

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2017



PREPARED BY

THE AUTHORITY'S FINANCE DIVISION

C. Ray Hendricks
Finance Manager/Treasurer/Controller

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

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 2, 2017

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 (CAFR) for the fiscal year ended June 30, 2017. 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, 2017, 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, 2017, 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 waste recovery and 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 post-closure 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 \$5,003,302 and an increase in net position of \$3,636,330 for the fiscal year ended June 30, 2017.

As part of its adopted policy, the Authority does not set aside funds for post-closure 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 post-closure maintenance. Authority tipping fees are not expected to cover the accrual of post-closure expenses in the current period. At June 30, 2017 the Authority has accrued post-closure liabilities totaling \$15,403,543 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 \$2,886,448 are fully funded at June 30, 2017.

The Authority's tipping fees are set at an amount sufficient to provide for operations, closure set-aside requirements, post-closure 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, though Capital Replacement Budgets function to provide a portion of depreciated asset replacement costs.

The Statement of Cash Flows for the fiscal year ended June 30, 2017, provides a detailed reconciliation of the Authority's cash, which increased \$4,896,510, from \$16,306,124 to \$21,202,634.

Financial Management

The Authority carefully monitors its gate rates. On July 1, 2016, the tipping fee increased \$1.50 to \$68.50 per ton, which was necessary to keep up with operating expenses. Tonnage increased significantly due in large part to debris from the winter storms. Effective July 1, 2013 the Board adopted an AB939 Fee, which generated \$2.23 million during the year ended June 30, 2017. 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 was \$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 \$0.84 million on conversion technology projects with the balance to be used for locating and permitting a new landfill site. To avoid tipping fee increases during the Great Recession, the Board of Directors decided to use these funds for operations until the economy recovered. At June 30, 2017, the Expansion Fund had unrestricted net position of \$7,898,964.

Summary

Benefitting from the highest tonnage accepted since 2008 (199,457), the Authority reduced its net FY 2016-17 deficit of \$4,040,684 to a net deficit of \$404,354. With principal payments to the Equipment Lease Payable, and Bonds Payable due the Net Position is expected to no longer be in deficit at the end of FY 2017-18.

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, 2016

Executive Director/CEO



List of Principal Officials

As of June 30, 2017

Simon Salinas, County of Monterey
President

Robert Cullen, City of King
Vice President

Gloria De La Rosa, City of Salinas
Alternate Vice President

Christopher K. Bourke, City of Soledad
Board Member

Tony Barrera, City of Salinas
Board Member

John M. Phillips, County of Monterey
Board Member

Kimbley Craig, City of Salinas
Board Member

Elizabeth Silva, City of Gonzales
Board Member

Avelina Torres, City of Greenfield
Board Member

R. Patrick Mathews
General Manager/
Chief Administrative Officer

Thomas M. Bruen
General Counsel

C. Ray Hendricks
Finance Manager/
Treasurer/Controller

Brian Kennedy
Engineering and Environmental
Compliance Manager

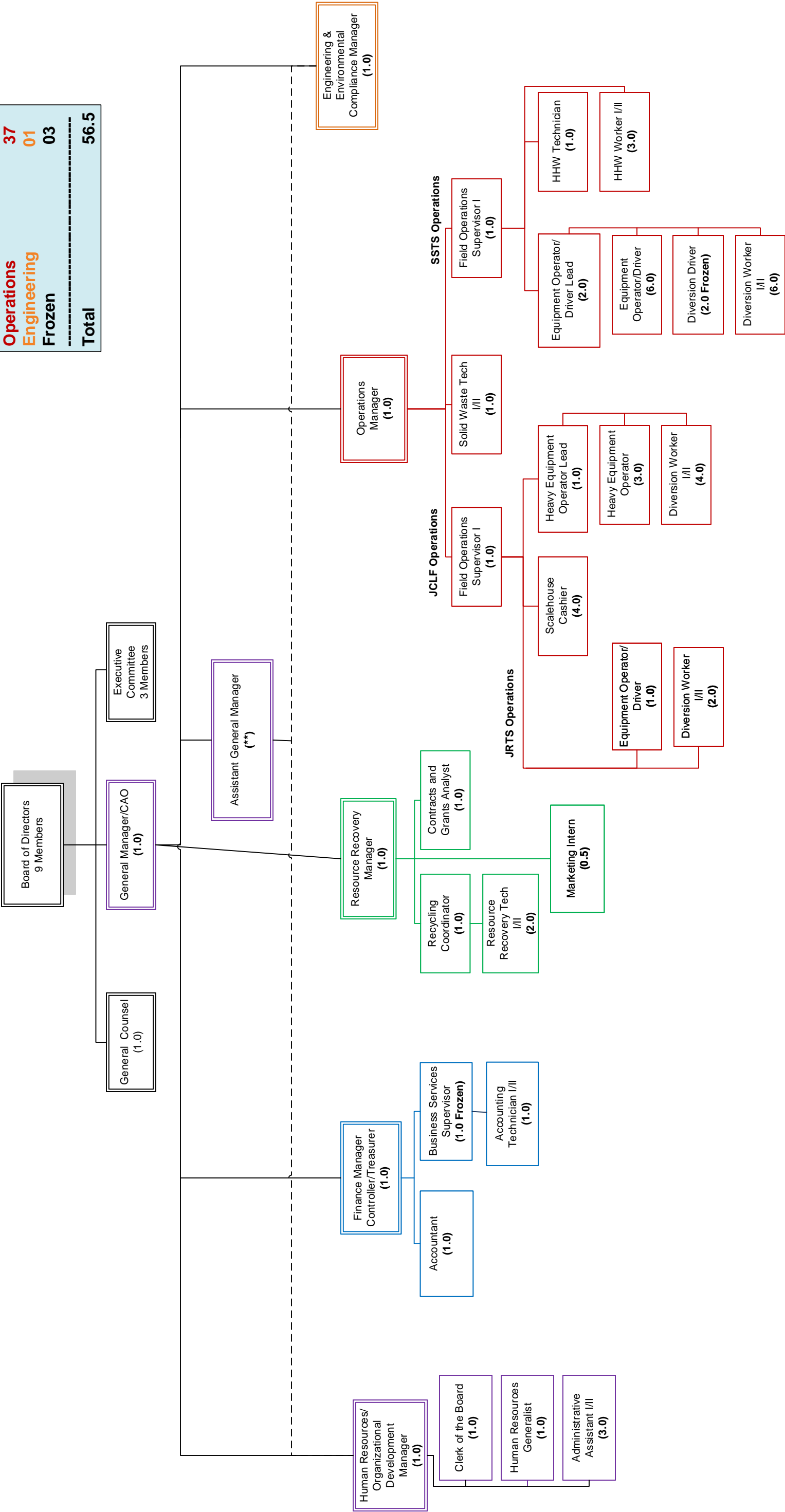
Mandy Brooks
Resource Recovery Manager

Cesar Zuniga
Assistant General Manager
Operations Manager

Salinas Valley Recycles Organizational Chart

Effective Date: July 01, 2017

Administration	07
Finance	03
Resource Recovery	05.5
Operations	37
Engineering	01
Frozen	03
<hr/>	
Total	56.5



** The Assistant General Manager position and duties are assigned to a Division Manager by the GM. Currently this assignment is being held by the Operations Manager.

FINANCIAL SECTION



2511 Garden Road
Suite A180
Monterey, CA 93904-5301
831-373-3337
Fax 831-373-3437

379 West Market Street
Salinas, CA 93901
831-424-2737
Fax 831-424-7936

3478 Buskirk Avenue
Suite A1000
Pleasant Hill, CA 94523
831-373-3337
Fax 831-373-3437

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of Salinas Valley Solid Waste Authority (the Authority), as of and for the year ended June 30, 2017, 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Salinas Valley Solid Waste Authority as of June 30, 2017, and the respective changes in financial position and cash flows, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of proportionate share of the net pension liability, the schedule of statutorily required employer contributions pension plan, and the schedule of funding progress for other post-employment benefits, 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 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.



McGilloway, Ray, Brown & Kaufman
Salinas, California
November 2, 2017

**SALINAS VALLEY SOLID WASTE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017**

Introduction

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, 2017 and June 30, 2016. 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, 2017, the Authority adopted the following pronouncements of the Governmental Accounting Standards Board (GASB):

- Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans"
- Statement No. 77, "Tax Abatement Disclosures."
- Statement No. 78, "Pensions Provided Through Certain Multiple - Employer Defined Benefit Pension Plans."
- Statement No. 79, "Certain External Investment Pools and Pool Participants."
- Statement No. 80, "Blending Requirements for Certain Component Units — an amendment of GASB Statement No. 14."

While these pronouncements are effective for our fiscal year ending June 30, 2017, our activities as of the end of the fiscal year do not meet the minimum requirements for disclosures of any of them.

Financial Highlights

- The Authority's net position increased \$3,636,330 to a deficit of \$404,354.
- Operating revenues increased \$2,412,682 (13.1%) as the result of increased economic activity and an increase to the tipping fee.
- Waste landfilled increased by 17,159 tons (9.4%) from 182,298 tons in fiscal year 2015-16 to 199,457 tons in fiscal year 2016-17 as the result of increased economic activity.
- Operating expenses increased by \$2,950,966 (22.9%) to \$15,852,303 due primarily to increases in closure/post-closure costs.
- The Authority's total long-term liabilities increased by \$1,372,598 to \$52,218,454.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the 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 Basic 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 the Authority's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. It 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.

**SALINAS VALLEY SOLID WASTE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017**

All 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. This statement reports cash receipts, cash payments, and net changes in cash resulting from operations and investments. It also provides answers to questions such 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.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to fully understand the data provided in the financial statements.

Required Supplementary Information

In addition to the basic financial statements, a CAFR also provides Required Supplementary Information that presents the funding progress of the Authority's retirement plan.

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 closed with a net deficit of \$404,354, which is a decrease of \$3,636,330 (90.0%) from the prior year net deficit position of \$4,040,684.

