.000	1,574.000
06/30/14	3,280.600	943.000	1,574.000
06/30/15	3,280.600	943.000	1,574.000

Source:

(1) Authority Area - U.S. Census Bureau  
Other data from Salinas Valley Solid Waste Authority Finance Division

Salinas Valley Solid Waste Authority  
Operating and Capacity Indicators  
Capital Assets Statistics by Function  
Last Ten Fiscal Years

Function	06/30/06	06/30/07	06/30/08	06/30/09	06/30/10	06/30/11	06/30/12	06/30/13	06/30/14	06/30/15
<u>Administration</u>										
Vehicles	3	2	1	1	1	1	1	1	1	2
Computer Equipment	6	6	6	6	6	6	6	6	6	6
Buildings	1	1	1	1	1	1	1	1	1	1
Buildings (square footage)	1,100	6,884	6,884	6,884	6,884	6,884	6,884	6,884	6,884	6,884
<u>Finance</u>										
Computer Equipment	3	3	4	4	4	4	4	4	4	3
<u>Operations</u>										
Vehicles	5	5	9	12	12	12	13	13	14	17
Machinery & Equipment										
Forklifts/Hydraulic Lifts	2	2	2	2	2	2	2	2	2	2
Heavy Equipment	-	-	2	2	3	5	6	6	7	10
Water Truck	-	-	-	-	-	1	1	1	1	3
Bulldozers	-	-	-	-	-	-	-	-	-	2
Computer Equipment	5	5	5	8	8	8	8	8	8	9
Fuel Tanks	-	-	-	-	-	1	1	2	2	2
Buildings	10	10	10	10	10	10	10	10	10	10
Buildings (square footage)	28,920	29,110	29,110	29,110	29,110	29,110	29,110	29,110	29,110	29,110
Landfills	4	4	4	4	4	4	4	4	4	4
Flares	4	4	4	4	4	4	4	4	4	4
Site Security Systems	2	2	2	2	1	1	1	1	1	1
Leachate Systems	3	3	3	3	3	3	3	3	3	3
Gas Monitoring Wells	37	37	38	38	40	40	40	40	40	40
Water Wells	48	48	48	48	48	48	48	48	48	48
Water Tanks	3	3	3	3	3	3	3	3	3	3
Land (acreage)	943	943	943	943	943	943	943	943	943	943
Landfill Gas to Energy - Gas Scrubber	-	-	-	-	-	-	-	-	1	1
<u>Diversion</u>										
Vehicles	1	2	3	3	3	3	3	3	3	2
Computer Equipment	2	3	4	5	5	5	5	5	5	6

Data Source: Salinas Valley Solid Waste Authority Finance Division