SALINAS VALLEY
SOLID WASTE AUTHORITY

Monterey County, California

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2026

PREPARED BY

THE AUTHORITY'S FINANCE DIVISION

C. Ray Hendricks

Finance and Administration Manager/Treasurer/Controller

Ernesto Natera, Business Services Supervisor

Linda Vasquez, Accounting Technician

Salma Sandoval, Accounting Technician

TABLE OF CONTENTS

INTRODUCTORY SECTION:

Transmittal Letter i
GFOA Certificate of Achievement v
List of Principal Officials vi
Organizational Chart vii

FINANCIAL SECTION:

Independent Auditor's Report..... 1

Management's Discussion and Analysis
(Required Supplementary Information) 4

Basic Financial Statements
Statement of Net Position..... 12
Statement of Revenues, Expenses and Changes in Net Position..... 14
Statement of Cash Flows 15

Notes to Basic Financial Statements
1. Summary of Significant Accounting Policies 17
2. Cash and Investments 22
3. Receivables, net..... 24
4. Loss on Bonds Refunding 25
5. Restricted Cash..... 25
6. Capital Assets, net 26
7. Compensated Absences 26
8. Long Term Liabilities 27
9. Landfill Closure and Postclosure Requirements..... 28
10. Deferred Compensation Plan……. 30
11. Retirement Programs……..... 30
12. Other Post Employment Benefit (OPEB)……. 35
13. Concentrations 40
14. Commitments and Contingencies 40
15. Leases..... 42
16. Related Parties..... 43
17. Net Position..... 43
18. Bond Rate Covenant..... 44
19. Subsequent Events 44

Required Supplementary Information

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 45
Schedule of Statutorily Required Employer Contributions – Pension Plan 46
Schedule of Changes in the Authority's Net OPEB Liability (Asset) and Related Ratios As of Measurement Date 47
Schedule of Employer OPEB Contributions 48

Statistical Section (unaudited)

Index to Statistical Section 50
Net Position 51
Changes in Net Position 52
Operating Revenue by Source 53
Operating Expenses by Activity 54
Revenue Base 55
Revenue Rates 56
Principal Customers 57
Ratio of Outstanding Debt 58
Pledged Revenue Coverage 59
Demographic Statistics 60
Major Industries 61
Building Permits 64
Housing Stock 65
Operating and Capacity Indicators 66
Capital Assets Statistics by Function 67

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"

October 15, 2026

Citizens and Board of Salinas Valley Solid Waste Authority:

We are pleased to submit the Salinas Valley Solid Waste Authority's (Authority) Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2026. The ACFR provides information concerning the Authority's financial position, results of operations, cash flows, governance, operations, and financial management.

Management is responsible for the completeness and reliability of the information presented in this report. To provide a reasonable basis for that responsibility, the Authority has established a comprehensive internal control framework designed to safeguard its assets from loss, theft, or misuse and to provide reliable information for preparing financial statements in conformity with accounting principles generally accepted in the United States of America. Because the cost of internal controls should not exceed their benefits, the framework is designed to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatement. To the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

McGilloway, Ray, Brown & Kaufman, an independent firm of certified public accountants, audited the Authority's financial statements. The independent auditor's report expresses an unmodified opinion on those statements and is presented at the beginning of the financial section of this report.

Accounting principles generally accepted in the United States of America require Management's Discussion and Analysis (MD&A) as required supplementary information accompanying the basic financial statements. The MD&A provides an overview of the financial statements, summarized financial information, analyses of significant changes, a discussion of significant capital asset and long-term financing activity, and currently known facts, decisions, or conditions expected to have a significant financial effect. The MD&A should be read in conjunction with the basic financial statements and accompanying notes and can be found immediately following the independent auditor's report. This letter provides complementary organizational, policy, economic, and other contextual information.

Reporting Entity

The Salinas Valley Solid Waste Authority was created on January 1, 1997, through a joint powers agreement among the cities of Salinas, Gonzales, Greenfield, King City, and Soledad and Monterey County. The Authority provides waste recovery and solid-waste disposal services to the member jurisdictions and the unincorporated eastern and southern portions of Monterey 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.

Financial Highlights and Management

The Authority carefully monitors its financial resources and establishes service charges intended to maintain financial stability while minimizing the effect on ratepayers. Net position increased $4,084,412 during fiscal 2026 to $54,624,719 at year-end. The increase resulted principally from the gain on the sale of the former Sun Street Transfer Station property and investment earnings, partially offset by higher closure and post-closure expenses and depreciation.

The Authority establishes tipping fees at levels intended to fund operations, closure set-aside requirements, post-closure maintenance, debt service, and capital needs. The Authority follows a save-as-you-go approach to capital funding by setting aside resources over time for future capital projects. Tipping fees are not designed to recover depreciation expense in the year recognized; instead, capital replacement budgets provide resources toward replacing depreciated assets.

The Authority landfilled approximately 224,084 tons during fiscal 2026. Tonnage decreased from the prior year because of continued economic pressures and changes in operations. The disposal fee was $67.00 per ton effective July 1, 2025, and increased to $70.00 per ton effective July 1, 2026. Additional information about operating revenue changes and the factors affecting tonnage is presented in MD&A.

The Board adopted the AB 939 fee effective July 1, 2013. The fee generated approximately $5.65 million during fiscal 2026 and supports non-landfill AB 939 programs, including organics procurement required by the State of California. Because the fee is assessed independently of landfill tonnage, it reduces the effect of tonnage fluctuations on total operating revenue.

Closure and Post-Closure Funding

Under a June 19, 1998 agreement with the California Integrated Waste Management Board, now CalRecycle, the Authority pledged future revenues to fund post-closure maintenance. Current tipping fees are not intended to fund the entire accrual of post-closure expense for all sites in the year the expense is recognized; the Authority instead funds those obligations over time in accordance with applicable requirements and its financial policies.

At June 30, 2026, the Authority reported accrued post-closure liabilities of $20,546,344. Because Johnson Canyon Landfill is the Authority's remaining regional landfill, the Authority has begun prefunding its post-closure obligation to help provide for the minimum required 30-year maintenance period. Johnson Canyon's share of the post-closure liability was $3,017,780 at June 30, 2026, and the Authority had set aside $3,153,086 in a separate Post-Closure Fund for this purpose.

In accordance with CalRecycle requirements, the Authority sets aside resources to fund the accrued closure liability for Johnson Canyon Landfill. At June 30, 2026, the Authority had set aside $5,333,242 in a separate Closure Fund, compared with an accrued closure liability of $3,708,978.

CalPERS Pension Liabilities

The Authority's financial policies prioritize the use of cash surpluses to pay off its entire Unfunded Actuarial Liability (UAL) whenever possible, a practice followed since fiscal year 2018-19. In addition, to help manage potential future UAL obligations, the Authority established an account through the California Employers' Pension Prefunding Trust Program (CEPPT), a Section 115 trust, along with a budget to deposit funds into the trust in years when funds are not needed to pay down the UAL.

The Authority used the funds in this trust to pay off its UAL during fiscal year 2024-25. During fiscal year 2025-26, the Authority deposited $321,500 into the trust. The balance at June 30, 2026, was $339,643.96.

For the fiscal year ended June 30, 2025, CalPERS reported a net investment return of 11.6%. For the fiscal year ended June 30, 2026, CalPERS reported a preliminary net investment return of 14.8%. The CalPERS Funding Risk Mitigation Policy gives the CalPERS Board the option to reduce the discount rate rather than apply the full investment gain to the pension plan in any year when returns exceed the current target rate of return by two or more percentage points. If the CalPERS Board chooses not to change the discount rate based on the fiscal year 2025-26 investment return, the Authority's pension plan is expected to be more than 110% funded.

Bond Issue 2022

On February 22, 2022, Salinas Valley Solid Waste Authority issued Taxable bonds (Series 2022A) with a par value of $25,595,000. The purpose of the bond issuance was to refund both the Alternative Minimum Taxable bonds (Series 2014A), and Taxable bonds (Series 2014B), which were issued to refund Series 2002 revenue bonds, and the Authority's 1997 Installment Purchase Agreement.

The maximum annual debt service is $3,115,300 including interest at varying rates up to 2.481%. The prefunding allows the Authority to finish paying off the Bonds a year earlier while saving $1.61 million in total debt service payments. The final interest and principal payment on the bonds is scheduled for August 1, 2030.

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 fund costs related to locating and permitting a new landfill site and other long-term expansion activities.

Over the term of the revised agreement with South Valley Disposal, revenue from the sale of outside waste totaled $23.18 million, with estimated costs of $4.92 million to operate Crazy Horse, $2.01 million for closure cost set-asides, and $1.76 million for taxes and fees. In addition to amounts allocated to capital improvement projects related to expansion and conversion technologies and investment earnings, the Board of Directors previously authorized the use of a portion of these funds for operations during the Great Recession until the economy recovered, thereby avoiding tipping fee increases.

During fiscal year 2021-22, the Board approved using a portion of these funds to purchase an office building for the Authority's administration, education, and community service activities. The Sun Street Property was sold during fiscal year 2025-26, and the funds were repaid as committed. At June 30, 2026, the Expansion Fund had unrestricted net position of $9,447,799.

Cash and Financial Position

The Authority's cash and cash equivalents increased by $7,359,092 during fiscal year 2026, from $39,795,620 to $47,154,712. The Statement of Cash Flows provides additional information regarding the sources and uses of the Authority's cash during the year.

As the Authority continues to make payments on the 2022 Bonds and manage its long-term liabilities, management expects to maintain the financial flexibility necessary to set aside reserves and continue prefunding long-term obligations.

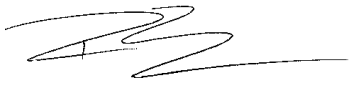
Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Authority for its ACFR for the fiscal year ended June 30, 2025. The Certificate recognizes conformance with the program's standards for state and local government financial reports. The Authority has received the award for each fiscal year beginning with the year ended June 30, 2014. The fiscal 2026 ACFR will be submitted to GFOA for consideration under the Certificate program.

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 Authority's operations. In addition, I offer special thanks to Ernesto Natera, Business Services Supervisor; Linda Vasquez, Accounting Technician; and Salma Sandoval, Accounting Technician, without whom this report would not be possible. I would also like to thank the Authority's auditors, McGilloway, Ray, Brown & Kaufman. It is through the combined efforts of all participants that this report was completed.

Respectfully submitted,



C. Ray Hendricks
Finance and Administration 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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2025

Christopher P. Morrill

List of Principal Officials

As of June 30, 2026

Liz Silva, City of Gonzales
President

Glenn Church, County of Monterey
Vice President

Gloria De La Rosa, City of Salinas
Alternate Vice President

Evarista Bañuelos-Sánchez, City of Soledad
Board Member

Jose Luis Barajas, City of Salinas
Board Member

Robert S. Cullen, City of King
Board Member

Dennis Donohue, City of Salinas
Board Member

Belen Garcia, City of Greenfield
Board Member

Christopher M. Lopez, County of Monterey
Board Member

Roy Santos
General Counsel

Cesar Zuniga
General Manager/
Chief Administrative Officer

Mandy Brooks
Assistant General Manager/
Resource Recovery Manager

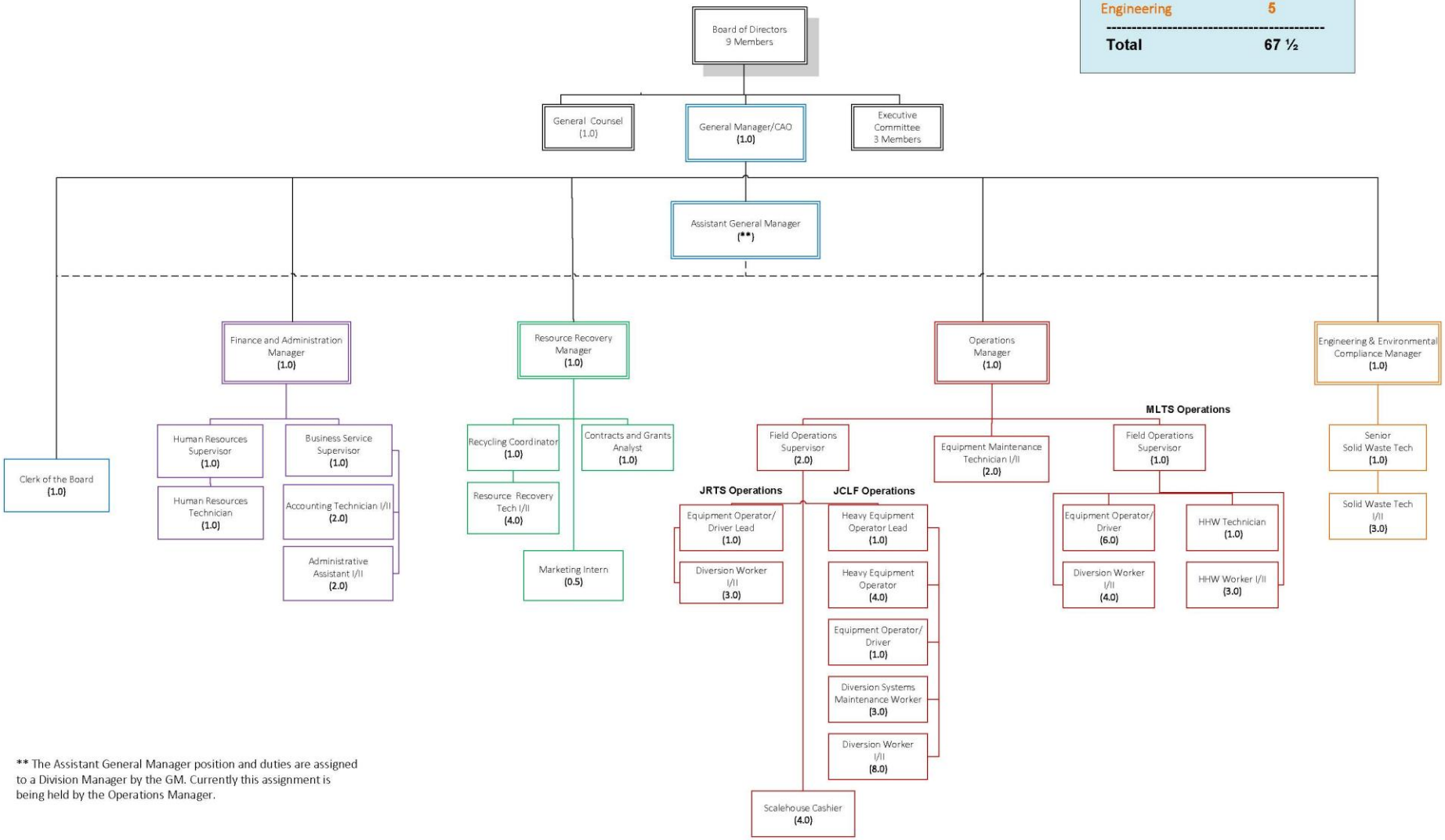
Juan Camacho
Operations Manager

C. Ray Hendricks
Finance & Administration
Manager/Treasurer/Controller

Brian Kennedy
Engineering & Environmental
Compliance Manager

Salinas Valley Solid Waste Authority
Organizational Chart
Proposed Effective Date: May 12, 2025

Executive Administration	2
Finance & Administration	5
Resource Recovery	7 ½
Operations	45
Engineering	5
Total	**67 ½**



** 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

McGilloway | Ray
Brown | Kaufman
ACCOUNTANTS AND CONSULTANTS

2511 Garden Road
Suite A180
Monterey, CA 93940
831-373-3337
Fax 831-373-3437

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

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of Salinas Valley Solid Waste Authority (Authority), as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2026, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute

assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of Authority's proportionate share of the net pension liability and related ratios as of measurement date – cost sharing defined benefit pension plan, the schedule of statutorily required employer contributions-pension plan, the schedule of changes in the Authority's net OPEB liability (asset) and related ratios as of measurement date, and the schedule of employer OPEB contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Report on Summarized Comparative Information

We have previously audited the Authority's 2025 financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated October 1, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2025, is consistent, in all material respects.

