Financial Statements
June 30, 2020

Central Contra Costa Solid Waste Authority

Independent Auditor's Report

The Board of Directors
Central Contra Costa Solid Waste Authority
Walnut Creek, California

Report on the Financial Statements
We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Central Contra Costa Solid Waste Authority (Authority) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

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

Auditor's Responsibility
Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Authority, as of June 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the schedule of the Authority's proportionate share of the net pension liability, schedule of pension contributions, schedule of changes in the Authority's total OPEB liability and related ratios, and budgetary comparison information and note, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our report on the basic financial statements is not affected by this missing information.

Other Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The Statement of Changes in Fiduciary Assets and Liabilities is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Statement of Changes in Fiduciary Assets and Liabilities is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2020, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Eide Bailly LLP

Sacramento, California
January 29, 2020

Basic Financial Statements

Government-Wide Financial Statements

	Governmental Activities
Assets	
Cash and investments	$ 17,110,097
Accounts receivables	5,425
Interest receivables	39,382
Prepaid items	40,289
Capital assets, net of accumulated deprecation	4,674
Total assets	17,199,867
Deferred Outflow of Resources	
Deferred outflows related to OPEB	3,185
Deferred outflows related to pensions	362,399
Total deferred outflows of resources	365,584
Liabilities	
Accounts payable	207,637
Accrued payroll	45,617
Unearned revenues	1,110
Due to other governments	11,687,905
Compensated absences	102,100
Noncurrent liabilities:	
Total OPEB liability	56,056
Net pension liability	307,159
Total liabilities	12,407,584
Deferred Inflows of Resources	
Deferred inflows related to OPEB	5,714
Deferred inflows related to pensions	138,335
Total deferred inflows of resources	144,049
Net Position	
Investment in capital assets	4,674
Restricted for reuse and clean-up days program	85,877
Unrestricted	4,923,267
Total net position	$ 5,013,818

Functions/Programs	Expenses	Program Revenues Charges for Services	Net (Expense) Revenue and Changes in Net Position- Governmental Activities
Governmental Activities			
General government	$ 2,712,881	$ 1,845,441	$ (867,440)
Public information	1,716,449	2,519,981	803,532
Total Governmental Activities	$ 4,429,330	$ 4,365,422	(63,908)
General Revenues			
Investment income			273,163
Miscellaneous			594,194
Total General Revenues			867,357
Change in net position			803,449
Net position at beginning of the year			4,210,369
Net position at end of year			$ 5,013,818

Fund Financial Statements

	General Fund	Diversion Incentive	Reuse and Clean Up Days	Total Governmental Funds
Assets				
Cash and investments	$ 13,915,770	$ 3,108,450	$ 85,877	$ 17,110,097
Receivables				
Interest	39,382	-	-	39,382
Accounts	5,425	-	-	5,425
Prepaid items	40,289	-	-	40,289
Total assets	$ 14,000,866	$ 3,108,450	$ 85,877	$ 17,195,193
Liabilities and Fund Balances				
Liabilities				
Accounts payable and accrued liabilities	$ 37,232	$ 170,405	$ -	$ 207,637
Accrued payroll	45,617	-	-	45,617
Unearned revenues	1,110	-	-	1,110
Due to other governments	11,687,905	-	-	11,687,905
Total liabilities	11,771,864	170,405	-	11,942,269
Fund balances				
Nonspendable	40,289	-	-	40,289
Restricted	-	-	85,877	85,877
Committed	-	1,500,000	-	1,500,000
Assigned	-	1,438,045	-	1,438,045
Unassigned	2,188,713	-	-	2,188,713
Total fund balances	2,229,002	2,938,045	85,877	5,252,924
Total liabilities and fund balances	$ 14,000,866	$ 3,108,450	$ 85,877	$ 17,195,193

Total governmental fund balance		$ 5,252,924
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore not reported in the Governmental Funds Balance Sheet.		4,674
Deferred outflows of resources related to pensions and OPEB are deferred and recognized in future periods:		
Difference between expected and actual experience - pension	$ 302,986	
Changes in proportion and differences between the Authority's contributions and its proportionate share of contributions - pension	30,277	
Net difference between projected and actual earnings on pension plan investments - pension	19,681	
Pension contributions made subsequent to the measurement date	9,455	362,399
Changes in assumptions - OPEB		3,185
Deferred inflows of resources related to pensions & OPEB are deferred and recognized in future periods:		
Changes in proportion and differences between the Authority's contributions and its proportionate share of pension contributions	(107,905)	
Changes in assumptions - pensions	(30,430)	(138,335)
Changes in assumptions - OPEB		(5,714)
Long term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Compensated absences		(102,100)
Total OPEB liability		(56,056)
Net pension liability		(307,159)
Net position of governmental activities		$ 5,013,818