The following is the condensed Statement of Net Position for the fiscal years ended June 30, 2017 and 2016:

Salinas Valley Solid Waste Authority Condensed Statement of Net Position June 30, 2017 and 2016				
	2017	2016	Change	%Change
Assets				
Current Assets	\$ 20,775,439	\$ 16,629,468	\$ 4,145,971	24.9%
Other Assets	3,838,099	3,551,777	286,322	8.1%
Capital Assets, Net	29,707,129	29,784,405	(77,276)	-0.3%
Total Assets	54,320,667	49,965,650	4,355,017	8.7%
Deferred Outflows of Resources	1,547,085	1,145,066	402,019	35.1%
Liabilities				
Current Liabilities	3,881,757	3,970,241	(88,484)	-2.2%
Long Term Liabilities	52,218,454	50,845,856	1,372,598	2.7%
Total Liabilities	56,100,211	54,816,097	1,284,114	2.3%
Deferred Inflows of Resources	171,895	335,303	(163,408)	-48.7%
Net Position				
Net Investment in Capital Assets	(3,830,703)	(4,921,464)	1,090,761	-22.2%
Restricted	1,028,150	1,101,436	(73,286)	-6.7%
Unrestricted	2,398,199	(220,656)	2,618,855	-1186.8%
Total Net Position (Deficit)	\$ (404,354)	\$ (4,040,684)	\$ 3,636,330	-90.0%

**SALINAS VALLEY SOLID WASTE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017**

The total net position deficit is due primarily to the deficit of \$3,830,703, Net Investment in Capital Assets. This is the result of capital assets depreciating at a faster rate than the related debt is being paid.

Statement of Revenues, Expenses and Changes in Net Position

The following is the Condensed Statement of Revenues, Expenses, and Changes in Net Position for the fiscal years ended June 30, 2017 and 2016.

Salinas Valley Solid Waste Authority
Condensed Statement of Revenues, Expenses, and Changes in Net Position
For the Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>	<u>Change</u>	<u>% Change</u>
Operating Revenues				
Charges for Services	\$ 20,142,815	\$ 17,676,062	\$ 2,466,753	14.0%
Sales of Materials	646,673	618,784	27,889	4.5%
Operating Grants and Contributions	<u>66,117</u>	<u>148,077</u>	<u>(81,960)</u>	-55.3%
Total Operating Revenues	20,855,605	18,442,923	2,412,682	13.1%
Operating Expenses	<u>15,852,303</u>	<u>12,901,337</u>	<u>2,950,966</u>	22.9%
Operating Income/(Loss)	5,003,302	5,541,586	(538,284)	-9.7%
Non-Operating Revenues				
Investment Earnings	95,624	64,248	31,376	48.8%
Other Non-operating Revenue	<u>59,025</u>	<u>9,457</u>	<u>49,568</u>	524.1%
Total Non-Operating Revenues	154,649	73,705	80,944	109.8%
Non-Operating Expenses				
Interest Expense	<u>(1,521,621)</u>	<u>(1,549,675)</u>	<u>28,054</u>	-1.8%
Change in Net Position	3,636,330	4,065,616	(429,286)	-10.6%
Total Net Position (Deficit) Beginning	<u>(4,040,684)</u>	<u>(8,106,300)</u>	<u>4,065,616</u>	-50.2%
Net Position (Deficit) End of Year	<u>\$ (404,354)</u>	<u>\$ (4,040,684)</u>	<u>\$ 3,636,330</u>	-90.0%

The Authority's activities decreased the net deficit by \$3,636,330. Key elements of this change are as follows:

Operating revenues increased \$2,412,682 (13.1%) as the result of increased economic activity and increases to the tipping fee.

An increase in landfilled tons, along with a \$1.50 tipping fee increase resulted in \$1.43 million in additional tipping fee revenue from solid waste. Tipping fee revenue from diverted materials increased \$590,000. The transportation surcharge generated and additional \$342,000 due mainly to the Authority assuming operations of our Jolon Road Transfer Station and extending the surcharge to franchise haulers that use the transfer station. AB939 fees were increased by \$62,800.

The unexpected increase in both solid waste and diversion tonnage due to the necessary cleanup after the severe winter storms required additional use of our transfer stations and landfill. We do not expect that charges for services will be sustained at the FY 2016-17 levels going forward.

Operating expenses increased by \$2,950,966 (22.9%) to \$15,852,303 due primarily to increases in closure/post-closure costs. The closure of Crazy Horse Landfill was certified by CalRecycle, and all expenditures at the site are now considered part of post-closure maintenance. Post-closure

**SALINAS VALLEY SOLID WASTE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017**

maintenance expenses for Crazy Horse were \$508,000. Post-closure maintenance expenses for Lewis Road were \$189,000. Post-closure maintenance expenses for Jolon Road were \$163,000. Changes in estimates of the post-closure liability accounted for \$1.75 million of the post-closure expenses. Closure liability is expensed as a percentage of capacity used at the landfill. FY 2016-17 expenses for closure are \$336,224.

The \$1,521,621 in non-operating expenses is for interest paid on the Authority's long-term debt.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of the fiscal year, the Authority had \$29,707,129 invested in capital assets, primarily in landfills as summarized below. During this fiscal year, the Authority added \$1,342,677 in capital assets and recorded a depreciation expense of \$1,419,953. 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, 2017 and 2016

	2017	2016
Land	\$ 42,600	\$ 42,600
Buildings	456,484	456,484
Improvements other than Buildings	55,009,457	54,863,624
Equipment	8,603,723	7,306,205
Construction in Progress	410,882	511,556
Total Capital Assets	64,523,146	63,180,469
Less: Accumulated Depreciation	(34,816,017)	(33,396,064)
Net Capital Assets	<u>\$ 29,707,129</u>	<u>\$ 29,784,405</u>

Long-Term Debt

At the end of this fiscal year, the Authority had \$33.90 million in long-term debt as shown below. No new debt was incurred during the fiscal year. Principal payments of \$1,052,292 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) upgraded the revenue bonds a rating to "AA".

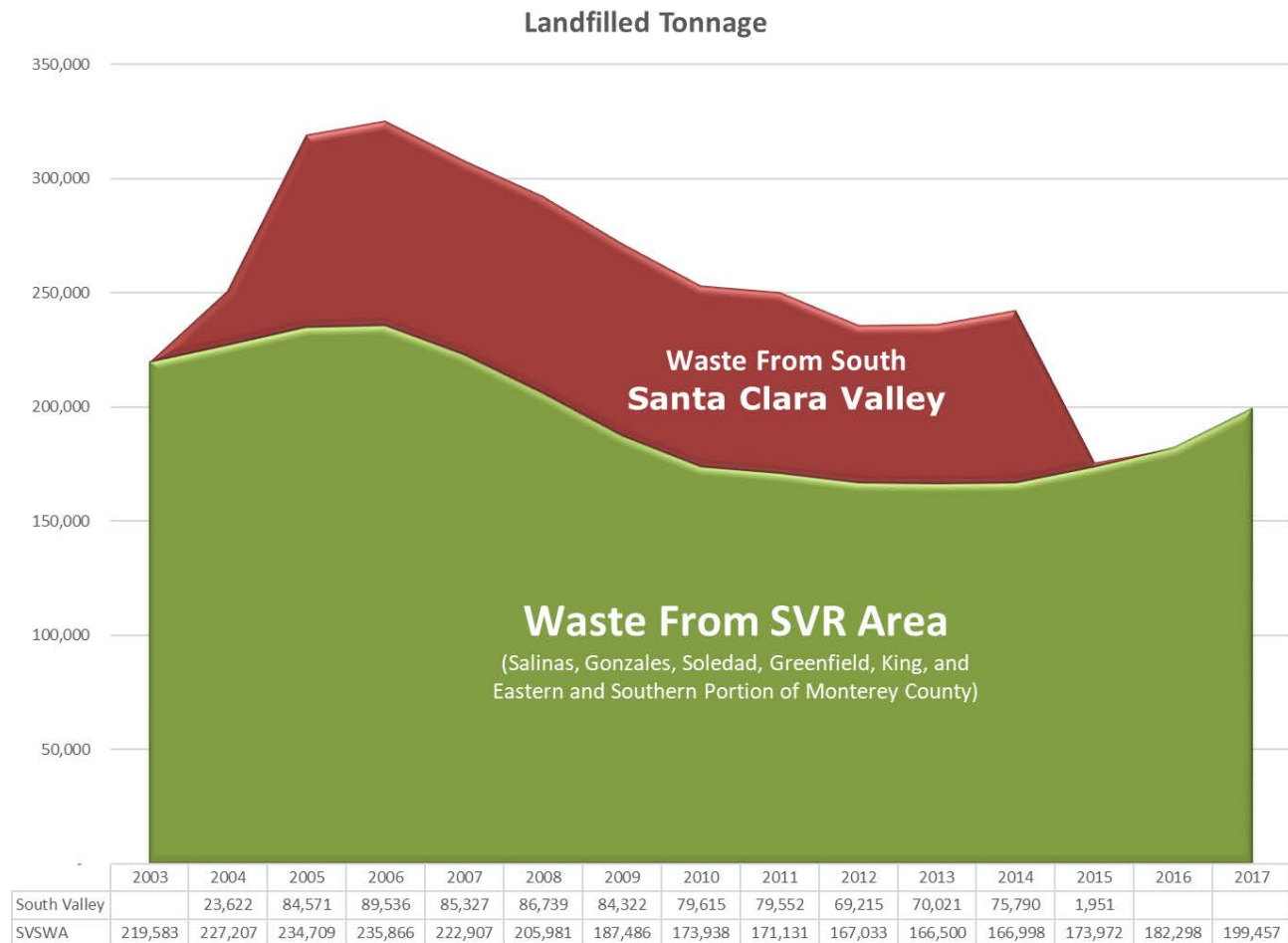
Salinas Valley Solid Waste Authority
Condensed Statement of Long Term Debt
For the Years Ended June 30, 2017 and 2016

	2017	2016
2014A (AMT) Refunding Revenue Bond	\$ 27,815,000	\$ 27,815,000
2014B (Taxable) Refunding Revenue Bond	2,615,000	2,940,000
2014 Revenue Bond Original Issue Premium	1,734,012	1,895,470
Equipment Lease Payable	1,735,668	2,462,960
Total Long Term Debt	<u>\$ 33,899,680</u>	<u>\$ 35,113,430</u>

SALINAS VALLEY SOLID WASTE AUTHORITY
Management's Discussion and Analysis
June 30, 2017

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 from the Authority's service area had steadily declined from 2006 to 2012, and remained largely unchanged from 2012 to 2014. However, beginning in 2015 tonnage has trended upwards. The unexpected increase in solid waste tonnage due to the necessary cleanup after the severe winter storms required additional use of our transfer stations and landfill. We do not expect that tonnage will be sustained at the 2016-17 levels going forward. Management has conservatively budgeted 177,500 tons during 2017-18 with the tipping fee remaining at \$68.50 per ton. The 2017-18 budget is balanced.



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 there are any questions about this report or need additional financial information, please contact the Authority's Finance Department, at the Salinas Valley Solid Waste Authority, 128 Sun Street, Suite 101, Salinas, California 93901.