McGilloway, Ray, Brown & Kaufman
Salinas, California
October 15, 2026

Introduction

The following discussion and analysis of the financial performance of the Salinas Valley Solid Waste Authority (Authority) provides an overview of the Authority's financial position and results of operations for the fiscal years ended June 30, 2026, and June 30, 2025. Please read the information presented here in conjunction with the basic financial statements and the related notes to the basic financial statements, which follow this discussion, as well as the letter of transmittal and other information presented in this Annual Comprehensive Financial Report (ACFR).

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The Authority is a business-type activity and uses accounting methods similar to those used by private-sector businesses.

The Authority's ACFR consists of three primary components: 1) Management's Discussion and Analysis, 2) Basic Financial Statements, and 3) Notes to the Basic Financial Statements. The ACFR also contains Required Supplementary Information and other supplementary information.

Basic Financial Statements

The basic financial statements provide information about the Authority's financial position, results of operations, and cash flows.

The **Statement of Net Position** presents information about the Authority's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The difference between these amounts is reported as net position and provides an indicator of the Authority's financial position at the end of the fiscal year.

The **Statement of Revenues, Expenses, and Changes in Net Position** presents the Authority's revenues and expenses for the fiscal year and reports the change in net position resulting from those activities. The statement provides information regarding the Authority's operating results and other changes in financial position.

The **Statement of Cash Flows** provides information about the Authority's cash receipts and cash payments during the fiscal year. The statement reports on the changes in cash resulting from operating, noncapital financing, capital and related financing, and investing activities.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the financial statements. The notes include information concerning the Authority's significant accounting policies, capital assets, long-term liabilities, pension obligations, commitments, and other matters.

Required Supplementary Information

Required supplementary information follows the notes to the basic financial statements and includes schedules related to the Authority's pension and other postemployment benefit plans.

FINANCIAL SUMMARY AND DETAILED ANALYSIS

Statement of Net Position

The Statement of Net Position is an important indicator of the Authority's financial position because it presents the Authority's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and resulting net position at year-end.

Salinas Valley Solid Waste Authority's Net Position

	2026	2025	Change	% Change
Assets				
Current Assets	$ 45,295,590	$ 37,570,992	$ 7,724,598	20.6%
Other Assets	8,237,491	6,455,629	1,781,862	27.6%
Capital Assets, Net	45,439,380	46,680,431	(1,241,051)	-2.7%
Total Assets	98,972,461	90,707,052	8,265,409	9.1%
Deferred Outflows of Resources	2,056,396	2,883,648	(827,252)	-28.7%
Liabilities				
Current Liabilities	5,999,817	5,730,798	269,019	4.7%
Long-term Liabilities	38,495,872	35,828,418	2,667,454	7.4%
Total Liabilities	44,495,689	41,559,216	2,936,473	7.1%
Deferred Inflows of Resources	1,908,449	1,491,177	417,272	28.0%
Net Position				
Net Investment in Capital Assets	28,666,328	27,762,626	903,702	3.3%
Restricted	4,741,868	3,790,121	951,747	25.1%
Unrestricted	21,216,523	18,987,560	2,228,963	11.7%
Total Net Position	$ 54,624,719	$ 50,540,307	$ 4,084,412	8.1%

At June 30, 2026, total net position was $54,624,719, an increase of $4,084,412 from $50,540,307 at June 30, 2025. The increase was attributable principally to the $2.5 million gain on the sale of the former Sun Street Transfer Station property and approximately $1.5 million of investment earnings, partially offset by the current-year operating loss of $40,598 and $558,569 of interest expense.

Total liabilities increased $2,936,473, or 7.1%, during fiscal year 2026. The increase was attributable primarily to updated closure and post-closure cost estimates and inflation adjustments, partially offset by scheduled debt principal payments.

The largest portion of the Authority's net position, approximately $28.7 million, represents its investment in capital assets, including land, buildings, machinery, equipment, vehicles, infrastructure, and other capital assets, net of accumulated depreciation/amortization and less related outstanding debt. The Authority uses these capital assets to provide services to its customers. Accordingly, these assets are not available for future spending.

Restricted net position was approximately $4.7 million at June 30, 2026. These resources are subject to externally imposed restrictions related to landfill closure requirements and pension and OPEB activities.

Unrestricted net position was approximately $21.2 million at June 30, 2026. Although unrestricted resources are not subject to external restrictions, the Authority has designated approximately $9.8 million for capital needs, $4.6 million for operations, and $4.0 million for environmental impairment. These designations may be changed by the Authority and therefore remain part of unrestricted net position.

Operating Results

The Authority reported operating loss of approximately $40,598 for fiscal year 2026 compared with operating income of $6,704,310 for fiscal year 2025. The decline was caused primarily by higher closure and post-closure maintenance expense and depreciation expense, as discussed above.

Salinas Valley Solid Waste Authority's
Revenues, Expenses and Changes in Net Position

	2026	2025	Change	% Change
Operating Revenues				
Charges for Services	$ 27,377,477	$ 27,232,444	$ 145,033	0.5%
Sales of Materials	601,396	586,359	15,037	2.6%
Other Operating Income	414,984	657,643	(242,659)	-36.9%
Total Operating Revenues	28,393,857	28,476,446	(82,589)	-0.3%
Operating Expenses	28,434,455	21,772,136	6,662,319	30.6%
Operating Income	(40,598)	6,704,310	(6,744,908)	-100.6%
Non-operating Revenues				
Capital Grants and Contributions	359,521	-	359,521	0.0%
Investment Earnings	1,541,621	1,878,055	(336,434)	-17.9%
Other Non-operating Revenue	2,782,437	371,124	2,411,313	649.7%
Total Non-operating Revenues	4,683,579	2,249,179	2,434,400	108.2%
Non-operating Expenses				
Interest Expense	(558,569)	(629,455)	70,886	-11.3%
Total Non-operating Expenses	(558,569)	(629,455)	70,886	-11.3%
Change in Net Position	4,084,412	8,324,034	(4,239,622)	-50.9%
Total Net Position - Beginning of Year	50,540,307	42,216,273	8,324,034	19.7%
Net Position - Ending of Year	$ 54,624,719	$ 50,540,307	$ 4,084,412	8.1%

Operating revenues decreased $82,589, or 0.3%, from the prior year. Increases in AB 939 fees, other service charges, solid-waste tipping fees, and material sales were partially offset by lower diversion-program tipping fees. The principal reasons for those changes are discussed under Revenues below.

Operating expenses increased by $6,662,319 (30.6%) to $28,434,455. The increase was driven primarily by a $5,179,653 increase in closure and post-closure maintenance expense and a $942,018 increase in depreciation expense, partially offset by a $447,197 decrease in personnel services. The closure and post-closure increase reflected updated cost estimates, inflation adjustments, and current-year maintenance activity; depreciation increased because additional equipment were placed in service

Nonoperating activity improved primarily because the Authority recognized approximately $2.5 million of gain on the Sun Street property sale. Those gains were partially offset by approximately $558,569 of interest expense. Capital Grants and contributions increased approximately $359,521, and investment earnings decreased $336,434 from the prior year.

Revenues

The Authority's operating revenues decreased by approximately $82,589, or 0.3%, during fiscal year 2026. The decrease in operating revenues was primarily attributable to the following:

- AB 939 fees increased by approximately $641,808.
- Solid waste tipping fees increased by approximately $389,635.
- Tipping fees from diversion programs decreased by approximately $990,736.
- Sales of materials increased by approximately $15,037.
- Operating grants and reimbursements decreased by approximately $242,659

AB 939 fees increased primarily to fund organics procurement required by the State of California. Other service charges increased because of contract transportation activity and reimbursements from contract vendors for PG&E and other site services. A $2.25-per-ton rate increase contributed to higher solid-waste tipping fees. Diversion-program tipping fees decreased because fiscal 2025 included approximately $1.3 million from a one-time soil disposal project received at Johnson Canyon Landfill; excluding that project, diversion-program tipping fees increased approximately $627,000 in fiscal 2026.

The Authority recognized approximately $2.5 million of gain on the sale of the former Sun Street Transfer Station property. This transaction was the principal reason other nonoperating revenue increased from the prior year.

Expenses

Operating expenses increased by $6,662,319, or 30.6%, to $28,434,455 during fiscal year 2026.

Personnel services decreased by approximately $447,197 due mainly to adjustment to the Authority's Net Pension and OPEB assets.

Depreciation expense increased by approximately $942,018.

Closure and post-closure maintenance expenses increased by approximately $5,179,653. The increase reflected updated post-closure cost estimates for the Authority's closed landfills, an inflation adjustment of 2.8%, and actual maintenance expenditures at the closed sites.

Crazy Horse Canyon Landfill accounted for approximately $3.5 million of fiscal 2026 post-closure expense, including approximately $417,501 of current-year maintenance and the effect of revised liability estimates. Jolon Road and Lewis Road Landfills accounted for approximately $722,016 and $1,195,965, respectively, including current-year maintenance and revised estimates. Johnson Canyon Landfill recorded approximately $232,068 of closure expense and $188,820 of post-closure expense based on current activity, inflation, and capacity used.

Interest expense of approximately $558,569 represents interest on the Authority's long-term debt.

SIGNIFICANT CAPITAL ASSET AND LONG-TERM FINANCING ACTIVITY

Capital Assets

At June 30, 2026, the Authority had approximately $45.4 million invested in capital assets, net of accumulated depreciation/amortization. Net investment in capital assets, after related debt and deferred amounts, was approximately $28.7 million.

During fiscal 2026, the Authority added approximately $5.7 million of depreciable capital assets, retired approximately $8.3 million of depreciable assets, and recorded approximately $3.8 million of depreciation expense.

Salinas Valley Solid Waste Authority's
Capital Assets, Net of Depreciation

	2026	2025
Land	$ 1,228,247	$ 1,416,868
Buildings	4,004,253	4,138,593
Improvements other than buildings	66,102,575	69,904,352
Equipment	19,911,791	19,131,737
Lease assets	3,350,126	2,711,810
Water rights	400,000	400,000
Construction in progress	507,863	168,047
Total Capital Assets	95,504,855	97,871,407
Accumulated Depreciation	(50,065,475)	(51,190,976)
Net Capital Assets	$ 45,439,380	$ 46,680,431

Major capital assets events during the current fiscal year included the following:

- Various projects at JC Landfill, which include continued construction of the landfill modules, improvements to the LFG Systems, and continued work on the closure of modules which have been filled to capacity. The total cost of the continued improvements is $2.6 million. Depreciation expense on the $41.2 million of landfill assets was $1.2 million for fiscal year 2025-26.
- The Authority purchased $1.7 million in equipment to replace equipment that had maintenance exceeding cost or equipment that was no longer being compliant with California Air Resource Board rules.

- The Authority sold the property where the Sun Street Transfer Station was located. The property was on the capital list for $6.8 million, with accumulated depreciation in the amount of $3.3 million. A gain of $2.5 million was recorded for the sale.
- Equipment was sold throughout the year for various reasons including maintenance exceeding cost and they no longer being compliant with California Air Resource Board rules. $1.65 million in equipment was retired, with accumulated depreciation in the amount of $1.6 million. A gain of $100,000 was recorded from the various sales.

Additional information regarding the Authority's capital assets can be found in Note 6 to the basic financial statements.

Long-Term Financing

At June 30, 2026, the Authority had approximately $14.7 million of long-term debt, compared with approximately $17.5 million at June 30, 2025. The decrease of approximately $2.8 million resulted from scheduled principal payments; the Authority issued no new debt during fiscal 2026.