	Major Funds			
	General Fund	Diversion Special Revenue Fund	Reuse and Clean Up Days Special Revenue Fund	Total
Revenues				
Administrative fees	$ 1,845,441	$ -	$ -	$ 1,845,441
Source reduction and recycling education fees	333,333	1,059,137	1,127,511	2,519,981
Interest income	273,163	-	-	273,163
Miscellaneous	20,623	573,571	-	594,194
Total revenues	2,472,560	1,632,708	1,127,511	5,232,779
Expenditures				
Current				
General government				
Personnel services	1,361,583	-	-	1,361,583
Materials and supplies	79,891	-	-	79,891
Office rent and utilities	100,326	-	-	100,326
Professional contracts and services	293,230	-	-	293,230
Distributions to member agencies	1,084,593	-	-	1,084,593
Public information	-	588,938	1,127,511	1,716,449
Total expenditures	2,919,623	588,938	1,127,511	4,636,072
Excess (deficiency) of revenues over (under) expenditures	(447,063)	1,043,770	-	596,707
Other Financing Sources/(Uses)				
Transfers in	1,084,593	5,376	-	1,089,969
Transfers out	(5,376)	(1,084,593)	-	(1,089,969)
Total other financing sources/(uses)	1,079,217	(1,079,217)	-	-
Net Changes in Fund Balances	632,154	(35,447)	-	596,707
Fund Balances - Beginning	1,596,848	2,973,492	85,877	4,656,217
Fund Balances - Ending	$ 2,229,002	$ 2,938,045	$ 85,877	$ 5,252,924

Net change in fund balances	$ 596,707
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report purchases of capital assets as expenditures; however, in the government-wide statement of activities, the cost of those assets is allocated over their estimated useful lives and recorded as amortization expense.	(2,337)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Change in compensated absences payable	23,818
Changes in total OPEB liability and related amounts	(10,727)
Changes in net pension liability and related amounts	195,988
Change in net position of governmental activities	$ 803,449

Note 1 - Summary of Significant Accounting Policies

A. Description of the Entity

The Central Contra Costa Solid Waste Authority (Authority) was formed on September 11, 1990, to assure the citizens of its member agencies that certain solid waste facilities and related programs will be operated in the most effective manner possible. The Authority is the only entity included in these financial statements.

The Authority franchises the collection of solid waste and recyclables in Central Contra Costa County. The Authority is governed by a Board of Directors appointed by its member agencies, and functions independently of its member agencies. Actions of the Board of Directors may be undertaken by a majority vote of the Board members present, provided a quorum exists, except as required in the Authority's agreement. The Authority's member agencies presently include Contra Costa County, as well as the Cities and Towns of Walnut Creek, Danville, Lafayette, Moraga, and Orinda.

B. Basis of Accounting

The accounts of the Authority are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are segregated into funds for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The Authority has three governmental funds and one agency fund. Descriptions of the nature of each fund are as follows:

General Fund – The fund is the general operating fund of the Authority. It is used to account for all financial resources not required to be accounted for in another fund.

Diversion Incentive Special Revenue Fund – Accounts for fees generated from haulers performing diversion of recyclable waste. Certain revenues were committed by the Board to maintain a Diversion Incentive Fund (DIF) reserve for operations of the fund up to $1.5 million. The fund can utilize up to $1 million based on policy for the operations of the fund and the excess amounts of the reserve are distributed to member agencies.

Reuse and Clean Up Days Special Revenue Fund – Accounts for specific fees obtained from the waste haulers for the Reuse & Clean Up Days program.

Franchise Fee Agency Fund – Accounts for franchise fees passed through the Authority on behalf of the Member Agencies.

The government-wide financial statements are reported using *the economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Grants and similar items are recognized as revenues as soon as all eligibility requirements have been met.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Authority's governmental activities. Direct expenses are those specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Revenues that are not classified as program revenues are presented as general revenues.

With respect to the Authority's priority regarding the use of resources when both restricted and unrestricted resources are available, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. The Authority generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded in the accounting period in which the related fund liability is incurred, as under accrual accounting.