SALINAS VALLEY SOLID WASTE AUTHORITY
STATEMENT OF NET POSITION
JUNE 30, 2017
With Comparative Totals as of June 30, 2016

	<u>2017</u>	<u>2016</u>
Assets		
Current Assets		
Cash and Cash Equivalent	\$ 17,226,398	\$ 12,682,529
Restricted Cash and Cash Equivalent	138,137	71,818
Certificates of Deposit	1,000,000	1,750,000
Accounts Receivable, Net	2,185,576	1,916,411
Interest Receivable	40,436	17,900
Prepaid Expenses	184,892	190,810
Total Current Assets	<u>20,775,439</u>	<u>16,629,468</u>
Noncurrent Assets		
Restricted Cash and Cash Equivalent	3,838,099	3,551,777
Capital Assets, Net	29,707,129	29,784,405
Total Noncurrent Assets	<u>33,545,228</u>	<u>33,336,182</u>
Total Assets	<u>54,320,667</u>	<u>49,965,650</u>
Deferred Outflows of Resources		
Deferred Outflows related to Pension Liabilities	1,185,239	737,417
Deferred Loss on Refunding of Bonds	361,846	407,649
Total Deferred Outflows of Resources	<u>1,547,085</u>	<u>1,145,066</u>
Total Assets and Deferred Outflows of Resources	<u><u>\$ 55,867,752</u></u>	<u><u>\$ 51,110,716</u></u>

The accompanying notes are an integral part of this financial statement

SALINAS VALLEY SOLID WASTE AUTHORITY
STATEMENT OF NET POSITION
JUNE 30, 2017
With Comparative Totals as of June 30, 2016
(Continued)

	<u>2017</u>	<u>2016</u>
Liabilities		
Current Liabilities		
Accounts Payable	\$ 871,805	\$ 954,443
Wages Payable	204,071	188,393
Accrued Leave	74,935	273,888
Interest Payable	669,095	684,941
Equipment Lease Payable	749,866	727,293
Bonds Payable - Current	649,027	494,247
Unearned Revenues	111,619	80,286
Postclosure Payable - Current	551,339	566,750
Total Current Liabilities	<u>3,881,757</u>	<u>3,970,241</u>
Long Term Liabilities		
Accrued Leave	431,470	169,629
Equipment Lease Payable	985,802	1,735,667
Bonds Payable, Net	31,514,985	32,156,223
Closure Payable	2,886,448	2,550,224
Postclosure Payable	14,852,204	13,088,158
OPEB Liability	635,469	495,999
Pension Liability	912,076	649,956
Total Long Term Liabilities	<u>52,218,454</u>	<u>50,845,856</u>
Total Liabilities	<u>56,100,211</u>	<u>54,816,097</u>
Deferred Inflows of Resources		
Deferred Inflows related to Pension Liabilities	171,895	335,303
Total Deferred Inflows of Resources	<u>171,895</u>	<u>335,303</u>
Total Liabilities and Deferred Inflows of Resources	<u>56,272,106</u>	<u>55,151,400</u>
Net Position		
Net Investment in Capital Assets	(3,830,703)	(4,921,464)
Restricted for Grants	76,499	95,345
Restricted for Closure Reserve	951,651	1,006,091
Unrestricted	2,398,199	(220,656)
Total Net Position (Deficit)	<u>(404,354)</u>	<u>(4,040,684)</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 55,867,752</u>	<u>\$ 51,110,716</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, 2017
With Comparative Totals for fiscal year ended June 30, 2016

	2017	2016
Operating Revenues		
Charges for Services	\$ 20,142,815	\$ 17,676,062
Sales of Materials	646,673	618,784
Operating Grants and Contributions	66,117	148,077
Total Operating Revenues	<u>20,855,605</u>	<u>18,442,923</u>
Operating Expenses		
Personnel Services	5,148,507	4,805,714
Contractual Services	2,210,991	1,795,961
Operating Contracts	2,015,999	2,164,435
Supplies	697,561	687,779
Insurance	178,486	318,293
Building Rent	116,045	191,594
Taxes and Permits	520,155	597,266
Utilities	131,476	141,808
Depreciation/Amortization	1,419,953	1,228,692
Closure/Postclosure Maint.	2,944,468	476,570
Hazardous Waste	202,372	220,294
Other	266,290	272,931
Total Operating Expenses	<u>15,852,303</u>	<u>12,901,337</u>
Operating Income	<u>5,003,302</u>	<u>5,541,586</u>
Non-Operating Revenues (Expenses)		
Investment Earnings	95,624	64,248
Finance Charge	5,911	2,243
Rental Income	53,114	7,214
Interest Expense	(1,521,621)	(1,549,675)
Total Non-Operating Revenues (Expenses)	<u>(1,366,972)</u>	<u>(1,475,970)</u>
Change in Net Position	3,636,330	4,065,616
Total Net Position (Deficit) - Beginning of Year	<u>(4,040,684)</u>	<u>(8,106,300)</u>
Total Net Position (Deficit) - End of Year	<u>\$ (404,354)</u>	<u>\$ (4,040,684)</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, 2017
With Comparative Totals for Fiscal Year Ended June 30, 2016

	2017	2016
Cash Flows from Operating Activities:		
Receipts from Customers and Users	\$ 20,617,773	\$ 18,179,805
Payments to Suppliers	(7,275,704)	(6,523,582)
Payments to Employees	(5,279,581)	(4,879,005)
Net Cash Provided by Operating Activities	<u>8,062,488</u>	<u>6,777,218</u>
Cash Flows from Non-Capital Financing Activities:		
Rental Income	53,114	7,214
Finance Charges	5,911	2,243
Net Cash Provided by Non-Capital Financing Activities	<u>59,025</u>	<u>9,457</u>
Cash Flows from Capital and Related Financing Activities:		
Acquisition of Capital Assets	(1,342,677)	(1,007,600)
Principal paid on Capital Debt	(1,221,540)	(1,184,761)
Interest paid on Capital Debt	(1,483,874)	(1,684,260)
Net Cash Used Capital and Related Financing Activities	<u>(4,048,091)</u>	<u>(3,876,621)</u>
Cash Flows from Investing Activities:		
Proceeds from maturity of Certificate of Deposit	750,000	-
Interest received	94,350	45,728
Increase (Decrease) in FMV of LAIF investment	(21,262)	8,712
Net Cash Provided by Investing Activities	<u>823,088</u>	<u>54,440</u>
Net Increase (Decrease) in Cash and Cash Equivalents	4,896,510	2,964,494
Cash and Cash Equivalents at Beginning of Year	16,306,124	13,341,630
Cash and Cash Equivalents at End of Year	<u>\$ 21,202,634</u>	<u>\$ 16,306,124</u>
Unrestricted Cash and Investments	\$ 17,226,398	\$ 12,682,529
Restricted Cash and Investments	<u>3,976,236</u>	<u>3,623,595</u>
	<u>\$ 21,202,634</u>	<u>\$ 16,306,124</u>
Reconciliation of Operating Income to Net Cash		
Provided by Operating Activities:		
Operating Income	\$ 5,003,302	\$ 5,541,586
Adjustments to Reconcile Net Income to Net Cash Provided (used) by Operating Activities:		
Depreciation	1,419,953	1,228,692
(Increase) Decrease in Accounts Receivable	(269,165)	(281,940)
(Increase) Decrease in Prepaid Expenses	5,918	6,444
Increase (Decrease) in Accounts Payable	(82,638)	190,006
Increase (Decrease) in Wages Payable	15,678	63,646
Increase (Decrease) in Accrued Leave	62,888	78,615
Increase (Decrease) in Unearned Revenue	31,333	18,830
Increase (Decrease) in Closure/Postclosure Payable	2,084,859	146,856
Increase (Decrease) in OPEB Payable	139,470	135,179
Increase (Decrease) in Pension Net Position	(349,110)	(350,696)
Total Adjustments to Net Income	<u>3,059,186</u>	<u>1,235,632</u>
Net Cash Provided by Operating Activities	<u>\$ 8,062,488</u>	<u>\$ 6,777,218</u>
Noncash Investing, Capital and Financing Activities		
Amortization of Bond Premium	<u>\$ 161,458</u>	<u>\$ 169,248</u>

The accompanying notes are an integral part of this financial statement

SALINAS VALLEY SOLID WASTE AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

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).

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.

SALINAS VALLEY SOLID WASTE AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

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

Statement No. 74	<i>"Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans"</i>	The provisions of this statement are effective for financial statements for reporting periods beginning after June 15, 2016. The Authority has implemented this statement effective July 1, 2016.
Statement No. 77	<i>"Tax Abatement Disclosures"</i>	The provisions of this statement are effective for reporting periods beginning after December 15, 2015. This statement has no financial effect on these financial statements.
Statement No. 78	<i>"Pensions Provided through Certain Multiple – Employer Defined Benefit Pension Plans"</i>	The provisions of this statement are effective for reporting periods beginning after December 15, 2015. This statement has no financial effect on these financial statements.
Statement No. 79	<i>"Certain External Investment Pools and Pool Participants"</i>	The provisions of this statement are effective for reporting periods beginning after June 15, 2015, except for the provisions in paragraphs 18, 19, 23–26 and 40, which are effective for reporting periods beginning after December 15, 2015. This statement has no financial effect on these financial statements.
Statement No. 80	<i>"Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14"</i>	The provisions of this statement are effective for reporting periods beginning after June 15, 2016. This statement has no financial effect on these financial statements.

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.

SALINAS VALLEY SOLID WASTE AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

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.

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 capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. 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, beginning the following fiscal year, 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,

SALINAS VALLEY SOLID WASTE AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

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.

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: In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then.

Loss on Refunding - the item that qualifies in this category is the deferred loss on refunding reported in the Statement of Net Position (deferred outflow). Deferred charges, resulting from the carrying value of refunded debt and its reacquisition price, are deferred and amortized over the shorter of the life of the refunded debt or refunding debt.

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

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.

SALINAS VALLEY SOLID WASTE AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

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 payable within one year 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.

Post-employment Benefits Other than Pensions: The Authority's net Other Post-Employment Benefits (OPEB) Obligation is recognized as a long-term liability in the Statement of Net Position, the amount is actuarially determined. The Authority offers health benefits to retirees under age 65 as well as their qualified dependents, as required by state law. The Authority's subsidized retiree health benefits are not pre-funded and are reported on a pay-as-you-go basis.