Salinas Valley Solid Waste Authority's Long-Term Financing

	2026	2025
2022A (Taxable) Refunding Revenue Bond	$ 14,695,000	$ 17,465,000

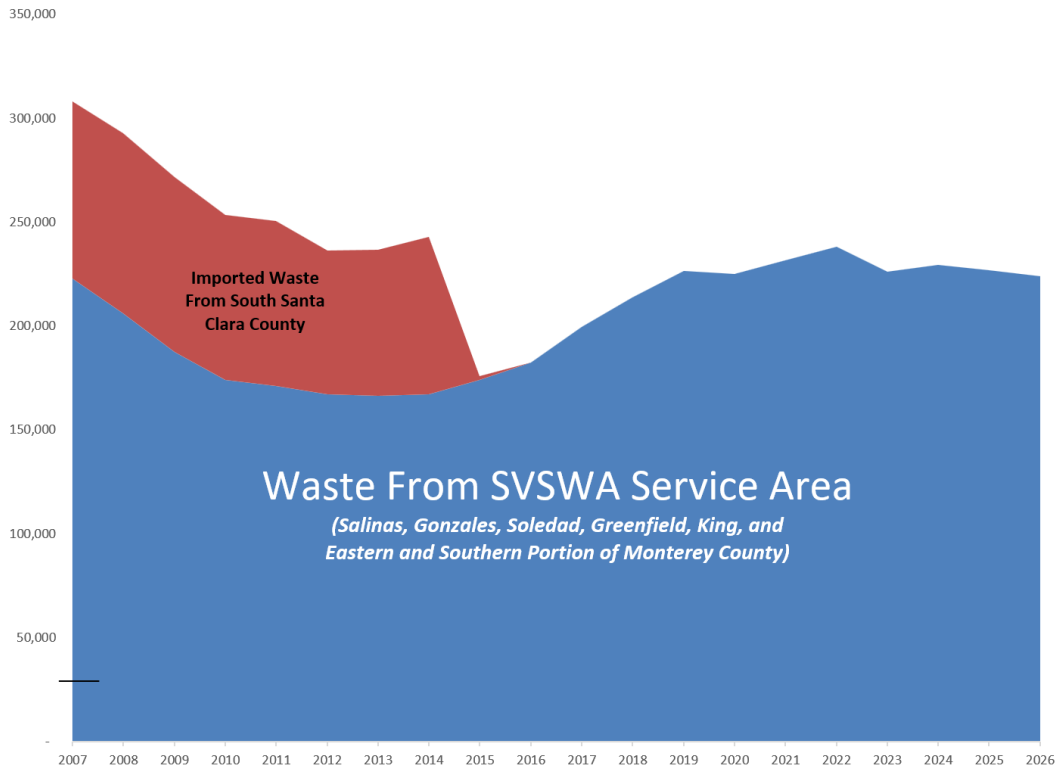
The Authority's outstanding debt consists primarily of the Taxable Bonds, Series 2022A, which were issued to refund prior obligations. During fiscal 2026, the Authority made scheduled principal and interest payments in accordance with the debt agreement.

S&P Global Ratings has assigned a rating of "AA" to the Series 2022A Bonds.

Additional information regarding the Authority's long-term debt can be found in Note 8 to the basic financial statements.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

The Authority's operations are dependent in part on the amount of solid waste received at its facilities. Changes in economic conditions, waste generation, diversion activities, and other factors can affect solid waste tonnage and, consequently, the Authority's operating revenues.



The Authority landfilled approximately 224,084 tons during fiscal 2026 and budgeted approximately 225,000 tons for fiscal 2027. Management therefore expects tonnage to remain substantially consistent with fiscal 2026

Effective July 1, 2026, the disposal fee increased from $67.00 to $70.00 per ton. Based on budgeted fiscal 2027 tonnage of approximately 225,000 tons, the rate increase is expected to increase annual disposal-fee revenue by approximately $675,000.

The fiscal 2027 budget is balanced and reflects the disposal-fee increase described above, approximately $3.6 million of planned capital and post-closure funding, and approximately $1.0 million of anticipated increases in operating costs. The Authority follows a save-as-you-go approach to capital funding by setting aside resources over time for future capital projects and equipment purchases. Consistent with this approach, the Authority has accumulated capital reserves of $9.8 million and is currently pursuing permits for a North County Transfer Station to better serve residents. The timing of construction depends on completion of the permitting process; however, construction could begin in the current year and be completed during fiscal 2027. Although the Authority does not anticipate issuing debt to finance the project, it could use substantially all of the Authority's accumulated capital reserves. Staff is currently evaluating the project's potential effects on future operating costs.

Contacting the Authority's Financial Management

This financial report is designed to provide the Authority's citizens, customers, investors, and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the resources it receives.

If you have any questions about this report or need additional financial information, please contact the Authority's Finance Department at:

Salinas Valley Solid Waste Authority
126 Sun Street
Salinas, California 93901

SALINAS VALLEY SOLID WASTE AUTHORITY
STATEMENT OF NET POSITION
JUNE 30, 2026
With Comparative Totals as of June 30, 2025

	2026	2025
Assets		
Current Assets		
Cash and Cash Equivalents	$ 41,280,550	$ 34,248,279
Restricted Cash and Cash Equivalents	540,920	306,272
Receivables, Net	2,773,655	2,396,806
Lease Receivable - Current Portion	208,972	110,073
Accrued Interest Receivable	386,079	403,203
Prepaid Expenses	105,414	106,359
Total Current Assets	45,295,590	37,570,992
Noncurrent Assets		
Restricted Cash and Cash Equivalents	5,333,242	5,241,069
Lease Receivable, Less Current Portion	691,516	292,871
Capital Assets, Net	45,439,380	46,680,431
Net OPEB Assets	535,544	444,023
Net Pension Assets	1,677,189	477,666
Total Noncurrent Assets	53,676,871	53,136,060
Total Assets	98,972,461	90,707,052
Deferred Outflows of Resources		
Deferred Loss on Refunding of Bonds	483,208	691,142
Deferred Outflows Related to OPEB Liabilities	25,707	104,745
Deferred Outflows Related to Pension Liabilities	1,547,481	2,087,761
Total Deferred Outflows of Resources	2,056,396	2,883,648
Total Assets and Deferred Outflows of Resources	$ 101,028,857	$ 93,590,700

The accompanying notes are an integral part of this financial statement

SALINAS VALLEY SOLID WASTE AUTHORITY
STATEMENT OF NET POSITION
JUNE 30, 2026
With Comparative Totals as of June 30, 2025
(Continued)

	2026	2025
Liabilities		
Current Liabilities		
Accounts Payable	$ 1,473,534	$ 1,475,993
Wages Payable	312,212	254,331
Interest Payable	131,112	149,548
Unearned Revenues and Deposits	79,236	189,646
Compensated Absences - Current Portion	135,085	111,439
Lease - Current Portion	219,836	191,011
Bonds Payable - Current Portion	2,820,000	2,770,000
Postclosure Payable - Current Portion	828,802	588,830
Total Current Liabilities	5,999,817	5,730,798
Long Term Liabilities		
Compensated Absences	852,928	779,113
Lease, Less Current Portion	2,341,424	1,952,934
Bonds Payable, Net	11,875,000	14,695,000
Closure Payable	3,708,978	3,476,910
Postclosure Payable, Less Current Portion	19,717,542	14,924,461
Total Long Term Liabilities	38,495,872	35,828,418
Total Liabilities	44,495,689	41,559,216
Deferred Inflows of Resources		
Deferred Inflows Related to Leases	900,488	402,944
Deferred Inflows Related to OPEB Liabilities	528,096	505,270
Deferred Inflows Related to Pension Liabilities	479,865	582,963
Total Deferred Inflows of Resources	1,908,449	1,491,177
Total Liabilities and Deferred Inflows of Resources	46,404,138	43,050,393
Net Position		
Net Investment in Capital Assets	28,666,328	27,762,626
Restricted for Closure Reserve	1,624,264	1,764,159
Restricted for CalPERS Irrevocable Pension Trust Fund 115	339,644	-
Restricted for Net Pension Assets	2,744,805	1,982,464
Restricted for Net OPEB Assets	33,155	43,498
Unrestricted	21,216,523	18,987,560
Total Net Position	54,624,719	50,540,307
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 101,028,857	$ 93,590,700

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, 2026
With Comparative Totals for fiscal year ended June 30, 2025

	2026	2025
Operating Revenues		
Charges for Services	$ 27,377,477	$ 27,232,444
Sales of Materials	601,396	586,359
Other Operating Income	414,984	657,643
Total Operating Revenues	28,393,857	28,476,446
Operating Expenses		
Personnel Services	8,656,570	9,103,767
Contractual Services	3,440,906	2,955,271
Operating Contracts	2,192,038	2,174,343
Supplies	1,639,763	1,444,787
Insurance	1,251,715	1,108,933
Taxes and Permits	733,971	715,937
Utilities	307,467	196,656
Depreciation and Amortization	3,809,140	2,867,122
Closure and Postclosure Maintenance	5,867,976	688,323
Hazardous Waste	208,210	228,762
Other	326,699	288,235
Total Operating Expenses	28,434,455	21,772,136
Operating Income (Loss)	(40,598)	6,704,310
Other Non-Operating Revenues (Expenses)		
Gain on Disposition of Capital Assets	2,589,124	179,715
Investment Earnings	1,541,621	1,878,055
Capital Grants and Contributions	359,521	-
Rental Income	193,313	191,409
Interest Expense	(558,569)	(629,455)
Total Other Non-Operating Revenues (Expenses)	4,125,010	1,619,724
Change in Net Position	4,084,412	8,324,034
Total Net Position - Beginning of Year	50,540,307	42,216,273
Total Net Position - End of Year	$ 54,624,719	$ 50,540,307

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, 2026
With Comparative Totals for Fiscal Year Ended June 30, 2025

	2026	2025
Cash Flows from Operating Activities:		
Receipts from Customers and Users	$ 28,266,119	$ 27,927,241
Payments to Suppliers	(10,705,138)	(9,444,406)
Payments to Employees	(9,253,226)	(9,142,491)
Net Cash Provided by Operating Activities	8,307,755	9,340,344
Cash Flows from Capital and Related Financing Activities:		
Proceeds from Sale of Assets	6,121,403	194,329
Acquisition and Construction of Capital Assets	(5,462,052)	(6,908,134)
Principal Paid on Capital Debt	(2,991,001)	(2,921,109)
Interest Paid on Capital Debt	(369,071)	(401,167)
Net Cash Used in Capital and Related Financing Activities	(2,700,721)	(10,036,081)
Cash Flows from Investing Activities:		
Interest Received	1,648,829	1,687,234
Rental Income Received	193,313	191,409
Change in FMV of LAIF Investment	(90,084)	178,892
Net Cash Provided by Investing Activities	1,752,058	2,057,535
Net Increase in Cash and Cash Equivalents	7,359,092	1,361,798
Cash and Cash Equivalents at Beginning of Year	39,795,620	38,433,822
Cash and Cash Equivalents at End of Year	$ 47,154,712	$ 39,795,620
Cash and Cash Equivalents - Financial Statement Classification:		
Unrestricted Cash and Investments	$ 41,280,550	$ 34,248,279
Restricted Cash and Investments	5,874,162	5,547,341
Total Cash and Cash Equivalents	$ 47,154,712	$ 39,795,620

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, 2026
With Comparative Totals for Fiscal Year Ended June 30, 2025
(Continued)

	2026	2025
Reconciliation of Operating Income (loss) to Net Cash Provided by Operating Activities:		
Operating Income (loss)	$ (40,598)	$ 6,704,310
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	3,809,140	2,867,122
(Increase) Decrease in Receivables	(17,328)	(18,990)
(Increase) Decrease in Prepaid Expenses	945	(24)
Increase (Decrease) in Accounts Payable	(2,459)	246,351
Increase (Decrease) in Wages Payable	57,881	55,104
Increase (Decrease) in Accrued Leave	97,461	2,505
Increase (Decrease) in Unearned Revenue	(110,410)	(530,215)
Increase (Decrease) in Closure/Postclosure Payable	5,265,121	110,514
Increase (Decrease) in OPEB Asset and Related Deferrals	10,343	24,431
Increase (Decrease) in Pension Asset and Related Deferrals	(762,341)	(120,764)
Total Adjustments to Net Income	8,348,353	2,636,034
Net Cash Provided by Operating Activities	$ 8,307,755	$ 9,340,344

The accompanying notes are an integral part of this financial statement

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 Accountants (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.

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

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

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

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.

Prepaid Expenses: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses.

Restricted Cash: Restricted cash of the Authority represent funds required to be set-aside for the eventual closure of the landfills under state law and California Public Employees' Retirement System (CalPERS) irrevocable pension trust to hold cash and investments that are legally restricted for use in administering the Authority's pension plan. Restricted resources are used first to fund expenses incurred for restricted purposes.

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 $15,000 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 change 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
Machinery and 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 estimates could materially increase our landfill depletion rates, which could have a material adverse effect on 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.

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 two 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 asset and deferred outflows/inflows of resources related to pensions and pension expenses, information about the fiduciary net position of the Salinas Valley Solid Waste Authority's CalPERS 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 11 for the CalPERS Classic Plan disclosures.

Post-Employment Benefits Other than Pensions: The Authority's net Other Post-Employment Benefits (OPEB) asset is recognized as a long-term asset 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 joined The California Employer's Retiree Benefit Trust (CERBT) in 2017 to prefund it's OPEB liability. For contributions, the Authority uses the annual required contribution (ARC) of the employer, which is expected to prefund all unfunded liabilities by 2040.

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 assets 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 assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then.

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.

Other Post-Employment Benefits (OPEB) - for purposes of measuring the net OPEB liability, deferred outflows of resources, and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Authority's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on

the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

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.

Leases – the item that qualifies in this category is the present value of future long-term lease revenue and will not be recognized as an inflow of resources (revenue) until that time.

Net Position: The statement of net position reports all financial and capital resources. Net position represents total assets and deferred outflows of resources less liabilities and deferred inflow of resources. There are three components of net position.

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

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 or restricted.

Operating 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.

Nonoperating revenues and expenses: Operating revenues and expenses are distinguished from noncapital subsidies and other nonoperating revenues and expenses. Nonoperating revenues and expenses are any (1) contributions to permanent and term endowments; (2) finance related revenues and expenses; (3) gain and losses from disposal of capital assets and inventory; (4) investment income and expenses; and (5) subsidies received and provided. A subsidy represents amounts received from or provided to another party. Amounts received from another party are considered a subsidy if it is unrelated to the services provided by the Authority and keeps the fees charged at the same amount or lower if the subsidy was not received. Amounts provided to another party are considered a subsidy if it is unrelated to the goods or serviced provided by those parties and will generally result in the proprietary charging higher fees in the future. All revenues and expenses not meeting the definitions of nonoperating revenues and expenses are reported as operating revenues and expense.