Fiduciary fund financial statements include a statement of fiduciary net position. The Authority's fiduciary funds represent agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The agency funds are accounted for using the accrual basis of accounting. The Authority has one agency fund: The Franchise Fee Fund.

C. Cash and Investments

Investments are reported at fair value. Changes in fair value that occur during the fiscal year are recognized as investment income. Investment income includes interest earnings, changes in fair value, and any gains/losses realized upon the liquidation, maturity, or sale of an investments.

D. Net Position

Net Position is the excess of a fund's assets and deferred outflows of resources over all its liabilities and deferred inflows of resources. Net Position is divided into three components described below:

Investment in capital assets describes the portion of net position which is represented by the current net book value of the capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of net position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restriction which the Authority cannot unilaterally alter.

Unrestricted describes the portion of Net Position which is not restricted as to use.

E. Fund Balances

The Authority follows guidance provided by Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. As the Authority's highest level of decision-making authority, the Board of Directors must pass a resolution in order to commit fund balance. Once fund balance is committed, the Board of Directors must pass another resolution in order to modify or rescind the commitment. The Board of Directors has delegated the authority to assign fund balance to the Executive Director.

The components of fund balance are:

Nonspendable Fund Balance – items that cannot be spent because they are not in spendable form, long-term portions of receivables, inventories, prepaid items, and also items that are legally or contractually required to be maintained intact.

Restricted Fund Balance – encompass the portion of net fund resources subject to externally enforceable legal restrictions. This includes externally imposed restrictions by creditors (such as through debt covenants), grantors, contributors, laws or regulations of other governments, as well as restrictions imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – the portion of fund balance that includes amounts that can only be used for specific purposes determined by formal action of the Authority's highest level of decision-making authority (Board of Directors) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation is a resolution and needs to occur no later than the close of the reporting period. Currently, the committed fund balance is limited to constraints imposed by Diversion Incentive Fund Reserve Policy adopted by the Board in fiscal year 2008.

Assigned Fund Balance – assigned fund balances are amounts constrained by the Board's intent to be used for a specific purpose but not restricted nor committed. This category includes residual fund balances for special revenue funds which have not been restricted or committed.

Unassigned Fund Balance – represents residual amounts that have not been restricted, committed, or assigned in the General Fund. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

With respect to the Authority's priority regarding use of fund balance, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed. When unrestricted resources are available, it is the Authority's policy to use committed amounts first, followed by assigned amounts, and then unassigned amounts.

F. Compensated Absences

In accordance with GASB Statement No. 16, an employee benefits payable liability is recorded for unused vacation and similar compensatory leave balances. The employees' entitlement to these balances is attributable to services already rendered and it is probable that virtually all of these balances will be liquidated by either paid time off or payments upon termination or retirement.

G. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s), and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Authority reports deferred outflows related to pensions and other post-employment benefits (OPEB).

In addition to liabilities, the statement of net position/balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position/fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has two items that qualify for reporting in this category on the government-wide statement of net position relating to deferred inflows associated with pensions and OPEB.

H. Pensions

For purposes of measuring the net pension liability and deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Authority's pension plan with California Public Employees' Retirement System (CalPERS) and additions to / deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of CalPERS. Investments are reported at fair value.

I. Capital Assets

Capital assets are recorded at historical cost. The Authority capitalizes capital assets that are greater than $5,000 and will have an estimated useful life in excess of one year. Software is amortized using the straight-line method over a five (5) year period.

J. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

K. Implementation of Governmental Accounting Standards Board Statements

The Governmental Accounting Standards Board (GASB) releases new accounting and financial reporting standards which may have a significant impact on the Authority's financial reporting process. The following pronouncements were implemented for the year ended June 30, 2020.

GASB Statement No. 95 – In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authority Guidance.* The objective of this Statement is to provide temporary relief of governments and other stakeholders in light of the COVID-19 pandemic. The requirements of this Statement are effective immediately as they delayed the effective dates of several GASB Statements. The effective dates listed in the Future Governmental Accounting Standards Board (GASB) Pronouncement section have been updated to reflect the postponed effective dates.

Note 2 - Cash and Investments

As of June 30, 2020, cash and investments were reported in the accompanying financial statements as follows:

Statement of net position	
Cash and investments	$ 17,110,097
Total cash and investments	$ 17,110,097

As of June 30, 2020, cash and investments consisted of the following:

Deposits with financial institutions	$ 6,263,968
Investment in Local Agency Investment Fund	10,846,129
Total cash and investments	$ 17,110,097

Deposits

At June 30, 2020, the carrying amount of the Authority's deposits was $6,263,968 and the bank balance was $6,421,711. The $157,743 difference represents outstanding checks and deposits in transit.