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 listed below will be implemented in future financial statements:

SALINAS VALLEY SOLID WASTE AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

Statement No. 75	<i>"Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions"</i>	The provisions of this statement are effective for reporting periods beginning after June 15, 2017.
Statement No. 81	<i>"Irrevocable Split-Interest Agreements"</i>	The provisions of this statement are effective for reporting periods beginning after Dec 15, 2016.
Statement No. 82	<i>"Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73"</i>	The provisions of this statement are effective for reporting periods beginning after June 15, 2016. Except for the requirements of paragraph 7 in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements of paragraph 7 are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017.
Statement No. 83	<i>"Certain Assets Retirement Obligation"</i>	The provisions of this statement are effective for reporting periods beginning after June 15, 2018.
Statement No. 84	<i>"Fiduciary Activities"</i>	The provisions of this statement are effective for reporting periods beginning after December 15, 2018.
Statement No. 85	<i>"Omnibus 2017"</i>	The provisions of this statement are effective for reporting periods beginning after June 15, 2017.
Statement No. 86	<i>"Certain Debt Extinguishment Issues"</i>	The provisions of this statement are effective for reporting periods beginning after June 15, 2017.
Statement No. 87	<i>"Leases"</i>	The provisions of this statement are effective for reporting periods beginning after December 15, 2019.

SALINAS VALLEY SOLID WASTE AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

2. Cash and Investments:

Cash and Investments: The bank balance and carrying value of the Authority's cash and investments, including restricted balances, at June 30, 2017 were as follows:

Cash and Cash Equivalents	
Unrestricted Cash	\$ 17,226,398
Restricted Cash	3,976,236
Total Cash and Cash Equivalents	21,202,634
Certificates of Deposit	1,000,000
Total	<u>\$ 22,202,634</u>

The Authority's cash and investments at June 30, 2017, were held as follows:

Cash managed by the Authority's Treasurer	\$ 1,192,784
Investments managed by the Authority's Treasurer	21,009,850
Total	<u>\$ 22,202,634</u>

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.

Disclosures Related to Fair Value Measurement: The Authority measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three tiered fair value hierarchy as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Authority has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

At June 30, 2017, the Authority had the following recurring fair value measurements:

Investment Type	Total	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Public Investment Money Market Account	\$ 110	\$ 110	\$ -	\$ -
Non-Leveled				
Rabobank Certificates of Deposit	1,000,000			
State of California				
Local Agency Investment Fund	20,009,740			
	<u>\$21,009,850</u>			

SALINAS VALLEY SOLID WASTE AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

Investments classified in Level 1 are valued using prices quoted in active markets for those securities. Investments classified in Level 2 are valued using quoted prices for identical securities in markets that are not active or similar assets in active markets.

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, 2017, the total fair value amount invested by all public agencies in LAIF is \$77,559,119,072 managed by the State Treasurer. Of that amount, 2.89% 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: The safety and risk associated with an investment refers to the potential loss of principal, interest or a combination of these amounts. Investments of the Salinas Valley Solid Waste Authority shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio. The Authority only invests in those instruments that are considered very safe.

The Local Agency Investment Fund (LAIF) managed by the State Treasurer, representing 95.2% of the investment portfolio, is not rated.

Rabobank's credit ratings by four Nationally Recognized Statistical Rating Organizations are shown in the table below.

<u>Rating Agency</u>	<u>Long Term Rating</u>	<u>Outlook</u>	<u>Short Term Rating</u>
Moody's	Aa2	Negative	P-1
Standard & Poor's	A+	Positive	A-1
Fitch	AA-	Stable	F1+
DBRS	AA	Stable	R-1 (high)

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 Account, representing 95.2%, of the portfolio are not considered a concentrated risk. The Rabobank

SALINAS VALLEY SOLID WASTE AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

Certificates of Deposit represents 4.8% of the portfolio. They are fully collateralized at 110% of value.

The Authority was in compliance with these limitations at June 30, 2017. At June 30, 2017, 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	\$20,009,740	\$ -	\$ 20,009,740	\$ -	95.2
Public Investment Money Market Account (Rabobank)	110	110	-	-	-
Rabobank Certificates of Deposit	1,000,000	1,000,000	-	-	4.8
	<u>\$21,009,850</u>	<u>\$ 1,000,110</u>	<u>\$ 20,009,740</u>	<u>\$ -</u>	<u>100.0</u>

Interest Rate Risk: The Salinas Valley Solid Waste Authority investment portfolio is designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the Authority's investment risk constraints and the cash flow characteristics of the portfolio. 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, 2017, are summarized as follows:

Billed Receivables:

Tipping Fee Accounts Receivable	\$ 1,845,490
Intergovernmental Grants Receivable	129,345
LFG Gas Royalties	64,057
Sales of Recycling Materials	79,586
Franchise Administration	38,892
Recycled Paint	17,896
Employees' Flexible Spending Account	10,825
Land Grazing Use	6,624
Vision Recycling Fuel	<u>2,088</u>
Total Accounts Receivable	2,194,803
Allowance for Doubtful Accounts	<u>(9,227)</u>
	<u><u>\$ 2,185,576</u></u>

SALINAS VALLEY SOLID WASTE AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

4. Loss on Bonds Refunding:

The Authority had a loss on the refunding of the Series 2002 Revenue Bonds, which is a deferred outflow of resources.

Deferred Outflows of Resources balances for the year ended June 30, 2017 were as follows:

	June 30, 2016	Increases	Decreases	June 30, 2017
Loss on Refunding of Bonds:				
2014A (AMT) Refunding Revenue Bonds	\$ 370,227	\$ -	\$(37,377)	\$ 332,850
2014B (Taxable) Refunding Revenue Bond	37,422	-	(8,426)	28,996
	<u>\$ 407,649</u>	<u>\$ -</u>	<u>\$(45,803)</u>	<u>\$ 361,846</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
2018	\$ 37,279	\$ 7,425	\$ 44,704
2019	36,332	6,393	42,725
2020	34,588	5,332	39,920
2021	32,754	4,232	36,986
2022	30,826	3,087	33,913
2023-2027	118,768	2,527	121,295
2028-2032	42,303	-	42,303
	<u>\$ 332,850</u>	<u>\$ 28,996</u>	<u>\$ 361,846</u>

5. Restricted Cash:

Cash and investments of \$3,976,236 are recorded as restricted assets at June 30, 2017.

Cash and investments of \$3,838,099 are restricted by the California Integrated Waste Management Board for the closure of Johnson Canyon Landfill.

Cash and investments of \$56,237 are restricted by the California Department of Resources Recycling and Recovery grant for use in litter abatement and beverage container collection programs.

Cash and investments of (\$636) are restricted by the Flexible Spending Arrangement for employees' pay out-of-pocket health and child care costs.

Cash and investment of \$9,098 are restricted by an agreement with Global Organics Energy, LLC. These funds are a deposit made to fund their portion of costs for the preparation and processing of the Environmental Impact Report.

Cash and investments of \$73,438 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.

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6. Capital Assets:

The changes in capital assets of the Authority for the year ended June 30, 2017, are summarized as follows:

	June 30, 2016	Increases	Decreases	June 30, 2017
Business-type activities				
Nondepreciable assets:				
Land	\$ 42,600	\$ -	\$ -	\$ 42,600
Construction in Progress	511,556	227,651	(328,325)	410,882
Total nondepreciable assets	<u>554,156</u>	<u>227,651</u>	<u>(328,325)</u>	<u>453,482</u>
Depreciable Assets:				
Buildings	456,484	-	-	456,484
Other Improvements	54,863,624	145,833	-	55,009,457
Machinery and Equipment	7,306,205	1,297,518	-	8,603,723
Total depreciable assets	<u>62,626,313</u>	<u>1,443,351</u>	<u>-</u>	<u>64,069,664</u>
Less Accumulated Depreciation	<u>(33,396,064)</u>	<u>-</u>	<u>(1,419,953)</u>	<u>(34,816,017)</u>
Total Depreciable Assets, Net	<u>29,230,249</u>	<u>1,443,351</u>	<u>(1,419,953)</u>	<u>29,253,647</u>
Total Capital Assets, Net	<u>\$ 29,784,405</u>	<u>\$ 1,671,002</u>	<u>\$ (1,748,278)</u>	<u>\$ 29,707,129</u>

The accumulated depreciation by major class is summarized as follows:

	Accumulated Depreciation June 30, 2016	Decreases	Accumulated Depreciation June 30, 2017
Buildings	\$ (330,305)	\$ (18,859)	\$ (349,164)
Other Improvements	(30,374,316)	(688,942)	(31,063,258)
Machinery and Equipment	<u>(2,691,443)</u>	<u>(712,152)</u>	<u>(3,403,595)</u>
Total	<u>\$ (33,396,064)</u>	<u>\$ (1,419,953)</u>	<u>\$ (34,816,017)</u>

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, 2017, the liability for this accrued leave is \$506,405.

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The changes in accrued leave of the Authority for the year ended June 30, 2017, are summarized as follows:

	June 30, 2016	Increases	Decreases	June 30, 2017
Accrued Leave				
Current	\$ 273,888	\$ 98,875	\$ (297,828)	\$ 74,935
Noncurrent	169,629	407,840	(145,999)	431,470
Total	<u>\$ 443,517</u>	<u>\$ 506,715</u>	<u>\$ (443,827)</u>	<u>\$ 506,405</u>

8. Long Term Liabilities:

The following is a summary of long term liabilities for the fiscal year ended June 30, 2017:

	June 30, 2016	Increases	Decreases	June 30, 2017	Due Within One year
Long Term Debt:					
2014A (AMT) Refunding					
Revenue Bonds	\$ 27,815,000	\$ -	\$ -	\$ 27,815,000	\$ 145,000
2014B (Taxable) Refunding					
Revenue Bonds	2,940,000	-	325,000	2,615,000	335,000
2014 Revenue Bonds					
Original Issue Premium	1,895,470	-	161,458	1,734,012	169,027
Equipment Lease Payable	2,462,960	-	727,292	1,735,668	749,866
Long Term Debt Subtotal	35,113,430	-	1,213,750	33,899,680	1,398,893
Other Long Term Liabilities:					
Post Employment Benefits	1,145,955	401,590	-	1,547,545	-
Closure Payable	2,550,224	336,224	-	2,886,448	-
Postclosure Payable	13,654,908	1,748,635	-	15,403,543	551,339
Total Long Term Liabilities	<u>\$ 52,464,517</u>	<u>\$ 2,486,449</u>	<u>\$ 1,213,750</u>	<u>\$ 53,737,216</u>	<u>\$ 1,950,232</u>

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

Fiscal Year Ended June 30,	Principal	Interest	Total
2018	\$ 1,229,866	\$ 1,619,001	\$ 2,848,867
2019	2,383,139	1,550,433	3,933,572
2020	1,897,663	1,452,290	3,349,953
2021	1,770,000	1,366,699	3,136,699
2022	1,855,000	1,278,956	3,133,956
2023-2027	10,815,000	4,858,046	15,673,046
2028-2032	12,215,000	1,731,538	13,946,538
	<u>\$ 32,165,668</u>	<u>\$ 13,856,963</u>	<u>\$ 46,022,631</u>

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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.