Restricted and Unrestricted Resources: When both restricted and unrestricted resources are available for use, it is the Authority’s practice to use restricted resources first, then unrestricted resources as they are needed.

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.

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.

Comparative Prior Year Financial Information: Selected information regarding the prior year has been included in the accompanying financial statements. Certain reclassifications have been made to conform to current year presentation. This information has been included for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Authority's prior year financial statements, from which this selected financial data was derived.

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

Statement No. 103	*"Financial Reporting Model Improvements"*	The provisions of this Statement are effective for fiscal years beginning after June 15, 2025. The effect of the implementation of this statement enhanced the MD&A by improving the quality of the analysis of changes from the prior year and provided clarity regarding what information should be presented. Additionally, definitions for operating and nonoperating revenues and expenses added clarity regarding subsidies to improve relevance of information provided in the statement of revenues, expenses, and changes in net position.
Statement No. 104	*"Disclosure of Certain Capital Assets"*	The provisions of this Statement are effective for fiscal years beginning after June 15, 2025. The effect of the implementation of this statement was de minimis and separated required disclosures for certain types of assets to provide users with essential information in order to make informed decisions and assess accountability.
Statement No. 105	*"Subsequent Events"*	The provisions of this Statement are effective for fiscal years beginning after June 15, 2026. The Authority early implemented the requirements of this statement. The effect of the implementation was de minimis and added clarity to subsequent events and timeframe.

2. *Cash and Investments:*

Cash and Cash Equivalents: The bank balance and carrying value of the Authority's cash and cash equivalents, including restricted balances, at June 30, 2026 were as follows:

Cash and Cash Equivalents		
Unrestricted Cash	$	41,280,550
Restricted Cash		5,874,162
Total Cash and Cash Equivalents	$	47,154,712

The Authority's cash and investments at June 30, 2026, were held as follows:

Deposits with Financial Institutions	$	7,449,332
Local Agency Investment Fund (LAIF)		39,705,380
Total Cash and Cash Equivalents	$	47,154,712

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.

State Investment Pool (LAIF): The Authority participates in the California Local Agency Investment Fund (LAIF), an investment pool managed by the State of California. LAIF is a special fund of the California State Treasury through which local governments may pool cash and investments. At June 30, 2026, the total fair value amount invested by all public agencies in LAIF is $193,568,322,618 and managed by the State Treasurer. Of that amount, 3.47% 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.

Pension Trust: The District established a trust account with California Public Employees' Retirement System (CalPERS) to hold assets that are legally restricted for use in administering the District's pension plan. The pension trust funds specific cash and investments which are managed by CalPERS under guidelines approved by the District to invest funds in California Employers' Pension Prefunding Trust (CEPPT) Strategy 2.

The Guidelines and investment policies are as follows:

Risk Tolerance	Capital Appreciation
Risk Management	The CEPPT Strategy 2 portfolio is invested in various asset classes that are passively managed to an index. CalPERS periodically adjusts the composition of the portfolio in order to match the target allocations. Generally, equities are intended to help build the value of the employer's portfolio over the long term while bonds are intended to help provide income and stability of principal.
Investment Objective	The CEPPT Strategy 2 portfolio seeks to provide capital appreciation and income consistent with its strategic asset allocation. There is no guarantee that the portfolio will achieve its investment objective.
Strategic Ranges	21% Global Equity (±5%) 61% Fixed Income (±5%) 9% REITs (±5%) 9% TIPS (±3%) 0% Cash (±2%)

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, 2026, the Authority had no leveled investments. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Accordingly, the Authority's measured fair value of its proportionate share in these types of investments is based on uncategorized inputs not defined as a Level 1, Level 2, or Level 3 input.

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 LAIF managed by the State Treasurer, representing 100% of the investment portfolio, is not rated. However, all of the securities within the PMIA are highly rated, as required by California Government Code and the PMIA's Investment Policy.

Interest Rate Risk: The Salinas Valley Solid Waste Authority uses the State of California's Local Agency Fund as its primary investment vehicle. LAIF spreads investments over various maturities which minimizes the risk of portfolio depreciation due to a rise in interest rates.

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 the LAIF account, representing 100% of the portfolio is not considered a concentrated risk

The Authority was in compliance with these limitations at June 30, 2026.

3. *Receivables, Net:*

Receivables and the related allowance for doubtful accounts at June 30, 2026, are summarized as follows:

Tipping Fee Accounts Receivable	$	2,017,809
Republic ML Hauling		212,740
Intergovernmental Grants Receivable		408,496
LFG Gas Royalties		73,690
Sales of Recycling Materials		33,546
Accounts Payable Vendor Refunds		194
Atlas JC Electricity		23,257
Atlas Roll Off Container Service		1,200
Swana LFG Stipends		1,275
Cintas Claim		252
Employee Flexible Spending Account		11,285
Total Receivables		2,783,744
Allowance for Doubtful Accounts		(10,089)
Total Receivables, Net	$	2,773,655

4. ***Loss on Bonds Refunding:***

The Authority had a loss on the refunding of the Series 2002 and 2014 Revenue Bonds, which is a deferred outflow of resources.

Deferred Outflows of Resources balances for the year ended June 30, 2026 were as follows:

	June 30, 2025	Increases	Decreases	June 30, 2026
Loss on Refunding of Bonds:				
2022A (Taxable) Refunding Revenue Bonds	$ 691,142	$ -	$ (207,934)	$ 483,208

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 Ending June 30,	Total
2027	$ 171,791
2028	135,002
2029	97,469
2030	59,096
2031	19,850
	$ 483,208

5. ***Restricted Cash:***

Cash and investments of $5,874,162 are recorded as restricted assets at June 30, 2026.

Cash and investments of $5,333,242 are restricted by the California Integrated Waste Management Board for the closure of Johnson Canyon Landfill.

Cash and investments of $24,419 are restricted by the California Department of Resources Recycling and Recovery for various grants related to recycling programs.

Cash and investments of $172,883 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.

Cash and investments of $339,644 are restricted by the CalPERS irrevocable pension trust agreement.

Cash and investments of $3,974 are restricted by the Flexible Spending Arrangement for employees' pay out-of-pocket health and child care costs.

6. *Capital Assets, Net:*

The changes in capital assets of the Authority for the year ended June 30, 2026, are summarized as follows:

	June 30, 2025	Increases	Decreases	June 30, 2026
Capital Assets, Not Being Depreciated				
Land	$ 1,416,868	$ -	$ (188,621)	$ 1,228,247
Construction in Progress	168,047	339,816	-	507,863
Total Capital Assets, Not Being Depreciated	1,584,915	339,816	(188,621)	1,736,110
Capital Assets, Being Depreciated				
Buildings	4,138,593	68,768	(203,108)	4,004,253
Other Improvements	69,904,352	2,623,114	(6,424,891)	66,102,575
Machinery and Equipment	19,131,737	2,430,354	(1,650,300)	19,911,791
Lease Assets				
Building	2,711,810	-	-	2,711,810
Land	-	638,316	-	638,316
Water Rights	400,000	-	-	400,000
Total Depreciable Assets	96,286,492	5,760,552	(8,278,299)	93,768,745
Less Accumulated Depreciation For				
Buildings	(574,402)	(106,238)	187,104	(493,536)
Other Improvements	(39,562,440)	(1,628,144)	3,141,018	(38,049,566)
Machinery and Equipment	(10,455,449)	(1,863,144)	1,606,519	(10,712,074)
Lease Assets				
Building	(570,907)	(190,302)	-	(761,209)
Land	-	(7,979)	-	(7,979)
Water Rights	(27,778)	(13,333)	-	(41,111)
Total Accumulated Depreciation	(51,190,976)	(3,809,140)	4,934,641	(50,065,475)
Total Capital Assets, Being Depreciated, Net	45,095,516	1,951,412	(3,343,658)	43,703,270
Total Capital Assets, Net	$ 46,680,431	$ 2,291,228	$ (3,532,279)	$ 45,439,380

Total depreciation charged to operating expenses was $3,809,140 for the fiscal year ended June 30, 2026.

7. *Compensated Absences:*

In accordance with GASB Statement No. 101, Compensated Absences, the Authority accounts for compensated absences in the period in which the related leave is earned. Employees accrue paid time off and other types of paid leave in accordance with Authority policies and applicable labor agreements.

Under GASB No. 101, a liability is recognized for leave that has not been used and is attributable to services already rendered, to the extent it is probable that the leave will be used for time off or otherwise paid (e.g., upon termination).

As of June 30, 2026, the Authority recognized a liability of $988,013 for compensated absences which include amounts as follows:

	June 30, 2025	Increases/ (Decreases)	June 30, 2026
Current	$ 111,439	$ 23,646	$ 135,085
Noncurrent	779,113	73,815	852,928
Total	$ 890,552	$ 97,461	$ 988,013

8. ***Long Term Liabilities:***

The following is a summary of long term liabilities for the year ended June 30, 2026:

	June 30, 2025	Increases	Decreases	June 30, 2026	Due Within One Year
Direct Borrowings and Placements:					
2022A (Taxable) Refunding Revenue bonds	$ 17,465,000	$ -	$(2,770,000)	$ 14,695,000	$ 2,820,000
Leases	2,143,945	608,316	(191,001)	2,561,260	219,836
Closure Payable	3,476,910	232,068	-	3,708,978	-
Postclosure Payable	15,513,291	5,635,908	(602,855)	20,546,344	828,802
Total Long Term Liabilities	$ 38,599,146	$ 6,476,292	$(3,563,856)	$ 41,511,582	$ 3,868,638

Advance Refunding: On February 22, 2022, Salinas Valley Solid Waste Authority issued Taxable bonds (Series 2022A) with a par value of $25,595,000. These refunding revenue bonds were sold at par value for $25,595,000. The purpose of the bond issuance was to refund both the Alternative Minimum Taxable bonds (Series 2014A), and Taxable bonds (Series 2014B). Which were issued to refund Series 2002 revenue bonds, and the Authority's 1997 Installment Purchase Agreement.

The refinancing is an advanced refunding. Proceeds of the new refunding bonds were deposited in an escrow account to pay principal and interest on the refunded bonds until the prepayment date of August 1, 2024, at which time, the remaining 2014 bonds were paid off by the escrow agent.

Under current federal tax laws, a tax-exempt refinancing could have only been completed in 2024. However, refinancing with taxable Bonds allowed the Authority to lock in lower interest rates and achieve substantial savings. The interest rates of the 2022 Bonds are between 6.36% and 2.481% compared to interest rates between 4.641% and 5.5% remaining for the 2014 bonds. The advance refunding reduced the Authority's total debt service payment by $1.61 million and resulted in an economic gain of $1.28 million.

The annual debt service requirements for the 2022A (Taxable) Refunding Revenue Bond are as follows:

Fiscal Year Ending June 30,	Direct Borrowings and Placements		
	Principal	Interest	Total
2027	2,820,000	293,020	$ 3,113,020
2028	2,870,000	238,656	3,108,656
2029	2,935,000	177,880	3,112,880
2030	3,000,000	111,057	3,111,057
2031	3,070,000	38,083	3,108,083
	$ 14,695,000	$ 858,696	$ 15,553,696

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

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

The landfills are regulated by the California Department of Resources, Recycling, and Recovery (CalRecycle) which requires the Authority to set-aside funds annually for landfill closure and to fund postclosure maintenance for at least 30 years after closure. On June 19, 1998, the CalRecycle, approved the Authority's financial assurance mechanisms for closure and postclosure maintenance for the Authority's four landfills. Since then, the CalRecycle and the Authority have agreed to the financial assurance mechanism for corrective action for the Jolon Road, Johnson Canyon, Lewis Road, 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, 2026 is as follows:

	Johnson Canyon
Permitted Capacity (cu. yd.)	16,280,000
Cumulative Capacity Used (cu. yd.)	(6,820,921)
Remaining Capacity (cu. yd.)	9,459,079

System Capacity: As of June 30, 2026, the Authority has 58.1% 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, 2026, the Authority landfilled a total of 224,084 tons of solid waste. As of June 30, 2026 the Authority has 38 years remaining landfill capacity at the FY 2025-26 fill rate.

Johnson Canyon Landfill: On December 21, 2021, Johnson Canyon was granted a revised permit by the California Integrated Waste Management Board increasing its landfill capacity. The site capacity estimates, closure, and postclosure costs were revised as part of the permit process. Johnson Canyon Landfill has capacity to the year 2064 based on remaining capacity and current in-place density per 2023 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.

Closure and Postclosure Maintenance Costs: Estimated closure and postclosure maintenance costs and amounts set-aside for closure as of June 30, 2026, are presented as follows:

	Total	Crazy Horse	Johnson Canyon	Lewis Road	Jolon Road
Estimated:					
Closure Cost	$ 8,852,494	$ -	$ 8,852,494	$ -	$ -
Postclosure Maintenance Cost	24,731,321	12,741,331	7,202,758	3,191,013	1,596,219
Total Estimated	$ 33,583,815	$ 12,741,331	$ 16,055,252	$ 3,191,013	$ 1,596,219
Expense:					
Closure	$ 232,068	$ -	$ 232,068	$ -	$ -
Postclosure Maintenance	5,635,908	3,529,107	188,820	1,195,965	722,016
Total Expense	$ 5,867,976	$ 3,529,107	$ 420,888	$ 1,195,965	$ 722,016
Outstanding Liability:					
Closure	$ 3,708,978	$ -	$ 3,708,978	$ -	$ -
Postclosure Maintenance	20,546,344	12,741,332	3,017,780	3,191,013	1,596,219
Total Liability	$ 24,255,322	$ 12,741,332	$ 6,726,758	$ 3,191,013	$ 1,596,219
Assets Set-Aside for Closure-Cash	$ 5,333,242	$ -	$ 5,333,242	$ -	$ -
Cash over Closure Liability	$ 1,624,264	$ -	$ 1,624,264	$ -	$ -

Crazy Horse Landfill estimated postclosure costs increased $3,111,606 as a result of a CalRecycle inflation factor of 102.8%. Current year postclosure expenditures were $417,501.