The California Government Code requires California banks and savings and loan associations to secure a governmental entity's deposits by pledging government securities with a value of 110 percent of the deposits. California law also allows financial institutions to secure the deposits by pledging first trust deed mortgage notes having a value of 150 percent of the total deposits. The Authority may waive the collateral requirement for deposits that are fully insured up to $250,000 by the FDIC. The collateral for deposits in federal and state-chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an Agent of Depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loans association with an "Agent of Depository" has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California Agents of Depository are considered to be held from, and in the name of, the local governmental agency.

Fair Value Measurement and Application

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Authority has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data correlation or other means.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs reflect the Authority’s own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the Authority’s own data.

The asset's level within the hierarchy is based on the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The determination of what constitutes observable requires judgment by the Authority's management. Authority management considers observable data to be that market data, which is readily available, regularly distributed or updated, reliable, and verifiable, not proprietary, and provided by multiple independent sources that are actively involved in the relevant market. The categorization of an investment within the hierarchy is based upon the relative observability of the inputs to its fair value measurement and does not necessarily correspond to the Authority management’s perceived risk of that investment.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Authority’s assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Investments in LAIF are uncategorized as deposits and withdrawals are made on the basis of $1 and not fair value. Amounts are recorded on an amortized cost basis which approximates fair value.

Local Agency Investment Fund

The Authority is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. Each entity may invest up to $75,000,000 without limitation in special bond proceeds amounts. The Authority reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance available for withdrawal on demand and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF’s investment portfolio are collateralized mortgage obligations, mortgage backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2020, these investments matured in an average of 191 days.

As of June 30, 2020, the Authority had $10,793,105 invested in LAIF.

LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The LAIF financial statements are available at the State Treasurer's Office website at www.treasurer.ca.gov. LAIF is not registered with the Securities and Exchange Commission and is not rated by the credit rating agencies.

Note 3 - Compensated Absences

Compensated absences at June 30, 2020 were as follows:

	Balance June 30, 2019	Additions	Decreases	Balance June 30, 2020	Due Within One Year
Compensated absences	$ 125,918	$ 58,714	$ (82,532)	$ 102,100	$ 102,100
	$ 125,918	$ 58,714	$ (82,532)	$ 102,100	$ 102,100

The Authority's general fund has been and will continue to be the primary funding source for the liquidation of this obligation.

Note 4 - Capital Assets

Capital asset activity for year ending June 30, 2020 consists of the following:

	Balance June 30, 2019	Additions	Decreases	Balance June 30, 2020
Capital assets, being amortized				
Software	$ 11,685	$ -	$ -	$ 11,685
Less: accumulated amortization	(4,674)	(2,337)	-	(7,011)
Governmental activities capital assets, net	$ 7,011	$ (2,337)	$ -	$ 4,674

Amortization expense of $2,337 was charged to the general government function of the governmental activities.

Note 5 - Risk Management

The Authority is a member of the Special District Risk Management Authority (SDRMA), which provides insurance coverage for general liability under the terms of a joint powers agreement with the Authority and several other public entities. - SDRMA is governed by a board of directors consisting of representatives from member agencies. The board of directors controls operations of SDRMA, including selection of management and approval of operating budgets, independent of any influence by member agencies beyond their representation on the board of directors.

SDRMA has purchased general and auto liability insurance of $2,500,000 per occurrence, which is subject to $500 per occurrence for third party general liability property damage and $1,000 per occurrence for third party auto liability property damage. In addition, it has purchased employee and public officials dishonesty coverage of $1,000,000 per loss; property loss coverage up to $1 billion per occurrence, subject to a $2,000 deductible per occurrence; boiler and machinery coverage up to $100 million per occurrence, subject to a $1,000 deductible; and public officials personal liability insurance of $500,000 per occurrence, with an annual aggregate of $500,000 per elected/appointed official, subject to a $500 deductible per claim. As of June 30, 2020, no claims had been filed against the Authority. The financial statements of SDRMA may be obtained by writing to SDRMA, 1112 I Street, #300, Sacramento, California 95814.

There have been no significant changes in the Authority's insurance coverage as compared to prior years.