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
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	1,400,000	1,303,125	2,703,125
2022	1,470,000	1,231,375	2,701,375
2023-2027	9,990,000	4,818,150	14,808,150
2028-2032	12,215,000	1,731,538	13,946,538
	<u>\$ 27,815,000</u>	<u>\$ 13,363,313</u>	<u>\$ 41,178,313</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
2018	\$ 335,000	\$ 99,772	\$ 434,772
2019	345,000	89,728	434,728
2020	355,000	77,640	432,640
2021	370,000	63,574	433,574
2022	385,000	47,581	432,581
2023-2027	825,000	39,896	864,896
	<u>\$ 2,615,000</u>	<u>\$ 418,191</u>	<u>\$ 3,033,191</u>

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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%.

The equipment under this capital lease is included in machinery and equipment. Amortization of this equipment is included in depreciation expense.

The annual debt service requirements are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2018	\$ 749,866	\$ 47,729	\$ 797,595
2019	773,139	24,455	797,594
2020	212,663	3,275	215,938
	\$ 1,735,668	\$ 75,459	\$ 1,811,127

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, 2017:

	June 30, 2016	Increases	Decreases	June 30, 2017
Revenue Bonds, Series 2014	\$1,895,470	\$ -	\$ (161,458)	\$1,734,012

Total bonded debt outstanding at June 30, 2017 net of the unamortized bond premium is as follows:

Bonds payable	\$ 30,430,000
Add unamortized bond issue premium	1,734,012
Net bonds payable	\$ 32,164,012

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,

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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 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, 2017 is presented as follows:

	<u>Johnson Canyon</u>
Permitted Capacity (cu. yd.)	12,566,162
Cumulative Capacity Used (cu. yd.)	<u>(2,430,148)</u>
Remaining Capacity (cu. yd.)	<u><u>10,136,014</u></u>

System Capacity: As of June 30, 2017, the Authority has 80.66% 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, 2017, the Authority landfilled a total of 199,457 tons of solid waste. As of June 30, 2017 the Authority has 45 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 2061 based on remaining capacity and current in-place density per 2017 calculations.

Closed Landfills: Crazy Horse Landfill was closed on May 31, 2009, and received closure certification from CalRecycle in January 2017. Jolon Road Landfill is accepting waste only as a transfer station. The landfill was closed in October 2007. Lewis Road Landfill is a closed landfill. No refuse is being landfilled at any of these sites.

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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, 2017, are presented as follows:

	June 30, 2017				
	Total	Crazy Horse	Johnson Canyon	Lewis Road	Jolon Road
Estimated:					
Closure Cost	\$ 14,925,666	\$ -	\$ 14,925,666	\$ -	\$ -
Postclosure Maintenance Cost	17,276,652	11,555,876	2,322,194	1,624,884	1,773,698
Total Estimated	<u>\$ 32,202,318</u>	<u>\$ 11,555,876</u>	<u>\$ 17,247,860</u>	<u>\$ 1,624,884</u>	<u>\$ 1,773,698</u>
Expense (Income):					
Closure	\$ 336,224	\$ -	\$ 336,224	\$ -	\$ -
Postclosure Maintenance	2,608,244	656,344	52,311	1,110,350	789,239
Total Expense (Income)	<u>\$ 2,944,468</u>	<u>\$ 656,344</u>	<u>\$ 388,535</u>	<u>\$ 1,110,350</u>	<u>\$ 789,239</u>
Outstanding Liability:					
Closure	\$ 2,886,448	\$ -	\$ 2,886,448	\$ -	\$ -
Postclosure Maintenance	15,403,543	11,555,876	449,085	1,624,884	1,773,698
Total Liability	<u>\$ 18,289,991</u>	<u>\$ 11,555,876</u>	<u>\$ 3,335,533</u>	<u>\$ 1,624,884</u>	<u>\$ 1,773,698</u>
Assets Set-Aside for Closure-Cash	<u>\$ 3,838,099</u>	<u>\$ -</u>	<u>\$ 3,838,099</u>	<u>\$ -</u>	<u>\$ -</u>
Cash over/(under) Closure Liability	<u>\$ 951,651</u>	<u>\$ -</u>	<u>\$ 951,651</u>	<u>\$ -</u>	<u>\$ -</u>

Crazy Horse Landfill estimated postclosure costs increased \$148,296 as a result of the revised CalRecycle inflation factor of 101.3%. Current year postclosure expenditures were \$508,048.

Johnson Canyon Landfill estimated closure costs increased \$336,224 as a result of the revised CalRecycle inflation factor of 101.3%.

Johnson Canyon Landfill estimated postclosure costs increased \$52,311 as a result of the CalRecycle inflation factor of 101.3% and recalculation.

Lewis Road Landfill estimated postclosure costs increased \$921,404 as a result of the revised CalRecycle inflation factor of 101.3%, and a change in estimate to the postclosure liability. Current year postclosure expenditures were \$188,946.

Jolon Road Landfill estimated postclosure costs increased \$626,624 as a result of the revised CalRecycle inflation factor of 101.3%, and a change in estimate to the postclosure liability. Current year postclosure expenditures were \$162,624.

The postclosure maintenance liability of \$15,403,543 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

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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.

The Authority's deferred compensation plan is administered by the ICMA Retirement Corporation. The ICMA Deferred Compensation plan has a balance of \$869,563 as of June 30, 2017. 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, 2017, are summarized as follows:

	<u>Miscellaneous</u>
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	8.880%

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.

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The Authority is required to contribute the difference between the actuarially determined rate and the contribute rate of employees.

The Authority's contributions were as follows:

	Fiscal Year Paid		
	2016/17	2015/16	2014/15
Misc Classic	\$ 296,383	\$ 209,017	\$ 264,022
Misc PEPRA	62,312	41,889	21,559
	<u>\$ 358,695</u>	<u>\$ 250,906</u>	<u>\$ 285,581</u>

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

As of June 30, 2017, the Authority reported net pension liabilities for its proportionate share of the net pension liability as follows:

	Fiscal Year Ending	
	June 30, 2017	June 30, 2016
Authority's Miscellaneous Plan	\$ 912,076	\$ 649,956
Total Net Pension Liability	<u>\$ 912,076</u>	<u>\$ 649,956</u>

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, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016 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, 2017 and 2016 was a follows:

	Percentage Share of Risk		Change:
	6/30/2017	6/30/2016	Increase/(Decrease)
Measurement date	6/30/2016	6/30/2015	
Percentage of Plan (PERF C) NPL	0.010540%	0.009469%	0.001071%

For the year ended June 30, 2017, the Authority recognized pension expense of \$9,578. At June 30, 2017, 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
Differences between expected and actual experience	\$ 9,635	\$ 2,208
Changes in assumption	-	91,157
Net differences between projected and actual earnings on plan investments	474,442	-
Change in employer's proportion	179,898	78,530
Differences between the employer's contributions and the employer's proportionate share of contributions	162,569	-
Pension contributions subsequent to measurement date	358,695	-
Total	<u>\$ 1,185,239</u>	<u>\$ 171,895</u>

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\$358,695 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Recognition of amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30,</u>	
2018	\$ 169,382
2019	146,285
2020	216,097
2021	122,886
2022	-
Thereafter	-
Total	<u>\$ 654,650</u>

Actuarial Methods and Assumptions Used to Determine Pension Liability: For the measurement period ended June 30, 2016 (the measurement date), the total pension liabilities were determined by rolling forward the June 30, 2015 total pension liability determined in the June 30, 2015 actuarial accounting valuation. The June 30, 2016 total pension liabilities were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions	
Discount Rate	7.65%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table*	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

*The Mortality table used was developed based on CalPERS' specific date. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report (based on CalPERS demographic data from 1997 to 2011) available online at <https://www.calpers.ca.gov/docs/forms-publications/calpers-experience-study-2014.pdf>.

All other actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period 1997 to 2011, including updates to salary increase, mortality and requirement rates. The Experience Study report can be found on CalPERS' website.

Change of Assumption: There were no changes of assumptions during the measurement period ended June 30, 2016.

Discount Rate: The discount rate used to measure the total pension liability was 7.65%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, the amortization and smoothing periods recently adopted by the Board were used. For the Plan, the crossover test was performed for a miscellaneous agent rate plan and a safety agent rate plan selected as being more at risk of failing the crossover test and resulting in a discount rate that would be different from the long-term expected rate of return on pension investments. Based on the

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testing of the rate plans, tests revealed the tested would run out. Therefore, long-term expected rate of return on pension plan investment was applied to all periods of projected benefits payments to determine the total pension liability for PERF C. The Crossover test results are presented in a detailed reported "GASB Crossover Testing Report" that can be obtained from the CalPERS' website under GASB 68 section.

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. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 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. 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 long-term expected real rates of return by asset class can be found in CalPERS' Comprehensive Annual Financial Report for the fiscal year ended June 30, 2016.

Amortization of Deferred Outflows and Deferred Inflows of Resources: Net Difference Between Projected and Actual Earnings on Pension Plan Investments is amortized over a five-year period on a straight-line basis. One-fifth is recognized in pension expense during the measurement period, and the remaining Net Difference Between Projected and Actual Investment Earning on Pension Plan Investments is amortized over the remaining amortization periods.

Deferred outflows of resources and deferred inflows of resources relating to Differences Between Expected and Actual Experience, Changes of Assumptions should be amortized over the EARSL of members provided with pensions through the Plan determined as of beginning of the related measurement period. The EARSL for PERF C for the June 30, 2016 measurement date is 3.7 years, which was obtained by dividing the total service years of 475,689 (the sum of remaining service lifetimes of all active employees) by 127,009 (the total number of participants: active, inactive, and retired) in PERF C. Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

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:

SALINAS VALLEY SOLID WASTE AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

	Discount Rate		
	6.65%	7.65%	8.65%
	(1% Decrease)	(Current Rate)	(1% Increase)
Measurement date		June 30, 2016	
Fiscal Year End		June 30, 2017	
Net Pension Liability	\$ 1,655,038	\$ 912,076	\$ 298,054

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

Subsequent Events: There were no subsequent events that would materially affect the results presented in this disclosure.

13. Other Post Employment:

Annual OPEB Costs and Net OPEB Obligation: The Authority funds the payment of current retiree's health costs on a pay-as-you go basis. For the fiscal year ended June 30, 2017, the Authority's pay-as-you-go contributions for health care benefits for retirees are \$3,530. There were 4 retirees on the health insurance plan.

Postemployment Healthcare Plan: The Authority joined the Public Employees' Medical & Hospital Care Act (PEMHCA) in 2004. It is a single-employer plan administered by CalPERS.