Johnson Canyon Landfill estimated closure costs increased $232,068 as a result of a CalRecycle inflation factor of 102.8%, and 1.5% of total capacity used during FY 2025-26.

Johnson Canyon Landfill estimated postclosure costs increased $188,820 as a result of a CalRecycle inflation factor of 102.8%, and 1.5% of total capacity used during FY 2025-26.

Lewis Road Landfill estimated postclosure costs increased $1,084,987 as a result of the revised CalRecycle inflation factor of 102.8% and a change of post closure estimate submitted to CalRecycle. Current year postclosure expenditures were $110,978.

Jolon Road Landfill estimated postclosure costs decreased $628,911 as a CalRecycle inflation factor of 102.8% and a change of post closure estimate submitted to CalRecycle. Current year postclosure expenditures were $93,105.

The $20,546,344 postclosure maintenance liability will be funded from future revenues as expenditures are incurred. Future budgets are designed to provide sufficient funding to meet the anticipated postclosure maintenance expenditures for the Authority's closed landfill sites during the upcoming fiscal year. In addition, as of June 30, 2026, the accrued postclosure maintenance liability for the Authority's remaining landfill, Johnson Canyon, is fully funded by dedicated cash held in a Postclosure Fund for the site.

10. ***Deferred Compensation Plan:***

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

The Authority's deferred compensation plan is administered by the ICMA Retirement Corporation. The Deferred Compensation plan has a balance of $2,242,098 as of June 30, 2026. 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.

11. ***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 or beneficiaries. The Authority entered into a contract with CalPERS effective July 1, 2004 to provide 2% at 55 annual retirement benefits for Local Miscellaneous Members. The California Public Employees' Pension Reform Act (PEPRA) was approved in 2012. It provides a 2% at 62 annual retirement benefit for employees hired after January 1, 2013. All CalPERS participant pension benefits vest after five years of service. Once vested, the plan provides an annual pension at retirement using the following calculation. The employee's final eligible compensation, multiplied by the percentage that corresponds to the employee's age at retirement, multiplied by the number of years of service in the system.

The Plans' provisions and benefits in effect at June 30, 2026, are summarized as follows:

	Miscellaneous	
	Classic	PEPRA
Hire date	*Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2% @ 55	2.0% at 62
Benefit vesting schedule	5 years service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50-63	52-67
Monthly benefits, as a % of eligible compensation	1.426%-2.418%	1.000% to 2.500%
Required employee contribution rates	7.00%	7.750%
Required employer contribution rates	12.56%	7.93%

**Plan is closed to new members. Miscellaneous members that were CalPERS participants before January 1, 2013, with no break of service over six months, may continue in the plan.*

Contributions: Section 20814(c) of the California Public Employee's Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Funding contributions are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Authority is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The CalPERS contract was amended effective July 2, 2018 to include a 1% cost sharing for classic local miscellaneous members. Employees began paying 1% of the required employer contribution rate in addition to the 7% required employee contribution rate.

The Authority's contributions were as follows:

	Fiscal Year Paid	
	2025/26	2024/25
Misc. Classic	$ 329,338	$ 316,889
Misc. PEPRA	242,635	222,376
Additional UAL Contributions	-	364,237
	$ 571,973	$ 903,502

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

As of June 30, 2026, the Authority reported a net pension liability (asset) for its proportionate share of the net pension liability was as follows:

	Fiscal Year Ended		Change
	June 30, 2026	June 30, 2025	
Authority's Miscellaneous Plan Total Net Pension (Asset)	$ (1,677,189)	$ (477,666)	$ 1,199,523

The Authority adopted and funded a Section 115 pension trust in fiscal year 2020-21 to help mitigate against the rising cost of pension contributions. At June 30, 2026 the Authority's Section 115 trust is reflected in the restricted cash balance of $339,644. See Note 2 for further discussion.

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, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2024, rolled forward to June 30, 2025 using standard update procedures. The Authority's proportion of the net pension liability was based on a projection 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 asset as of June 30, 2025 and 2024 were as follows:

	Percentage Share of Risk		
Fiscal year	6/30/2026	6/30/2025	Change
Measurement date	6/30/2025	6/30/2024	
Percentage of Plan (PERF C) NPL	-0.01640%	-0.00394%	-0.01246%

For the year ended June 30, 2026, the Authority recognized a pension benefit of $190,368. At June 30, 2026, 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	$ -	$ 200,968
Net differences between projected and actual earnings on plan investments	226,942	-
Change in employer's proportion	152,551	250,277
Differences between the employer's contributions and the employer's proportionate share of contributions	596,015	28,620
Pension contributions subsequent to measurement date	571,973	-
Total	$ 1,547,481	$ 479,865

$571,973 reported as deferred outflows of resources related to contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2027. 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:

Year Ending June 30,	
2027	$ 22,571
2028	229,371
2029	157,069
2030	86,632
Total	$ 495,643

Actuarial Methods and Assumptions Used to Determine Pension Liability*: The total pension liability for the June 30, 2025 measurement period was determined by an actuarial valuation as of June 30, 2024, with update procedures used to roll forward the total pension liability to June 30, 2025.

Total pension liability was based on the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions	
Investment Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Category, Entry Age, and Service
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds The Mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvements using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.
Post Retirement Benefit Increase	Contract COLA up to 2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power applies.

* These assumptions are from the CalPERS report:
https://www.calpers.ca.gov/documents/gasb-68-public-agency-schedules-2025

Discount Rate: The discount rate used to measure the total pension liability for PERF C was 6.90%.

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

Long-term Expected Rate of Return: In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

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

Asset Class	Assumed Asset Allocation[1]	Real Return[2]
Public Equity	37.00%	4.56%
Private equity	17.00	5.56
Fixed Income	28.00	2.53
Real Assets	15.00	3.03
Private Debt	8.00	4.93
Strategic Leverage	-5.00	1.40

This information is from the CalPERS Report:
https://www.calpers.ca.gov/documents/gasb-68-public-agency-schedules-2025/

[1]Figures are based on the 2024 Mid-Cycle Asset Liability Management study.

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

Amortization of Deferred Outflows and Deferred Inflows of Resources: The 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. The Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments in the Schedule of Collective Pension Amounts represents the unamortized balance relating to the current measurement period and the prior measurement periods on a net basis.

Deferred outflows of resources and deferred inflows of resources relating to Differences Between Expected and Actual Experience and Changes of Assumptions are amortized over the Expected Average Remaining Service Lifetime (EARSL) of members provided with pensions through the Plan determined as of the beginning of the related measurement period. The EARSL for PERF C for the June 30, 2025 measurement date is 3.8 years, which was obtained by dividing the total service years of 658,872 (the sum of remaining service lifetimes of all active employees) by 172,460 (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 6.90%, 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 that the current rate:

	Discount Rate		
	5.90% (1% Decrease)	6.90% (Current Rate)	7.90% (1% Increase)
Measurement date		June 30, 2025	
Fiscal Year End		June 30, 2026	
Net Pension Liability (Asset)	$ 778,718	$ (1,677,189)	$ (3,698,375)

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.

12. *Other Post Employment Benefit (OPEB)*:

A. General Information about the OPEB Plan

For purposes of measuring the net OPEB liability, deferred outflows of resources, and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Authority's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes.

For this report, the following timeframes are used:

Valuation Date	June 30, 2025
Measurement Date	June 30, 2025
Measurement Period	July 1, 2024 to June 30, 2025

Plan Description: The Authority joined the Public Employees' Medical & Hospital Care Act (PEMHCA) in 2004. It is an agent multiple-employer plan administered by California Public Employees' Retirement System (CalPERS). PEMHCA governs health care provided to employees and retirees under health care plans administered by CalPERS. All public agencies providing health care to their active employees through CalPERS PEMHCA plans are also required to offer health care under those plans to their retirees.

OPEB Trust: The Authority joined The California Employers' Retiree Benefit Trust (CERBT) in 2017 to prefund it's OPEB liability. CERBT is an agent multiple employer defined plan for other post-employment benefits administered by CalPERS. The Plan includes participating employers of the State of California and public agencies. CalPERS is governed by a 13-member Board of Administration (the Board); two elected by CalPERS members, one elected by retired members of CalPERS, two appointed by the Governor, one public representative appointed jointly by the Speaker of the Assembly and Senate Rules Committee, and four ex-officio members: State Treasurer, State Controller, Director of California Department of Human Resources, and Designee of the State Personal Board. The Board is responsible for the management and control of CalPERS, including the exclusive control of the administration and investments of the Plan**.**

The plan information is as follows:

Fiscal Year End	June 30, 2026
Plan Type	Agent Multiple Employer
OPEB Trust	Yes
Special Funding Situations	No
Nonemployer Contributing Entities	No

Benefits Provided: PEHMCA provides employees who retire directly from the Authority after five years of service a cash subsidy for monthly medical insurance premiums. Employees with 20 years of service with the Authority that do not retire directly from the Authority can request benefits later. Benefits are also paid to the surviving spouse of retirees who elected CalPERS joint and survivor payment options, as well as spouses of an active employee who died while eligible to retire receiving CalPERS survivor's benefit. The Minimum Employer Contribution amount is prescribed by Government Code Section 22892 of the PEMHCA. It was originally established as a specific dollar value with specified increases from calendar years 2004 through 2008. Starting in calendar year 2009, the calculated adjustments are based upon the medical care component of the Consumer Price Index-Urban (CPI-U). The Authority opted for the unequal method of distribution when it joined in 2004. Using this method, the Authority pays a percentage of the contribution, with the percentage paid increasing by 5% each year. The minimum amount in 2026 is $162 per month.

Employees Covered: As of the June 30, 2025 measurement date, the following current and former employees were covered by the benefit terms under the PEMHCA Plan:

	Number of Covered Participants
Inactive Employees Currently Receiving Benefit Payments	3
Inactive Employees Entitled to but not yet Receiving Benefit Payments	8
Actives Employees	66
Total Employees	77

Contributions: In 2017, the Authority joined CERBT to prefund it's OPEB liability. The Authority uses the annual required contribution (ARC) of the employer to determine contributions. Due to higher-than-expected returns, the liabilities are fully funded. No cash contributions were made during the fiscal year ended June 30, 2025. Authority payments for retired benefits, estimated implied subsidy, and non-trust admin expense were $15,762 resulting in total payments of $15,762.

B. OPEB Liabilities (Asset), OPEB Expenses, and Deferred Outflows/Inflows of Resources Related to OPEB

As of June 30, 2026, the authority reported net OPEB liability (asset) as follows:

Measurement Date	June 30, 2025
Total OPEB Liability (TOL)	$ 1,089,804
Fiduciary Net Position (FNP)	1,625,348
Total Net OPEB (Asset)	$ (535,544)
Funded status (FNP/TOL)	149.1%

Changes in the OPEB Liability (Asset): The changes in the net OPEB liability (asset) for the Authority Plan are as follows:

Changes in Net OPEB Asset	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Asset (a) - (b)
Balance at June 30, 2025 (Measurement Date June 30, 2024)	$ 1,044,067	$ 1,488,090	$ (444,023)
Service Cost	91,776	-	91,776
Interest	59,158	-	59,158
Actual versus Expected Experience	(38,776)	-	(38,776)
Changes of Assumptions	(48,350)	-	(48,350)
Employer Contributions	-	18,161	(18,161)
Net Investment Income	-	137,720	(137,720)
Benefit Payments	(18,071)	(18,071)	-
Administrative Expenses	-	(552)	552
Net Changes	45,737	137,258	(91,521)
Balance at June 30, 2026 (Measure Date June 30, 2025)	$ 1,089,804	$ 1,625,348	$ (535,544)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB: For the fiscal year ended June 30, 2026, the Authority recognized OPEB benefit of $26,105. As of the fiscal year ended June 30, 2026, the Authority reported deferred outflows/inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ -	$ 312,888
Changes of Assumptions	9,945	212,382
Net Differences Between Projected and Actual Earnings on Plan Investments	-	2,826
Employer Contributions after Measurement Date	15,762	-
Total	$ 25,707	$ 528,096

Deferred outflows of resources in the amount of $15,762 related to contributions subsequent to the measurement date and will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2027.

Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expenses as follows:

Year Ending June 30,	
2027	$ (32,555)
2028	(73,225)
2029	(82,046)
2030	(77,564)
2031	(60,546)
Thereafter	(192,215)
Total	$ (518,151)

Recognition of Deferred Outflows and Deferred Inflows of Resources: To smooth market volatility, gains and losses related to changes in total OPEB liability and fiduciary net position are recognized over five years. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

Actuarial Methods and Assumptions Used to Determine the OPEB Liability: The Authority's net OPEB liability was measured as of June 30, 2025. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2025, that was used to determine the June 30, 2025 total OPEB liability, based on the following actuarial methods and assumptions:

Significant Accounting Actuarial Assumptions and Methods:	
Fiscal Year End	June 30, 2026
Measurement Date	June 30, 2025
Valuation Date	June 30, 2025
Contribution Policy	Contributions will be made to maintain at least 100% funded status
Discount Rate and Long-Term Expected Rate of Return on Assets	5.25% at June 30, 2025 5.25% at June 30, 2024 Expected Authority contributions projected to keep sufficient plan assets to pay all benefits from trust
General Inflation	2.50% annually
Mortality, Retirement, Disability, Termination	CalPERS 2000-2023 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP-2021
Salary Increases	Aggregate - 2.75% annually Merit - CalPERS 2000-2023 Experience Study

Medical Trend	Non-Medicare - 7.35% for 2027, decreasing to an ultimate rate of 3.45% in 2076 Medicare (Non-Kaiser) - 6.50% for 2027, decreasing to an ultimate rate of 3.45% in 2076 Medicare (Kaiser) - 5.45% for 2027, decreasing to an ultimate rate of 3.45% in 2076
PEMHCA Minimum Increases	3.50% annually
Healthcare Participation	Actives & surviving spouses: 70% Retirees & surviving spouses: Covered - 100% Waived - 0%
Changes of assumptions	Demographic assumptions and merit salary increases were updated based on the CalPERS 2000-2023 Experience Study
Changes of benefit terms	None

Discount Rate: The discount rate used to measure the total OPEB liability was 5.25%. The projection of cash flows used to determine the discount rate assumed that Authority contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes since June 30, 2024 Measurement Date: Changes of assumptions for demographic assumptions and merit salary increases were updated based on the CalPERS 2000-2023 Experience Study.