The 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, 2017 and June 30, 2016 are as follows:

	June 30, 2017	June 30, 2016
Annual required contribution	\$ 157,500	\$ 146,100
Interest on net OPEB obligation	19,800	14,400
Adjustments to net OPEB obligation	(24,200)	(17,000)
Annual OPEB expense	153,100	143,500
Benefit Payments	(3,530)	(1,721)
Implied Subsidy Payments	(10,100)	(6,600)
Increase in OPEB obligation	139,470	135,179
Net OPEB obligation - beginning of year	495,999	360,820
Net OPEB obligation - end of year	\$ 635,469	\$ 495,999

SALINAS VALLEY SOLID WASTE AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

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, 2017 and the preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB		Net OPEB Obligation
		Cost Contributed		
6/30/2017	\$ 153,100	2.31%	\$	635,469
6/30/2016	\$ 143,500	1.20%	\$	495,999
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, 2015, 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 \$739,400. The covered payroll (annual payroll of active employees covered by the plan) was \$2,664,000 and the ratio of the UAAL to the covered payroll was 27.76%. 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, 2015 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, 2017 for 24 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 4.00% 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. Healthcare cost trend is forecasted at 4.5%. 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.

SALINAS VALLEY SOLID WASTE AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

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

14. Concentrations:

The Authority received 66.60% of its Charges for Services (tipping fees) from two haulers: Republic Services and Waste Management. These two haulers comprised approximately \$1,423,738 (77.1%) of accounts receivable balances at June 30, 2017. 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, serving the City of Salinas, and Waste Management 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:

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. The lease was extended for three years on February 18, 2016. Effective January 1, 2012, the current monthly lease payments are \$7,194.

The future minimum lease payments through December 2019 are as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2018	\$ 86,328
2019	86,328
2020	43,164
	<u>\$ 215,820</u>

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:

SALINAS VALLEY SOLID WASTE AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

Coverage	Detail	Limits	Deductible
Environmental Impairment Liability	Per Occurrence	\$ 10,000,000	\$ 25,000
Commercial Property	Per Occurrence	3,650,565	5,000
Earthquake	Per Occurrence	3,932,102	50,000
Environmental Excess Liability	Per Occurrence	5,000,000	-
Equipment Floater	-	10,000,000	5,000
General Liability	Aggregate	1,000,000	-
Auto Liability	Per Accident	1,000,000	1,000
Crime	-	1,000,000	5,000
Public Officials and Employment			
Practices Liability	Each Act	1,000,000	10,000
Workers Comp	-	1,000,000	-

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		Total	Contingency
	Improvement	Maintenance		
Johnson Canyon	\$ 426,126	\$ 362,063	\$ 788,189	\$ -
Crazy Horse	3,328,231	7,534,354	10,862,585	-
Jolon Road	-	1,490,048	1,490,048	-
Lewis Road	125,538	231,227	356,765	35,810
Total Corrective Actions	<u>\$ 3,879,895</u>	<u>\$ 9,617,692</u>	<u>\$13,497,587</u>	<u>\$ 35,810</u>

The capital improvements costs are one-time costs. The maintenance costs are the total estimated cost ranging from 19 years for Lewis Road to 70 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.

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.

SALINAS VALLEY SOLID WASTE AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

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, 2017, the statement of net position reports restricted net position of \$1,028,150. None of the net positions are restricted by enabling legislation. This consists of \$76,499 of unspent grant monies and \$951,651 for closure reserve.

18. Net Position:

Deficit Net Investment in Capital Assets: The deficit of \$3,830,703 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 Surplus: The surplus of \$2,398,199 in Unrestricted Net Surplus is the result of the 2014 refunding of its 2002 bond issue. The savings from the reissue were taken in the first few years of the payment cycle in order to fund long term capital needs. In addition, the economy has had an upswing in activity. This has generated higher than expected revenues, allowing the Authority to begin funding reserves in accordance to its reserve policy.

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, 2017, the calculation is 478%.

SALINAS VALLEY SOLID WASTE AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

Net revenue available for debt service for the year ended June 30, 2017, is determined as follows:

**Salinas Valley Solid Waste Authority
Debt Service Coverage Ratio Calculations
Fiscal year ended June 30, 2017**

Revenues	
Operating revenues	\$ 20,855,605
Interest not on Project funds	95,624
Revised Revenues	<u>20,951,229</u>
Maintenance & Operations Costs	
GAAP Operating Expenses	15,852,303
Less the following items per Master Indenture	
Postclosure maintenance	(2,608,244)
Closure	(336,224)
Depreciation	(1,419,953)
Add Postclosure liability being paid	
Lewis Road	188,946
Jolon Road	<u>162,615</u>
Revised Maintenance and Operations Expenses per Master Indenture	<u>11,839,443</u>
Net Revenues	<u>\$ 9,111,786</u>
Debt service on 2014 Bond	<u>\$ 1,907,820</u>
Debt Service Coverage Ratio	478%
Debt Service Coverage Required	115%

20. Subsequent Events:

Date of Management Review: Management has evaluated subsequent events through November 2, 2017, the date which these financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

SALINAS VALLEY SOLID WASTE AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2017

Schedule of the Authority's Proportionate Share of the Net Pension Liability
and Related Ratios as of Measurement Date
Cost Sharing Defined Benefit Pension Plan
As of June 30, 2017
Last 10 Years[^]

Measurement Date	Fiscal Year End		
	06/30/17	06/30/16	06/30/15
	06/30/16	06/30/15	06/30/14
Authority's proportion of the net pension liability	0.010540%	0.009469%	0.010779%
Authority's proportionate share of the net pension liability	\$912,076	\$649,956	\$670,697
Authority's covered-employee payroll*	2,992,877	2,691,705	2,418,312
Authority's proportionate share of the net pension liability as a percentage of covered employee payroll	30.47%	24.15%	27.73%
Plan's fiduciary net position as a percentage of the plan's total pension liability	74.06%	78.40%	79.82%

[^] Fiscal year 2015 was the 1st year of implementation, therefore only three years are shown.

* For the year ending on the measurement date.

SALINAS VALLEY SOLID WASTE AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2017

Schedule of Statutorily Required Employer Contributions
Pension Plan
As of June 30, 2017
Last 10 Years^

Contributions for the fiscal year ended:	6/30/2017	06/30/16	06/30/15
Actuarially determined contribution	\$ 296,695	\$ 220,619	\$ 285,581
Contributions in relation to the actuarially determined contribution	358,695	250,906	285,581
Contribution deficiency (Excess)	\$ (62,000)	\$ (30,287)	\$ -
Authority's covered-employee payroll *	\$ 3,334,650	\$ 2,992,877	\$ 2,691,705
Contributions as a percentage of covered-employee payroll	10.76%	8.38%	10.61%

^ Fiscal year 2015 was the 1st year of implementation, therefore only three years are shown.

* For the fiscal year ended on the date shown

Actuarial Methods and Assumptions

On April 17, 2013, the CalPERS Board of Administration approved a recommendation to change the CalPERS amortization and rate smoothing policies. Beginning with the June 30, 2013 valuations that set the 2015-16 rates, CalPERS employed an amortization and smoothing policy that pays for all gains and losses over a fixed 30-year period with the increases or decreases in rate spread directly over a 5-year period. The new amortization and smoothing policy is used in this valuation.

A change in the calculation of termination with vested benefits liability was made this year to better reflect the retirement experience. After termination with vested benefits, a miscellaneous member is assumed to retire at age 59 and a safety member at age 54 rather than at earliest retirement age. The higher benefit factors at these ages result in a higher liability and an increase in normal cost.

SALINAS VALLEY SOLID WASTE AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2017

Other Postemployment Benefits - Schedule of Funding Progress

The Schedule of Funding Progress presents trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The most recent trend data presented is from the July 1, 2015 valuation date.

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%
6/30/2015	\$ 739,400	\$ -	\$ 739,400	0.00%	\$ 2,664,000	27.76%

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 (unaudited)

SALINAS VALLEY SOLID WASTE AUTHORITY

Index to Statistical Section (unaudited)

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
Changes in Net Position (unaudited)
Last Ten Years
(accrual basis of accounting)

Description	6/30/2008	6/30/2009	6/30/2010	6/30/2011	6/30/2012	6/30/2013	6/30/2014	6/30/2015	6/30/2016	6/30/2017
Net investment in capital assets	\$ (16,102,591)	\$ (12,533,301)	\$ (9,445,282)	\$ (9,560,964)	\$ (8,493,008)	\$ (8,341,693)	\$ (6,400,056)	\$ (6,007,513)	\$ (4,921,464)	\$ (3,830,703)
Restricted	13,379,080	6,876,058	2,820,700	2,820,700	3,438,482	3,419,936	426,877	1,101,582	1,101,436	1,028,150
Unrestricted	(2,885,990)	(5,894,727)	(3,798,683)	(3,496,327)	(5,024,860)	(5,342,702)	(4,265,137)	(3,200,369)	(220,656)	2,398,199
Total Net Position	\$ (5,609,501)	\$ (11,551,970)	\$ (10,423,265)	\$ (10,236,591)	\$ (10,079,386)	\$ (10,264,459)	\$ (10,238,316)	\$ (8,106,300)	\$ (4,040,684)	\$ (404,354)

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	6/30/2008	6/30/2009	6/30/2010	6/30/2011	6/30/2012	6/30/2013	(As Restated) 6/30/2014	(As Restated) 6/30/2015	6/30/2016	6/30/2017
Changes in Net Position:										
Operating Revenues	\$ 15,706,134	\$ 15,298,739	\$ 16,135,595	\$ 15,070,564	\$ 15,273,792	\$ 15,980,945	\$ 18,244,947	\$ 16,795,395	\$ 18,442,923	\$ 20,855,605
Operating Expenses	12,244,092	17,370,851	12,610,300	11,720,409	12,554,260	12,837,292	13,245,635	11,139,153	11,672,645	14,432,350
Depreciation and amortization	1,979,453	2,411,454	552,132	566,286	698,156	1,359,411	1,412,742	1,180,131	1,228,692	1,419,953
Operating income(loss)	1,482,589	(4,483,566)	2,973,163	2,783,869	2,021,376	1,784,242	3,586,570	4,476,111	5,541,586	5,003,302
Non-operating revenues (expenses)										
Interest income	1,397,018	764,812	289,760	233,541	52,658	39,180	28,013	36,631	64,248	95,624
Gain(loss) on disposition of capital assets	-	-	-	(848,017)	-	-	-	-	-	-
Interest expense	(2,265,802)	(2,225,196)	(2,177,895)	(2,132,513)	(2,085,322)	(2,026,114)	(1,724,013)	(1,557,530)	(1,549,675)	(1,521,621)
Grant income	-	-	-	-	-	-	-	-	-	-
Other revenue(expense), net	(667,564)	1,481	43,678	149,793	168,493	17,619	-	-	-	-
Rental Income	-	-	-	-	-	-	9,914	6,191	7,214	53,114
Finance Charges	-	-	-	-	-	-	8,180	1,843	2,243	5,911
Cost of bond issuance	-	-	-	-	-	-	(561,881)	-	-	-
Total non-operating revenues (expense), net	(1,536,348)	(1,458,903)	(1,844,457)	(2,597,196)	(1,864,171)	(1,969,315)	(2,239,787)	(1,512,865)	(1,475,970)	(1,366,972)
Changes in net position	\$ (53,759)	\$ (5,942,469)	\$ 1,128,706	\$ 186,673	\$ 157,205	\$ (185,073)	\$ 1,346,783	\$ 2,963,246	\$ 4,065,616	\$ 3,636,330
Net assets by component:										
Net Investment in capital assets	\$ (16,102,591)	\$ (12,533,301)	\$ (9,445,282)	\$ (9,560,964)	\$ (8,493,008)	\$ (8,341,693)	\$ (6,400,056)	\$ (6,007,513)	\$ (4,921,464)	\$ (3,830,703)
Restricted for debt service	2,821,862	2,820,700	2,820,700	2,820,700	2,820,700	2,820,700	-	-	-	-
Restricted for grants	-	-	-	-	112,906	196,309	69,427	61,684	95,345	76,499
Restricted per lease agreement	-	-	-	-	-	-	-	242,326	-	-
Restricted for capital projects	8,149,009	4,055,358	-	-	-	-	-	-	-	-
Restricted for closure reserve	2,408,209	-	-	-	504,876	402,927	357,450	797,572	1,006,091	951,651
Unrestricted	(2,885,990)	(5,894,727)	(3,798,683)	(3,496,327)	(5,024,860)	(5,342,702)	(4,265,137)	(3,200,369)	(220,656)	2,398,199
Total Net Position	\$ (5,609,501)	\$ (11,551,970)	\$ (10,423,265)	\$ (10,236,591)	\$ (10,079,386)	\$ (10,264,459)	\$ (10,238,316)	\$ (8,106,300)	\$ (4,040,684)	\$ (404,354)

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 (unaudited)
Last Ten Years
(accrual basis of accounting)

Fiscal Year	Charges for Services	Sales of Materials	Operating Grants and Contributions	Total Operating Revenues
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
(As Restated) 6/30/2014	17,534,109	594,054	116,780	18,244,943
(As Restated) 6/30/2015	16,095,020	583,734	116,641	16,795,395
06/30/16	17,676,062	618,784	148,077	18,442,923
06/30/17	20,142,815	646,673	66,117	20,855,605

Data Source: Salinas Valley Solid Waste Authority Finance Division

Salinas Valley Solid Waste Authority

Operating Expense by Activity (unaudited)

Last Ten Fiscal Years

(accrual basis of accounting)

Fiscal Year	Personnel		Contractual		Operating		Building		Taxes and		Closure/ Postclosure		Hazardous		Total	
	Services		Services		Contracts		Insurance	Rent	Permits	Utilities	Maintenance	Waste	Other	Expenses		
6/30/2008	\$ 2,217,099		\$ 2,042,237		\$ 5,907,393		\$ 254,783	\$ 90,733	\$ 772,394	\$ 125,726	\$ 296,515	\$ 177,680	\$ 182,943	\$ 12,244,092		
6/30/2009	2,704,352		1,916,644		5,539,953		233,477	99,190	735,705	134,839	5,435,843	168,862	171,429	17,370,851		
6/30/2010	3,273,902		1,561,538		5,326,362		216,357	96,814	733,494	155,505	556,332	174,900	195,970	12,610,300		
6/30/2011	3,697,152		1,136,289		4,422,103		189,062	99,310	685,116	160,573	641,333	171,496	156,574	11,720,409		
6/30/2012	3,593,200		1,390,036		4,804,124		220,868	99,606	742,681	133,416	897,535	173,359	116,902	12,554,260		
6/30/2013	3,763,121		1,454,029		4,783,575		219,004	104,508	728,267	137,788	712,257	192,176	288,533	12,837,292		
(As Restated) 6/30/2014	4,089,204		1,666,686		4,737,350		238,921	104,658	736,419	138,820	639,510	172,520	233,513	13,245,635		
(As Restated) 6/30/2015	4,093,952		1,714,543		3,313,514		287,724	105,070	610,254	146,427	(267,617)	202,715	245,196	11,139,153		
6/30/2016	4,805,714		1,795,961		2,164,435		318,293	191,594	597,266	141,808	476,570	220,294	272,931	11,672,645		
6/30/2017	5,148,507		2,210,991		2,015,999		178,486	116,045	520,155	131,476	2,944,468	202,372	266,290	14,432,350		

Data Source: Salinas Valley Solid Waste Authority Finance Division

Salinas Valley Solid Waste Authority
Revenue Base (unaudited)
Last Ten Fiscal Years

Fiscal Year	Solid Waste Landfilled (tons)
6/30/2008	292,720
6/30/2009	271,808
6/30/2010	253,553
6/30/2011	250,683
6/30/2012	236,248
6/30/2013	236,521
6/30/2014	242,788
6/30/2015	175,923
6/30/2016	182,298
6/30/2017	199,457

Data Source: Salinas Valley Solid Waste Authority Finance Division

Salinas Valley Solid Waste Authority
Revenue Rates (unaudited)
Last Ten Fiscal Years

Tipping Fees	<u>6/30/2008</u>	<u>6/30/2009</u>	<u>6/30/2010</u>	<u>6/30/2011</u>	<u>6/30/2012</u>	<u>6/30/2013</u>	<u>6/30/2014</u>	<u>6/30/2015</u>	<u>6/30/2016</u>	<u>6/30/2017</u>
Tipping Fee	\$ 58	\$ 63	\$ 63	\$ 64	\$ 64	\$ 67	\$ 67	\$ 67	\$ 67	\$ 69
Surcharge on Salinas										
franchise waste	-	-	6	5	5	8	11	14	17	17
AB939 Fee (1)	-	-	-	-	-	-	12	12	15	11

Data Source: Salinas Valley Solid Waste Authority Finance Division

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

Customer	6/30/2017		6/30/2008	
	Tons Processed	Percentage of Total	Tons Processed	Percentage of Total
Republic Services Of Salinas	105,625	36.59%	125,091	34.50%
Waste Management - Madison Lane	33,764	11.70%	85,327	23.53%
Avtech Construction, Inc.	16,247	5.63%	34,875	9.62%
Rural Dispose-All	14,685	5.09%	28,883	7.97%
Vision Recycling	10,015	3.47%	7,440	2.05%
City Of Soledad	9,302	3.22%	6,831	1.88%
King City Disposal	8,075	2.80%	4,344	1.20%
City Of Greenfield	8,062	2.79%	3,995	1.10%
Tri-Cities Disposal	7,252	2.51%	2,825	0.78%
City Of Gonzales	4,478	1.55%	2,667	0.74%
All Other Customers	71,152	24.65%	60,319	16.63%
Total Tons for All Customers	288,657	100.00%	362,597	100.00%

Data Source: Salinas Valley Solid Waste Authority Finance Division

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

FYE	Revenue Bonds, Series 2002	Installment Purchase Agreement	2014 Series A			Eq Lease Payable	Total (1)	Total	
			2014 Series A Bonds Payable	Bonds Premium	2014 Series B Bonds Payable			Per Capita (2)	As a Share of Personal Income
6/30/2008	\$ 37,595,000	\$ 3,795,784	\$ -	\$ -	\$ -	\$ -	\$ 41,390,784	\$ 102	0.24%
6/30/2009	36,770,000	3,709,274	-	-	-	-	40,479,274	99	0.24%
6/30/2010	35,910,000	3,615,785	-	-	-	-	39,525,785	95	0.23%
6/30/2011	35,010,000	3,514,756	-	-	-	-	38,524,756	91	0.22%
6/30/2012	34,070,000	3,405,575	-	-	-	-	37,475,575	88	0.20%
6/30/2013	33,085,000	3,287,588	-	-	-	-	36,372,588	85	0.19%
(Restated) 6/30/2014	-	-	27,815,000	2,254,049	3,575,000	3,670,000	37,314,049	87	0.19%
(Restated) 6/30/2015	-	-	27,815,000	2,064,718	3,260,000	3,327,721	36,467,439	84	0.17%
6/30/2016	-	-	27,815,000	1,895,470	2,940,000	2,462,960	35,113,430	81	N/A
6/30/2017	-	-	27,815,000	1,734,012	2,615,000	1,735,668	33,899,680	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 (unaudited)
Last Ten Fiscal Years

Description	6/30/2008	6/30/2009	6/30/2010	6/30/2011	6/30/2012	6/30/2013	(As Restated) 6/30/2014	(As Restated) 6/30/2015	6/30/2016	6/30/2017
Operating Income (see Schedule 2)	\$ 1,482,589	\$ (4,483,566)	\$ 2,973,163	\$ 2,783,869	\$ 2,021,376	\$ 1,784,242	\$ 3,586,570	\$ 4,476,109	\$ 5,541,586	\$ 5,003,302
Investment Earnings	1,033,793	650,090	289,760	233,541	52,658	39,180	28,013	36,631	64,248	95,624
Closure/Postclosure Expense	296,515	2,400,249	556,332	641,333	897,535	712,257	639,510	(267,617)	476,570	2,944,468
Lewis Rd Postclosure	(52,767)	(154,128)	(99,706)	(134,012)	(135,362)	(103,497)	(97,684)	(115,654)	(76,393)	(188,946)
Jolon Rd Postclosure	(25,064)	(38,081)	(37,209)	(35,581)	(21,935)	(29,946)	(29,657)	(34,437)	(19,870)	(162,615)
Depreciation and Amortization	1,979,453	2,411,454	552,132	566,286	698,156	1,359,411	1,412,742	1,180,131	1,228,692	1,419,953
Total	\$ 4,714,519	\$ 786,018	\$ 4,234,472	\$ 4,055,436	\$ 3,512,428	\$ 3,761,647	\$ 5,539,494	\$ 5,275,163	\$ 7,214,832	\$ 9,111,786
Annual Debt Service	\$ 2,749,804	\$ 2,754,916	\$ 2,753,154	\$ 2,753,091	\$ 2,753,092	\$ 2,754,954	\$ 2,879,137	\$ 1,920,876	\$ 1,908,648	\$ 1,907,820
Coverage Percentage	171%	29%	154%	147%	128%	137%	192%	275%	378%	478%
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 (unaudited)
Last Ten Fiscal Years