Expected Long Rate of Return: The long-term expected rate of return on OPEB plan investments was determined using a building block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Measurement Date	June 30, 2025	
CERBT Investment Strategy #3 Asset Class	Target Asset Allocation	Expected Real Rate of Return
Global Equity	23%	4.56%
Fixed Income	51%	1.56%
TIPS	9%	-0.08%
Commodities	3%	1.22%
REITs	14%	4.06%
Assumed Long-Term Rate of Inflation		2.50%
Expected Long-Term Net Rate of Return, Rounded		5.25%

Discount Rate Sensitivity Analysis: The following schedule shows the impact of the Net OPEB (Asset) if the discount rate used was 1% less than and 1% greater than the discount rate that was used (5.25%) in measuring the Net OPEB (Asset).

	Discount Rate		
	(1% Decrease)	(Current Rate)	(1% Increase)
	4.25%	5.25%	6.25%
Net OPEB Liability (Asset)	$ (368,457)	$ (535,544)	$ (673,708)

Medical Trend Sensitivity Analysis: The following presents the net OPEB liability of the Authority if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2025:

	Healthcare Trend		
	(1% Decrease)	(Current Trend)	(1% Increase)
Net OPEB Liability (Asset)	$ (714,943)	$ (535,544)	$ (307,787)

13. ***Concentrations***:

The Authority received 72.37% of its Charges for Services from two haulers: Republic Services and Waste Management. Services comprised tipping fees, hauling services, AB939 services paid on behalf of their respective jurisdictions, and franchise administration. These two haulers comprised approximately $ 1,614,548 (80.01%) of accounts receivable balances at June 30, 2026. A major reduction in revenue from any of the above sources may have a significant effect on the future operations of the Authority.

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.

14. ***Commitments and Contingencies***:

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. The Authority purchases worker's compensation insurance through the State Compensation Insurance Fund for its employees.

The Authority has the following commercial insurance policies:

Coverage	Detail	Limits	Deductible
Environmental Impairment Liability	Per Occurrence	$ 10,000,000	$ 25,000
Property Insurance	Aggregate	10,000,000	50,000
Environmental Excess Liability	Aggregate	10,000,000	-
Earthquake	Per Occurrence	5,294,057	50,000
General Liability	Per Occurrence	1,000,000	-
	Aggregate	2,000,000	-
Commercial Auto	Per Accident	1,000,000	1,000
Public Officials and Employment Practice Liability	Each Act	1,000,000	25,000
Crime	Each Act	1,000,000	5,000
Cyber	Aggregate	1,000,000	5,000
Workers Compensation	-	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 Improvements	Operations & Maintenance	Contingency	Total
Johnson Canyon	$ 554,820	$ 473,422	$ -	$ 1,028,242
Crazy Horse	4,333,390	9,809,804	-	14,143,194
Jolon Road	-	1,940,057	-	1,940,057
Lewis Road	163,452	301,060	46,624	511,136
Total Corrective Actions	$ 5,051,662	$ 12,524,343	$ 46,624	$ 17,622,629

The capital improvements costs are one-time costs. The maintenance costs are the total estimated cost ranging from 15 years for Lewis Road to 60 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 measurable.

15. *Leases*:

Lease Receivable: The Authority leases a Corporation Yard to a third party. The original term of the lease was through June 2025 and was extended through June 2030.The Authority receives monthly payment of $6,973 monthly plus annual increases based on the consumer price index. The Authority recognized $79,251 in lease revenue and $1,749 in interest revenue during the current fiscal year related to this lease. As of June 30, 2026, the Authority's receivable for lease payments was $292,872 of which, $76,763 is classified as current. The Authority also has deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2026, the balance of the deferred inflow of resources was $292,871.

The Authority leases office space to a third party. The lease terms expire through March 2031, and the Authority receives monthly payments from a fixed payment schedule. Monthly payments on June 30, 2026 were $11,358. The Authority recognized $67,483 in lease revenue and $665 in interest revenue during the current fiscal year related to this lease. As of June 30, 2026, the Authority's receivable for lease payments was $607,617 of which $132,209 is classified as current. The Authority also has deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2026, the balance of the deferred inflow of resources was $607,617.

Lease Payable: The Authority entered into a multi-year lease from July 2022 through September 2036 for the use of a building on Madison Lane. An initial lease liability was recorded in the amount of $2,711,810. As of June 30, 2026, the value of the lease liability was $1,952,944. The Authority is required to make monthly principal and interest payments of $16,234 plus annual increases based on the consumer price index for all urban consumers not to exceed 4%. The lease has an interest rate of 3.98%. The leased building has a 14-year estimated useful life. The value of the right-to-use asset as of the end of the current fiscal year was $1,950,600 net of accumulated depreciation of $761,209 as June 30, 2026.

During the current year, the Authority entered into a multi-year lease from January 2026 through January 2066 for the right to use land adjacent to Johnson Canyon Landfill. An initial lease liability was recorded in the amount of $638,316. As of June 30, 2026, the value of the lease liability was $608,316. The Authority is required to make annual principal and interest payments of $30,000 plus annual increases of 2% in advance. The lease has an interest rate of 5.84%. The leased land does not have an estimated useful life. The value of the right-to-use asset as of the end of the current fiscal year was $630,337 net of accumulated depreciation of $7,979 as June 30, 2026.

The future principal and interest payments as of June 30, 2026, were as follows:

Year Ending June 30,	Principal	Interest	Total
2027	219,826	38,674	$ 258,500
2028	218,681	49,547	268,228
2029	217,569	60,764	278,333
2030	216,497	72,333	288,830
2031	215,462	84,272	299,734
Thereafter	1,473,225	1,735,751	3,208,976
	$ 2,561,260	$ 2,041,341	$ 4,602,601

16. Related Parties:

The Authority entered into a memorandum of understanding (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.

Monterey County Environmental Health serves as the Local Enforcement Agency (LEA) for CalRecycle. They are empowered by CalRecycle to implement programs, locally designated activities, and has primary responsibility for ensuring the correct operation and closure of solid waste facilities. The Authority paid Monterey County Environmental Health $80,032 in LEA permit fees for its facilities and an additional $116,767 for its share of $496,080 in Regional Fees, which are allocated by the percent of total annual county-wide tonnage disposed. After deduction of individual facility permit fees, the Regional Fees are used to fund the LEA's Load Checking Response Program, Illegal Dumping Response and Prosecution, Legislative Development, AB 939 Administration, Diversion/Recycling Programs, and other LEA related services. Total payments to Monterey County Environmental Health during FY 2025-26 were $196,799.

The Authority entered into an MOU with Monterey County to provide an annual contribution for litter abatement services within the boundaries of the Authority service area for $125,000.

17. *Net Position*:

Net position represents total assets and deferred outflows of resources less liabilities and deferred inflows of resources. Designations of unrestricted net position represents the Authority Board of Director's intention for the use of resources.

The net position amounts at June 30, 2026 were as follows:

Net Investment in Capital Assets	$ 28,666,328
Restricted:	
Restricted for Closure Reserve	1,624,264
Restricted for CalPERS Irrevocable Pension Trust Fund 115	339,644
Restricted for Pension	2,744,805
Restricted for OPEB	33,155
Total Restricted	4,741,868
Unrestricted	
Designated	
Designated for Capital Projects Reserve	9,841,818
Designated for Operations Reserve	4,573,008
Designated for Environmental Impairment Reserve	3,987,495
	18,402,321
Undesignated	2,814,202
Total Unrestricted	21,216,523
Total Net Position	$ 54,624,719

18. ***Bond Rate Covenant***:

Pursuant to the Master Indenture of the Revenue Bonds, Series 2022, the Authority has agreed to, at all times while any of the Bonds remain outstanding, 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, and all non-cash items. At June 30, 2026, the calculation is 339%.

Net revenue available for debt service for the year ended June 30, 2026, is determined as follows:

Salinas Valley Solid Waste Authority
Debt Service Coverage Ratio Calculations
Fiscal year ended June 30, 2026

Revenues	
Operating revenues	$ 28,393,857
Interest not on Project funds	1,541,621
Revised Revenues	29,935,478
Maintenance and Operations Costs	
GAAP Operating Expenses	28,434,455
Less the following items per Master Indenture	
Postclosure maintenance	(5,635,908)
Closure	(232,068)
Depreciation	(3,809,140)
Add Postclosure liability being paid	
Crazy Horse	417,501
Lewis Road	110,978
Jolon Road	93,105
Revised Maintenance and Operations Costs per Master Indenture	19,378,923
Net Revenues	$ 10,556,555
Debt Service on 2022 Bond	$ 3,110,937
Debt Service Coverage Ratio	339%
Debt Service Coverage Required	115%

19. ***Subsequent Events***:

North County Transfer Station: On September 17, 2026, the Authority's Board of Directors approved moving forward with development of a North County Transfer Station. The preliminary estimated capital cost of the project is approximately $11.0 million, including approximately $500,000 for final design and engineering, $8.5 million for construction and permitting, and $2.0 million for equipment. The Board authorized funding for engineering and final design and

engineering; funding for construction and permitting, as well as equipment will be presented to the Board for consideration following completion of final engineering and receipt of project bids.

The estimated project cost is preliminary and may change as engineering is completed and construction bids are received. The Authority currently anticipates funding the project primarily from accumulated capital reserves and available surplus funds.

Once operational, the facility is currently estimated to require approximately $2.7 million in annual operating costs. The Authority anticipates that these costs will be partially offset by additional tipping fee and transportation surcharge revenues, with the remaining costs expected to be funded through future adjustments to disposal fees.

Date of Management Review: Management has evaluated subsequent events through October 15, 2026, the date which these financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

SALINAS VALLEY SOLID WASTE AUTHORITY
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
June 30, 2026
Last 10 Years

	Fiscal Year End									
	06/30/26	06/30/25	06/30/24	06/30/23	06/30/22	06/30/21	06/30/20	06/30/19	06/30/18	06/30/17
Measurement Date	06/30/25	06/30/24	06/30/23	06/30/22	06/30/21	06/30/20	06/30/19	06/30/18	06/30/17	06/30/16
Authority's proportion of the net pension liability	-0.016400%	-0.003940%	0.006490%	0.003280%	-0.031270%	-0.000620%	0.000500%	0.010190%	0.01112%	0.01054%
Authority's proportionate share of the net pension liability	$ (1,677,189)	$ (477,666)	$ 809,494	$ 378,477	$ (1,691,113)	$ (67,484)	$50,979	$981,942	$ 1,102,446	$ 912,076
Authority's covered payroll*	$ 5,576,135	$ 5,184,378	$ 4,817,442	$ 4,528,388	$ 4,350,173	$ 3,949,211	$ 3,715,429	$ 3,546,721	$ 3,334,650	$ 2,992,877
Authority's proportionate share of the net pension liability as a percentage of covered payroll	-30.08%	-9.21%	16.80%	8.36%	-38.87%	-1.71%	1.37%	27.69%	33.06%	30.47%
Plan's fiduciary net position as a percentage of the plan's total pension liability	82.43%	78.08%	76.21%	76.68%	88.29%	75.10%	75.26%	72.56%	73.31%	74.06%

* For the year ending on the measurement date.

SALINAS VALLEY SOLID WASTE AUTHORITY
Schedule of Statutorily Required Employer Contributions
Pension Plan
June 30, 2026
Last 10 Years

Fiscal year ended:	06/30/26	06/30/25	06/30/24	06/30/23	06/30/22	06/30/21	06/30/20	06/30/19	06/30/18	06/30/17
Actuarially determined contribution	$ 571,973	$ 539,265	$ 499,005	$ 429,082	$ 397,549	$ 391,238	$ 329,307	$ 342,983	$ 315,704	$ 296,695
Contributions in relation to the actuarially determined contribution	571,973	903,502	1,679,252	429,082	397,549	482,094	653,073	1,431,107	388,865	358,695
Contribution deficiency (excess)	$ -	$ (364,237)	$ (1,180,247)	$ -	$ -	$ (90,856)	$ (323,766)	$ (1,088,124)	$ (73,161)	$ (62,000)
Authority's covered payroll *	$ 5,892,191	$ 5,576,135	$ 5,184,378	$ 4,817,442	$ 4,528,388	$ 4,350,173	$ 3,949,211	$ 3,715,429	$ 3,546,721	$ 3,334,650
Contributions as a percentage of covered payroll	9.71%	16.20%	32.39%	8.91%	8.78%	11.08%	16.54%	38.52%	10.96%	10.76%

* For the fiscal year ended on the date shown.