Monterey County, CA				
Year	Unemployment Rate (1)	Population (2)	Personal Income (000) (3)	Personal Income Per Capita (4)
6/30/2008	6.4%	405,660	\$ 16,920,682	\$ 41,674
6/30/2009	9.8%	410,370	16,724,481	40,765
6/30/2010	10.3%	415,057	16,947,037	40,705
6/30/2011	10.8%	421,898	17,678,701	41,958
6/30/2012	10.0%	426,762	18,496,346	43,411
6/30/2013	8.5%	429,123	19,233,171	44,851
6/30/2014	7.1%	431,344	19,889,054	46,109
6/30/2015	6.8%	433,898	21,623,627	49,836
6/30/2016	6.1%	435,232	N/A	N/A
6/30/2017	5.5%	N/A	N/A	N/A

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) (unaudited)

MSA and Industry	2008	2009	2010	2011	2012	2013	2014	2015	2016
SALINAS MSA									
Total									
No. of Businesses	11,822	11,770	11,895	12,022	11,195	11,717	11,038	12,180	12,274
No. of Employees	152,846	146,140	148,321	150,224	155,869	158,846	160,954	170,385	170,383
Payroll (in thousands)	\$1,376,250	1,283,014	\$1,341,043	\$1,406,250	\$1,450,658	\$1,507,712	\$1,565,332	\$1,684,580	\$1,823,620
Agriculture									
No. of Businesses	562	546	529	529	532	540	546	539	520
No. of Employees	54,430	54,635	56,258	58,401	60,673	62,874	66,033	67,029	66,347
Payroll (in thousands)	\$383,147	\$380,582	\$416,294	\$448,534	\$472,663	\$520,761	\$557,753	\$596,901	\$658,994
Utilities									
No. of Businesses	23	21	19	20	21	21	22	20	20
No. of Employees	508	500	482	557	868	872	763	789	784
Payroll (in thousands)	\$10,210	\$11,086	\$10,735	\$14,754	\$19,317	\$21,089	\$183,131	\$20,427	\$21,753
Construction and Mining									
No. of Businesses	967	930	866	824	787	825	857	886	914
No. of Employees	6,144	4,578	4,314	3,997	4,673	4,823	5,080	5,538	6,067
Payroll (in thousands)	\$76,843	\$59,777	\$54,275	\$51,117	\$58,685	\$62,188	\$65,513	\$75,409	\$91,161

- (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 do 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) 2017 Data is not yet available.

Definitions of Terms and Source Notes

http://www.labormarketinfo.edd.ca.gov/LMID/Size_of_Business_Data.html

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) (unaudited)

MSA and Industry	2008	2009	2010	2011	2012	2013	2014	2015	2016
Manufacturing									
No. of Businesses	251	255	256	244	248	265	267	259	264
No. of Employees	6,107	5,861	5,457	5,869	5,287	5,439	5,337	5,685	5,529
Payroll (in thousands)	\$62,187	\$56,038	\$57,445	\$66,066	\$63,429	\$59,826	\$60,774	\$65,737	\$69,340
Wholesale Trade									
No. of Businesses	400	402	391	377	377	368	411	384	375
No. of Employees	5,260	4,940	5,281	5,120	5,480	5,227	4,710	5,459	5,548
Payroll (in thousands)	\$78,282	\$74,947	\$79,735	\$83,299	\$88,422	\$92,922	\$59,857	\$94,037	\$101,499
SALINAS MSA									
Retail Trade									
No. of Businesses	1,267	1,221	1,227	1,200	1,195	1,175	1,358	1,199	1,212
No. of Employees	16,557	14,877	15,251	15,530	15,812	16,144	16,969	16,366	16,356
Payroll (in thousands)	\$123,551	\$107,453	\$111,004	\$122,602	\$120,195	\$120,072	\$114,448	\$128,116	\$134,773
Transportation and Warehousing									
No. of Businesses	248	241	239	227	230	239	240	269	266
No. of Employees	3,192	3,032	2,942	2,715	3,085	3,309	2,814	3,907	3,817
Payroll (in thousands)	\$36,789	\$34,856	\$36,081	\$36,164	\$37,895	\$40,049	\$26,107	\$48,726	\$46,978

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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) (unaudited)

MSA and Industry	2008	2009	2010	2011	2012	2013	2014	2015	2016
Information									
No. of Businesses	107	98	106	99	102	102	119	84	88
No. of Employees	2,020	1,671	1,619	1,532	1,525	1,517	2,307	1,325	1,126
Payroll (in thousands)	\$31,248	\$24,735	\$23,894	\$24,061	\$23,229	\$23,947	\$31,249	\$23,019	\$17,431
Finance and Insurance									
No. of Businesses	390	363	367	363	345	333	375	333	354
No. of Employees	3,541	2,857	2,630	2,528	2,480	2,235	3,711	2,247	2,354
Payroll (in thousands)	\$77,659	\$47,648	\$46,824	\$43,452	\$46,190	\$43,238	\$50,791	\$45,027	\$49,584
Real Estate and Rental and Leasing									
No. of Businesses	400	393	386	360	369	380	428	387	382
No. of Employees	1,932	1,730	1,745	1,654	1,753	1,639	2,313	1,781	1,803
Payroll (in thousands)	\$17,392	\$15,087	\$15,752	\$17,044	\$17,891	\$18,071	\$20,400	\$20,113	\$22,487
Services									
No. of Businesses	7,207	7,300	7,509	7,779	6,989	7,469	6,415	7,820	7,879
No. of Employees	53,155	51,459	52,342	52,321	54,233	54,767	50,917	60,259	60,652
Payroll (in thousands)	\$478,942	\$470,805	\$489,004	\$499,157	\$502,741	\$505,549	\$395,309	\$567,068	\$609,620

(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 do 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 publicly identifying the names of individual employers.

(7) 2017 Data is not yet available.

Definitions of Terms and Source Notes

http://www.labormarketinfo.edd.ca.gov/LMID/Size_of_Business_Data.html

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

<u>Fiscal Year</u>	<u>New Single Family Residence</u>	<u>Other Residential</u>	<u>Total Residential</u>	<u>Nonresidential</u>	<u>Total All Building Permits</u>
6/30/2008	261	671	932	2,027	2,959
6/30/2009	67	511	578	1,539	2,117
6/30/2010	72	973	1,045	1,139	2,184
6/30/2011	71	1,655	1,726	408	2,134
6/30/2012	111	1,711	1,822	355	2,177
6/30/2013	118	1,578	1,696	522	2,218
6/30/2014	119	1,958	2,077	338	2,415
6/30/2015	204	2,340	2,544	452	2,996
6/30/2016	268	2,597	2,865	478	3,343
6/30/2017	892	2,076	2,968	470	3,438

Data for 6/30/2014 and subsequent years provided by the Monterey County Department of Building Services

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

<u>Fiscal Year</u>	<u>Single Family Residential</u>	<u>Multiple</u>	<u>Mobile Homes</u>	<u>Total All Housing</u>
6/30/2008	96,672	96,672	5,736	199,080
6/30/2009	96,668	96,668	5,709	199,045
6/30/2010	96,569	96,569	5,678	198,816

Source:

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

<u>Date</u>	<u>Single Family Residential Detached</u>	<u>Single Family Residential Attached</u>	<u>Multiple Two to Four</u>	<u>Multiple Five Plus</u>	<u>Mobile Homes</u>
1/1/2011	87,355	8,902	12,388	23,593	5,672
1/1/2012	87,610	8,902	12,394	23,625	5,675
1/1/2013	87,563	8,903	12,412	23,753	5,677
1/1/2014	87,723	8,910	12,494	24,005	5,685
1/1/2015	87,833	8,910	12,513	24,232	5,689
1/1/2016	88,062	8,911	12,496	24,269	5,697
1/1/2017	88,326	8,888	12,550	24,334	5,723

Source:

CA Dept. of Finance - Report E-5 Population and Housing Estimates for Cities, Counties, and the State, 1/1/2011-2017, with 2010 Census Bench

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

Fiscal Year	Authority's Employees by Department			
	Administration	Finance	Engineering	Operations
6/30/2008	6	3	2	3
6/30/2009	6	4	1	9
6/30/2010	6	4	2	15
6/30/2011	6	4	2	15
6/30/2012	6	4	1	22
6/30/2013	6	4	1	19
6/30/2014	6	3	1	21
6/30/2015	6	3	1	29
6/30/2016	6	3	1	33
6/30/2017	6	3	1	37
				8
				8
				8
				8
				5
				5
				5
				5
				5
				5

Other Operating and Capacity Indicators

Fiscal Year	Authority Area (Square Miles)	Landfill Acreage	Daily Landfill Capacity (tons)
6/30/2008	3,280.600	943.000	1,574.000
6/30/2009	3,280.600	943.000	1,574.000
6/30/2010	3,280.600	943.000	1,574.000
6/30/2011	3,280.600	943.000	1,574.000
6/30/2012	3,280.600	943.000	1,574.000
6/30/2013	3,280.600	943.000	1,574.000
6/30/2014	3,280.600	943.000	1,574.000
6/30/2015	3,280.600	943.000	1,574.000
6/30/2016	3,280.600	943.000	1,574.000
6/30/2017	3,280.600	943.000	1,574.000

Source:

Authority Area: U.S. Census Bureau

Other data: From internal sources

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

Function	6/30/2008	6/30/2009	6/30/2010	6/30/2011	6/30/2012	6/30/2013	6/30/2014	6/30/2015	6/30/2016	6/30/2017
Administration										
Vehicles	1	1	1	1	1	1	1	2	2	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)	6,884	6,884	6,884	6,884	6,884	6,884	6,884	6,884	6,884	6,884
Finance										
Computer Equipment	4	4	4	4	4	4	4	3	3	3
Operations										
Vehicles	9	12	12	12	13	13	14	17	26	26
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	13	15
Water Truck	0	-	-	1	1	1	1	3	4	4
Bulldozers	0	-	-	-	-	-	-	2	2	2
Computer Equipment	5	8	8	8	8	8	8	9	9	9
Fuel Tanks	0	-	-	1	1	2	2	2	2	2
Buildings	10	10	10	10	10	10	10	10	10	10
Buildings (square footage)	29,110	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	5
Site Security Systems	2	2	1	1	1	1	1	1	3	4
Leachate Systems	3	3	3	3	3	3	3	3	3	3
Gas Monitoring Wells	38	38	40	40	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	0	-	-	-	-	-	1	1	1	1
Resource Recovery										
Vehicles	3	3	3	3	3	3	3	2	3	4
Computer Equipment	4	5	5	5	5	5	5	6	6	6

Data Source: Salinas Valley Solid Waste Authority Finance Division