SALINAS VALLEY SOLID WASTE AUTHORITY
Schedule of Changes in the Authority's Net OPEB Liability (Asset)
and Related Ratios as of Measurement Date
June 30, 2026
Last 10 Years^

	Fiscal Year End								
	06/30/26	06/30/25	06/30/24	06/30/23	06/30/22	06/30/21	06/30/20	06/30/19	06/30/18
Measurement Date	06/30/25	06/30/24	06/30/23	06/30/22	06/30/21	06/30/20	06/30/19	06/30/18	06/30/17
Changes in total OPEB liability									
Service cost	$ 91,776	$ 89,320	$ 111,607	$ 108,620	$ 93,929	$ 91,193	$ 98,324	$ 95,460	$ 93,000
Interest	59,158	52,615	70,582	62,182	61,551	54,801	54,628	47,675	41,000
Actual benefits payments	(18,071)	(21,459)	(16,261)	(25,867)	(22,900)	(29,073)	(21,880)	(17,286)	(14,000)
Actual and expected experience difference	(38,776)	-	(197,699)	-	(151,696)	-	(112,552)	-	-
Changes in assumption	(48,350)	-	(224,472)	-	17,370	-	(4,645)	-	-
Net changes in total OPEB liability	45,737	120,476	(256,243)	144,935	(1,746)	116,921	13,875	125,849	120,000
Total OPEB liability - beginning	1,044,067	923,591	1,179,834	1,034,899	1,036,645	919,724	905,849	780,000	660,000
Total OPEB liability - ending	$ 1,089,804	$ 1,044,067	$ 923,591	$ 1,179,834	$ 1,034,899	$ 1,036,645	$ 919,724	$ 905,849	$ 780,000
Changes in plan fiduciary net position									
Employer contributions	$ 18,161	$ 171,576	$ 135,202	$ 175,964	$ 172,979	$ 179,176	$ 155,690	$ 455,464	$ -
Net investment income	137,720	93,753	21,779	(135,779)	124,262	45,120	41,131	9,405	-
Benefit payments	(18,071)	(21,459)	(16,261)	(25,867)	(22,900)	(29,073)	(21,880)	(17,286)	-
Administrative expenses	(552)	(553)	(481)	(408)	(403)	(472)	(234)	(355)	-
Net changes in plan fiduciary net position	137,258	243,317	140,239	13,910	273,938	194,751	174,707	447,228	-
Plan fiduciary net position - beginning	1,488,090	1,244,773	1,104,534	1,090,624	816,686	621,935	447,228	-	-
Plan fiduciary net position - ending	$ 1,625,348	$ 1,488,090	$ 1,244,773	$ 1,104,534	$ 1,090,624	$ 816,686	$ 621,935	$ 447,228	$ -
Net OPEB liability									
Total OPEB liability	$ 1,089,804	$ 1,044,067	$ 923,591	$ 1,179,834	$ 1,034,899	$ 1,036,645	$ 919,724	$ 905,849	$ 780,000
Plan fiduciary net position	1,625,348	1,488,090	1,244,773	1,104,534	1,090,624	816,686	621,935	447,228	-
Net OPEB liability (Asset)	$ (535,544)	$ (444,023)	$ (321,182)	$ 75,300	$ (55,725)	$ 219,959	$ 297,789	$ 458,621	$ 780,000
Net OPEB liability funded percentage	149.1%	142.5%	134.8%	93.6%	105.4%	78.8%	67.6%	49.4%	0.0%
Covered payroll *	$ 5,576,135	$ 4,872,723	$ 4,540,239	$ 4,528,388	$ 4,350,173	$ 3,949,211	$ 3,715,429	$ 3,546,721	$ 3,546,721
Net OPEB liability (Asset) as a percent of covered payroll	-9.60%	-9.11%	-7.07%	1.66%	-1.28%	5.57%	8.01%	12.93%	21.99%

^ Fiscal year 2018 was the 1st year of implementation, therefore only nine years are shown.

* For the year ending on the measurement date.

SALINAS VALLEY SOLID WASTE AUTHORITY
Schedule of Employer OPEB Contributions
June 30, 2026

Last 10 Years^

Contributions for the fiscal year ended:	06/30/26	06/30/25	06/30/24	06/30/23	06/30/22	06/30/21	06/30/20	06/30/19	06/30/18
Actuarially determined contribution	$ 68,716	$ 63,413	$ 125,354	$ 114,979	$ 116,717	$ 115,026	$ 137,800	$ 133,700	$ 149,000
Contributions in relation to the actuarially determined contribution	15,762	18,161	171,576	135,202	175,964	172,979	179,176	155,690	455,000
Contribution deficiency (excess)	$ 52,954	$ 45,252	$ (46,222)	$ (20,223)	$ (59,247)	$ (57,953)	$ (41,376)	$ (21,990)	$ (306,000)
Authority's covered payroll *	$ 5,891,191	$ 5,576,135	$ 4,872,723	$ 4,540,239	$ 4,528,388	$ 4,350,173	$ 3,949,211	$ 3,715,429	$ 3,546,721
Contributions as a percentage of covered payroll	0.27%	0.33%	3.52%	2.98%	3.89%	3.98%	4.54%	4.19%	12.83%

^ Fiscal year 2018 was the 1st year of implementation, therefore only nine years are shown.
* For the fiscal year ended on the date shown.

Significant Actuarial Methods and Assumptions used for Actuarially Determined Contributions:

Valuation Date	June 30, 2023
Actuarial Cost Method	Entry Age Normal, Level % of pay
Amortization Method	Level % of payroll
Amortization Period	14-year fixed period for the 2025/26
Asset Valuation Method	Market Value of Assets
Discount Rate	5.25%
General Inflation	2.50%
Medical Trend	Non-Medicare - 8.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076 Medicare (Non-Kaiser) - 7.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076 Medicare (Kaiser) - 6.25% for 2025, decreasing to an ultimate rate of 3.45% in 2076
Mortality	CalPERS 2000-2019 experience study
Mortality Improvement	Mortality projected fully generational with scale MP-2021

STATISTICAL SECTION (unaudited)

SALINAS VALLEY SOLID WASTE AUTHORITY

Index to Statistical Section (unaudited)

This part of the Authority's annual comprehensive 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.

Contents **Page**

Financial Trends - These schedules contain information to help the reader understand how the Authority's financial performance and well-being have changed over time.

Net Position 51
Changes in Net Position. 52
Operating Revenue by Source 53
Operating Expenses by Activity 54

Revenue Capacity - These schedules contain information to help the reader assess the Authority's most significant local revenue source.

Revenue Base 55
Revenue Rates 56
Principal Customers 57

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.

Ratio of Outstanding Debt 58
Pledged Revenue Coverage 59

Demographic and Economic Information - These schedules offer demographic and economic indicators to help the reader understand the environment within which the Authority's financial activities take place.

Demographic Statistics 60
Major Industries 61
Building Permits – County of Monterey 64
Housing Stock – County of Monterey 65

Operating Information - These schedules contain service and infrastructure data to help the reader understand how the information in the Authority's financial report relates to the services the Authority provides and the activities it performs.

Operating and Capacity Indicators 66
Operating and Capacity Indicators
Capital Assets Statistics by Function 67

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

Description	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024	6/30/2025	6/30/2026
Net investment in capital assets	$ (3,830,703)	$ (2,956,872)	$ 1,564,130	$ 6,082,771	$ 10,393,875	$ 15,430,661	$ 17,329,665	$ 21,058,616	$ 27,762,626	$ 28,666,328
Restricted	1,028,150	956,776	858,720	761,858	3,256,346	2,476,637	2,437,198	3,817,734	3,790,121	4,741,868
Unrestricted	2,398,199	7,448,904	9,954,238	10,674,815	11,263,584	12,772,911	17,227,968	17,339,923	18,987,560	21,216,523
Total Net Position	$ (404,354)	$ 5,448,808	$ 12,377,088	$ 17,519,444	$ 24,913,805	$ 30,680,209	$ 36,994,831	$ 42,216,273	$ 50,540,307	$ 54,624,719

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	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024	6/30/2025	6/30/2026
Changes in Net Position:										
Operating Revenues	$ 20,914,630	$ 22,566,955	$ 22,819,068	$ 22,897,215	$24,246,965	$25,269,819	$24,893,694	$26,333,673	$28,476,446	$28,393,857
Operating Expenses	14,432,350	14,079,124	14,579,026	15,687,957	13,488,641	14,612,600	16,183,383	19,621,435	18,905,014	24,625,315
Depreciation and amortization	1,419,953	1,611,744	1,758,114	1,883,763	2,229,099	3,442,641	2,625,511	2,785,204	2,867,122	3,809,140
Operating income	5,062,327	6,876,087	6,481,928	5,325,495	8,529,225	7,214,578	6,084,800	3,927,034	6,704,310	(40,598)
Non-operating revenues (expenses)										
Investment earnings	95,624	303,212	732,658	674,151	21,687	(323,781)	680,979	1,807,037	1,878,055	1,541,621
Gain (loss) on disposition of capital assets	-	-	(26,942)	-	-	-	107,853	14,500	179,715	2,589,124
Interest expense	(1,521,621)	(1,482,988)	(1,382,565)	(1,294,539)	(1,209,230)	(776,122)	(725,758)	(692,351)	(629,455)	(558,569)
Capital grant income	-	-	1,014,415	437,249	52,679	-	-	-	-	359,521
Rental income	-	-	-	-	-	-	166,748	165,222	191,409	193,313
Other revenue(expense), net	-	167,367	108,786	-	-	23,611	-	-	-	-
Debt issuance cost	-	-	-	-	-	(371,882)	-	-	-	-
Total non-operating revenues (expense), net	(1,425,997)	(1,012,409)	446,352	(183,139)	(1,134,864)	(1,448,174)	229,822	1,294,408	1,619,724	4,125,010
Changes in net position	$ 3,636,330	$ 5,863,678	$ 6,928,280	$ 5,142,356	$ 7,394,361	$ 5,766,404	$ 6,314,622	$ 5,221,442	$ 8,324,034	$ 4,084,412
Net position by component:										
Net Investment in capital assets	$ (3,830,703)	$ (2,956,872)	$ 1,564,130	$ 6,082,771	$ 10,393,875	$ 15,430,661	$ 17,329,665	$ 21,058,616	$ 27,762,626	$ 28,666,328
Restricted for grants	76,499	72,858	60,456	41,628	12,559	-	-	-	-	-
Restricted for Net Pension Assets	-	-	-	-	-	-	-	1,861,700	1,982,464	2,744,805
Restricted for Net OPEB	-	-	-	-	-	-	-	67,929	43,498	33,155
Restricted for pension trust fund	-	-	-	-	182,919	250,268	392,106	-	-	339,644
Restricted for closure reserve	951,651	883,918	798,264	720,230	3,060,868	2,226,369	2,045,092	1,888,105	1,764,159	1,624,264
Unrestricted	2,398,199	7,448,904	9,954,238	10,674,815	11,263,584	12,772,911	17,227,968	17,339,923	18,987,560	21,216,523
Total Net Position	$ (404,354)	$ 5,448,808	$ 12,377,088	$ 17,519,444	$ 24,913,805	$ 30,680,209	$ 36,994,831	$ 42,216,273	$ 50,540,307	$ 54,624,719

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	Other Operating Income	Total Operating Revenues
*6/30/2017	$ 20,201,840	$ 646,673	$ 66,117	$ 20,914,630
*6/30/2018	21,532,600	701,566	332,789	22,566,955
6/30/2019	22,094,564	655,378	69,126	22,819,068
6/30/2020	22,242,891	574,276	80,048	22,897,215
6/30/2021	23,479,213	679,691	88,061	24,246,965
6/30/2022	24,387,160	800,507	82,152	25,269,819
6/30/2023	24,173,300	562,930	157,464	24,893,694
6/30/2024	25,495,068	452,365	386,240	26,333,673
6/30/2025	27,232,444	586,359	657,643	28,476,446
6/30/2026	27,377,477	601,396	414,984	28,393,857

*As Restated
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 Services	Contractual Services	Operating Contracts	Supplies	Insurance	Building Rent	Taxes and Permits	Utilities	Closure/ Postclosure Maintenance	Hazardous Waste	Other	Total Operating Expenses
6/30/2016	$ 4,805,714	$ 1,795,961	$ 2,164,435	$ 687,779	$ 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	697,561	178,486	116,045	520,155	131,476	2,944,468	202,372	266,290	14,432,350
*6/30/2018	5,924,325	2,517,115	2,038,226	808,707	128,141	184,777	528,695	130,160	1,234,202	208,637	376,139	14,079,124
6/30/2019	5,970,904	2,966,255	1,804,703	994,240	147,171	110,544	543,388	138,454	1,395,057	182,101	326,209	14,579,026
6/30/2020	6,885,626	3,051,057	1,759,573	900,096	81,765	110,894	555,550	162,765	1,798,906	198,142	183,583	15,687,957
6/30/2021	6,695,563	2,429,464	2,056,705	911,215	386,762	115,101	590,999	179,013	(311,904)	209,369	226,354	13,488,641
6/30/2022	3,917,139	2,775,174	1,929,384	1,309,849	480,849	117,897	621,199	204,197	2,846,498	214,515	195,899	14,612,600
6/30/2023	9,938,646	2,795,512	2,352,005	1,475,180	556,451	-	576,869	203,494	(2,149,531)	167,960	266,797	16,183,383
6/30/2024	8,851,477	2,899,439	2,339,735	1,470,510	624,789	-	614,738	242,882	2,107,309	178,357	292,199	19,621,435
6/30/2025	9,103,767	2,955,271	2,174,343	1,444,787	1,108,933	-	715,937	196,656	688,323	228,761	289,905	18,906,683
6/30/2026	8,656,570	3,440,906	2,192,038	1,639,763	1,251,715	-	733,971	307,467	5,867,976	208,210	326,699	24,625,315

*As Restated
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)
6/30/2017	199,457
6/30/2018	213,714
6/30/2019	226,386
6/30/2020	224,979
6/30/2021	231,463
6/30/2022	238,089
6/30/2023	225,963
6/30/2024	229,219
6/30/2025	226,758
6/30/2026	224,084

Data Source: Salinas Valley Solid Waste Authority Finance Division - CalRecycle Worksheet for Johnson Canyon Landfill

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

	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024	6/30/2025	6/30/2026
Tipping Fee	$ 69	$ 69	$ 69	$ 69	$ 69	$ 69	$ 65	$ 65	$ 65	$ 67
Surcharge on Salinas franchise waste	17	18	18	18	18	19	19	20	20	21
AB939 Fee	11	11	10	12	12	15	16	18	22	25

Data Source: Salinas Valley Solid Waste Authority Finance Division

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

	6/30/2026			6/30/2017	
Customer	Tons Processed	Percentage of Total	Customer	Tons Processed	Percentage of Total
Republic Services Madison Lane	160,774	51.89%	Republic Services Of Salinas	105,625	36.59%
Rural Dispose-All	12,802	4.13%	Waste Management - Madison Lane	33,764	11.70%
King City Disposal	10,627	3.43%	Avtech Construction, Inc.	16,247	5.63%
City of Soledad	10,388	3.35%	Rural Dispose-All	14,685	5.09%
Tri-Cities Disposal	9,978	3.22%	Vision Recycling	10,015	3.47%
City of Greenfield	9,928	3.20%	City Of Soledad	9,302	3.22%
City of Gonzales	4,562	1.47%	King City Disposal	8,075	2.80%
Republic Services of Salinas	3,724	1.20%	City Of Greenfield	8,062	2.79%
Goodwill Central Coast	2,208	0.71%	Tri-Cities Disposal	7,252	2.51%
A&S Metals	1,938	0.63%	City Of Gonzales	4,478	1.55%
All Other Customers	82,936	26.77%	All Other Customers	71,152	24.65%
Total Tons for All Customers	309,865	100.00%	Total Tons for All Customers	288,657	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	2014 Series A Bonds Payable	2014 Series A Bonds Premium	2014 Series B Bonds Payable	Eq Lease Payable	2020 Series A Bonds Payable	Madson Lane Lease Payable	Total (1)	Total Per Capita (2)	Total As a Share of Personal Income
6/30/2017	27,815,000	1,734,012	2,615,000	1,735,668	-	-	33,899,680	77	0.14%
6/30/2018	27,670,000	1,564,986	2,280,000	985,802	-	-	32,500,788	75	0.14%
6/30/2019	26,405,000	1,398,109	1,935,000	212,663	-	-	29,950,772	69	0.12%
6/30/2020	25,075,000	1,235,193	1,580,000	-	-	-	27,890,193	65	0.11%
6/30/2021	23,675,000	1,076,442	1,210,000	-	-	-	25,961,442	59	0.09%
6/30/2022	-	-	-	-	25,595,000	-	25,595,000	59	0.09%
6/30/2023	-	-	-	-	22,895,000	2,526,261	25,421,261	58	N/A
6/30/2024	-	-	-	-	20,195,000	2,335,054	22,530,054	52	N/A
6/30/2025	-	-	-	-	17,465,000	2,143,945	19,608,945	45	N/A
6/30/2026	-	-	-	-	14,695,000	1,952,944	16,647,944	38	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 9 (Demographic Statistics)

Salinas Valley Solid Waste Authority

Pledged Revenue Coverage (unaudited)

Last Ten Fiscal Years

Description	*6/30/2017	*6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024	6/30/2025	6/30/2026
Operating Income	$ 5,062,327	$ 6,876,087	$ 6,481,928	$ 5,325,495	$ 8,529,225	$ 7,214,578	$ 6,084,800	$ 3,927,034	$ 6,704,310	$ (40,598)
Investment Earnings	95,624	303,212	732,658	674,151	21,687	(323,781)	680,979	1,807,037	1,878,055	1,541,621
Closure/Postclosure Expense	2,944,468	1,234,202	1,395,057	1,798,906	(311,904)	2,846,498	(2,149,531)	2,107,309	307,467	5,867,976
Crazy Horse Postclosure	-	-	(394,277)	(404,816)	(529,652)	(436,423)	(492,325)	(775,025)	(365,885)	(417,501)
Lewis Rd Postclosure	(188,946)	(175,649)	(174,286)	(194,550)	(179,918)	(178,609)	(241,773)	(263,594)	(118,819)	(110,978)
Jolon Rd Postclosure	(162,615)	(168,022)	(171,518)	(212,981)	(197,403)	(230,702)	(281,156)	(279,731)	(93,105)	(93,105)
Depreciation and Amortization	1,419,953	1,611,744	1,758,114	1,883,763	2,229,099	3,442,641	2,625,511	2,785,204	2,867,122	3,809,140
Total	$ 9,170,811	$ 9,681,574	$ 9,627,676	$ 8,869,968	$ 9,561,134	$ 12,334,202	$ 6,226,505	$ 9,308,234	$ 11,179,145	$ 10,556,555
Annual Debt Service	$ 1,907,820	$ 2,051,271	$ 3,135,978	$ 3,134,015	$ 3,136,699	$ 3,133,956	$ 3,115,297	$ 3,113,116	$ 3,111,569	$ 3,110,937
Coverage Percentage	481%	472%	307%	283%	305%	394%	200%	299%	359%	339%
Required Percentage	115%	115%	115%	115%	115%	115%	115%	115%	115%	115%

*As Restated

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)
6/30/2017	5.5%	437,907	23,819,797	54,395
6/30/2018	4.2%	435,594	24,477,179	53,625
6/30/2019	4.7%	434,061	25,973,189	56,545
6/30/2020	14.4%	430,906	26,504,847	61,510
6/30/2021	7.3%	437,325	27,747,802	63,449
6/30/2022	4.5%	432,858	28,189,179	65,123
6/30/2023	5.5%	437,614	29,695,203	68,943
6/30/2024	5.7%	430,723	N/A	N/A
6/30/2025	6.3%	439,035	N/A	N/A
6/30/2026	5.7%	436,755	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
N/A Not avaliable

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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
SALINAS MSA										
Total										
No. of Businesses	12,274	12,681	13,380	13,648	13,735	13,907	13,472	14,401	15,379	15,389
No. of Employees	170,383	173,386	178,844	181,536	164,126	172,939	176,578	183,282	182,708	181,069
Payroll (in thousands)	$1,823,620	$1,868,529	$1,946,321	$2,030,131	$1,947,964	$2,209,513	$2,356,110	$2,478,902	$2,543,510	$2,613,940
Agriculture										
No. of Businesses	520	530	548	557	561	566	565	586	592	594
No. of Employees	66,347	67,159	69,481	70,231	67,795	68,579	76,629	72,798	71,379	68,816
Payroll (in thousands)	$658,994	$675,089	$702,286	$722,652	$739,270	$816,000	$891,569	$883,717	$871,407	$881,872
Utilities										
No. of Businesses	20	20	21	23	22	21	22	24	25	25
No. of Employees	784	804	788	803	829	538	551	548	603	625
Payroll (in thousands)	$21,753	$22,014	$21,481	$23,302	$25,955	$17,537	$21,617	$22,946	$25,990	$28,261
Construction and Mining										
No. of Businesses	914	951	1,042	1,066	1,095	1,104	1,123	1,179	1,196	1,238
No. of Employees	6,067	6,416	6,538	6,888	6,485	6,793	7,314	7,617	7,933	8,041
Payroll (in thousands)	$91,161	$94,666	$94,772	$108,057	$104,888	$112,696	$133,526	$139,097	$151,431	$162,534

(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) MSA-level data includes private ownership establishments only. Tables do not include government or nonclassifiable establishments.
(4) 2026 Data is not yet available.
Definitions of Terms and Source Notes
http://www.labormarketinfo.edd.ca.gov/LMID/Size_of_Business_Report_Terms.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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Manufacturing										
No. of Businesses	264	271	289	296	276	292	307	324	333	330
No. of Employees	5,529	5,759	5,538	5,311	4,695	5,096	5,183	5,281	4,863	4,662
Payroll (in thousands)	$69,340	$73,079	$69,305	$71,060	$66,334	$72,847	$80,385	$81,596	$75,086	$76,708
Wholesale Trade										
No. of Businesses	375	366	375	379	376	387	376	375	387	383
No. of Employees	5,548	5,868	5,923	5,836	5,369	5,317	5,565	5,849	5,832	5,500
Payroll (in thousands)	$101,499	$99,856	$101,941	$100,277	$98,253	$103,086	$111,160	$118,646	$125,873	$120,162
SALINAS MSA										
Retail Trade										
No. of Businesses	1,212	1,188	1,199	1,193	1,220	1,222	477	1,226	1,202	1,225
No. of Employees	16,356	16,241	16,684	16,671	15,346	15,983	7,461	16,178	16,119	16,312
Payroll (in thousands)	$134,773	$134,980	$141,741	$147,826	$148,372	$169,595	$96,238	$176,442	$179,523	$183,921
Transportation and Warehousing										
No. of Businesses	266	283	313	329	335	347	383	395	403	395
No. of Employees	3,817	3,493	3,352	3,531	2,995	3,236	3,216	2,965	3,034	2,816
Payroll (in thousands)	$46,978	$45,508	$44,062	$45,883	$40,301	$46,267	$50,301	$46,816	$49,400	$48,096

(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) MSA-level data includes private ownership establishments only. Tables do not include government or nonclassifiable establishments.
(4) 2026 Data is not yet available.
Definitions of Terms and Source Notes
http://www.labormarketinfo.edd.ca.gov/LMID/Size_of_Business_Report_Terms.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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Information										
No. of Businesses	88	87	93	96	94	98	44	96	99	92
No. of Employees	1,126	1,036	1,028	994	735	852	431	875	852	826
Payroll (in thousands)	$17,431	$15,534	$14,268	$14,254	$12,894	$14,518	$6,263	$6,263	$13,484	$13,178
Finance and Insurance										
No. of Businesses	354	349	366	363	352	345	339	327	312	327
No. of Employees	2,354	2,430	2,514	2,442	2,290	2,155	2,229	2,107	2,054	2,185
Payroll (in thousands)	$49,584	$51,645	$51,634	$48,911	$48,964	$50,686	$53,483	$51,964	$59,811	$64,277
Real Estate and Rental and Leasing										
No. of Businesses	382	390	421	426	451	459	470	483	490	485
No. of Employees	1,803	1,933	2,032	1,960	1,780	1,978	2,042	2,018	2,087	2,071
Payroll (in thousands)	$22,487	$22,408	$24,369	$24,675	$23,178	$26,708	$28,692	$28,438	$30,341	$32,136
Services										
No. of Businesses	7,879	8,246	8,706	8,920	8,953	9,066	9,366	9,386	10,340	10,295
No. of Employees	60,652	62,247	64,714	66,869	55,807	62,412	65,957	67,046	67,952	69,215
Payroll (in thousands)	$609,620	$633,751	$674,084	$723,235	$639,626	$779,575	$882,878	$915,718	$961,164	$1,002,795

(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) MSA-level data includes private ownership establishments only. Tables do not include government or nonclassifiable establishments.
(4) 2026 Data is not yet available.
Definitions of Terms and Source Notes
http://www.labormarketinfo.edd.ca.gov/LMID/Size_of_Business_Report_Terms.html

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

Fiscal Year	New Single Family Residence	Other Residential	Total Residential	Nonresidential	Total All Building Permits
6/30/2017	892	2,076	2,968	470	3,438
6/30/2018	830	2,196	3,026	513	3,539
6/30/2019	764	1,948	2,712	554	3,266
6/30/2020	244	1,938	2,182	519	2,701
6/30/2021	503	2,130	2,633	169	2,802
6/30/2022	611	2,822	3,433	281	3,714
6/30/2023	458	3,907	4,365	182	4,547
6/30/2024	512	4,099	4,611	525	5,136
6/30/2025	663	4,419	5,082	120	5,202
6/30/2026	N/A	N/A	N/A	N/A	N/A

New Single Family Residence: Census.gov
Residential and non residential data: Monterey County Department of Building Services
N/A: Not available

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

Date	Single Family Residential Detached	Single Family Residential Attached	Multiple Two to Four	Multiple Five Plus	Mobile Homes
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
1/1/2018	88,711	8,899	12,555	24,436	5,729
1/1/2019	89,227	8,904	12,573	24,576	5,727
1/1/2020	89,107	8,933	12,661	24,742	5,727
1/1/2021	89,986	8,952	12,727	24,872	5,728
1/1/2022	91,437	9,048	13,055	25,779	5,806
1/1/2023	92,109	9,489	12,783	26,046	5,538
1/1/2024	92,528	9,587	12,823	26,297	5,539
1/1/2025	93,201	9,743	12,880	26,426	5,540
1/1/2026	93,419	9,963	12,890	26,769	5,547

Source:
CA Dept. of Finance - Report E-5 Population and Housing Estimates for Cities, Counties, and the State

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

Fiscal Year	Authority's Employees by Department			
	Finance & Administration	Engineering	Operations	Diversion
6/30/2017	9	1	37	5
6/30/2018	9	2	36	7
6/30/2019	9	2	38	6
6/30/2020	9	3	41	6
6/30/2021	9	4	43	6
6/30/2022	9	4	44	7
6/30/2023	9	4	42	7
6/30/2024	9	5	42	7
6/30/2025	9	5	42	7
6/30/2026	9	5	46	7

Fiscal Year	Other Operating and Capacity Indicators		
	Authority Area (Square Miles)	Landfill Acreage	Daily Landfill Capacity (tons)
6/30/2017	3,280.600	943	1,574
6/30/2018	3,280.600	943	1,574
6/30/2019	3,280.600	943	1,574
6/30/2020	3,280.600	943	1,574
6/30/2021	3,280.600	943	1,574
6/30/2022	3,280.600	943	1,574
6/30/2023	3,280.600	943	1,574
6/30/2024	3,280.600	943	1,574
6/30/2025	3,280.600	943	1,574
6/30/2026	3,280.600	943	1,574

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	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024	6/30/2025	6/30/2026
Finance & Administration										
Vehicles	2	2	2	2	2	2	2	2	2	2
Computer Equipment	9	9	9	9	9	9	9	9	9	9
Buildings	1	1	1	1	1	1	1	1	1	1
Buildings (square footage)	6,884	6,884	6,884	6,884	6,884	26,400	26,400	26,400	26,400	26,400
Operations										
Vehicles	26	26	26	27	29	29	30	30	30	31
Machinery & Equipment										
Forklifts/Hydraulic Lifts	2	2	2	3	3	4	4	4	4	4
Heavy Equipment	15	15	15	18	18	18	22	24	24	24
Water Truck	4	4	4	4	4	4	4	4	4	4
Bulldozers	2	2	2	3	3	3	3	4	4	4
Computer Equipment	9	9	9	10	10	10	10	10	10	10
Fuel Tanks	2	2	2	2	2	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	5	5	5	5	5	5	5	5	5	5
Site Security Systems	4	4	4	4	4	4	4	5	5	6
Leachate Systems	3	3	3	3	3	3	3	3	3	3
Gas Monitoring Wells	40	40	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	7	7	7	7	7	7	7
Land (acreage)	943	943	943	943	943	943	943	943	943	943
Landfill Gas to Energy-Gas Scrubber	1	1	1	1	1	1	1	1	1	1
Food Waste De-Packaging System	-	-	1	1	1	1	1	1	1	1
Composting System	-	-	-	1	1	1	1	1	1	1
Resource Recovery										
Vehicles	4	4	4	4	4	4	4	4	4	4
Computer Equipment	6	6	6	6	6	6	6	6	6	7

Data Source: Salinas Valley Solid Waste Authority Finance Division