Claims have not exceeded any of the Authority's coverage amounts in any of the last three fiscal years.

Note 6 - Interfund Transactions

Transfers for the period ended June 30, 2020, were as follows:

Fund Receiving Transfers	Fund Making Transfer	Amount Transferred
General Fund	Diversion Incentive Special Revenue Fund	$ 1,084,593
Diversion Incentive Special Revenue Fund	General Fund	5,376

The Authority's Recycling Revenue Policy for the Diversion Incentive Special Revenue fund allows for the revenues from the sale of recyclables to be distributed between the Diversion Incentive Fund (DIF) Reserve, the DIF, and the Member Agencies Reserves. The DIF Reserve maintains $1.5 million at all times, up to $1 million available for the DIF programs and expenditures, and each September, the previous fiscal years DIF's ending net income will be distributed into the Member Agencies' Reserves which is retained in the General Fund, respectively.

Note 7 - Fund Balances

In governmental funds, the segregated portions of fund balance are presented as follows for the fiscal year ended June 30, 2020:

	Major Funds			
	General Fund	Diversion Incentive Special Revenue Fund	Reuse and Clean Up Days Special Revenue Fund	Total Governmental Funds
Fund Balance				
Nonspendable:				
Prepaid items	$ 40,289	$ -	$ -	$ 40,289
Restricted for:				
Reuse and Clean Up Programs	-	-	85,877	85,877
Committed for:				
Diversion Incentive Reserve	-	1,500,000	-	1,500,000
Assigned for:				
Diversion Incentive Programs	-	1,438,045	-	1,438,045
Unassigned	2,188,713	-	-	2,188,713
Total Fund Balance	$ 2,229,002	$ 2,938,045	$ 85,877	$ 5,252,924

Diversion Incentive Fund Reserve Requirements

The establishment of the Diversion Incentive Reserve was approved by resolution of the Board of Directors in FY2008. The Board approved policy set aside $1.5 million in Diversion Incentive Reserve Funding and established policy regarding the usage and distribution of the Diversion Incentive Fund Balance in excess of $1.5 million. The Authority had committed fund balance for the Diversion Incentive Fund of $1,500,000 at June 30, 2020.

Note 8 - Diversion Incentive Fund and Member Agency Deposits Payable

The Diversion Incentive Fund collects Recycling Fees in accordance with the Franchise Fee Agreement on a monthly basis. The Board of Directors of the Authority is authorized to budget up to $1 million per year of the Diversion Incentive Fund for public information programs. The remaining amounts of the revenue collections within the fund are available to be distributed to the member agency accounts subsequent to the fiscal year end. The Board distributed to the member payments of $1,084,593 which are then transferred to member agency accounts during fiscal year 2020. These distributions are then transferred to the General Fund and held in the Deposits Payable accounts for each member agency. Distributions come in two forms: 1) direct distributions to member agencies based on requests made by those agencies for certain programs; and 2) distributions made to vendors that are requested by the agency and directly benefit only that agency.

The change in the member agency accounts reported in the General Fund for the year ended June 30, 2020:

	July 1, 2019 Amount	FY 2019 Diversion Incentive Fund Distribution	Rate Year 5 Addition / (Reduction) to Reserves Payment	June 30, 2020 Amount
Contra Costa County	$ 1,939,287	$ 215,397	$ (157,543)	$ 1,997,141
Town of Danville	2,889,571	214,216	(183,395)	2,920,392
City of Lafayette	1,855,805	123,833	123,397	2,103,035
Town of Moraga	642,473	73,458	(39,972)	675,959
City of Orinda	772,290	88,502	1,327	862,119
City of Walnut Creek	2,183,948	369,187	576,124	3,129,259
Total Due to Other Governments	$ 10,283,374	$ 1,084,593	$ 319,938	$ 11,687,905

Note 9 - Pension Plan

Plan Description

The authority joined the California Public Employee Retirement System (CalPERS) as of July 1, 2012. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. All qualified permanent and probationary employees are eligible to participate in the Authority's Miscellaneous Employee Pension Plan, a cost-sharing multiple-employer defined benefit pension plan administered by CalPERS.

CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions and all other requirements are established by State statute and city contracts with employee bargaining groups. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 55 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: The Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan's provisions and benefits in effect at June 30, 2020, are summarized as follows:

	Miscellaneous Plan		
	Tier I	Tier II	Tier II (PEPRA)
Hire Date	Prior to March 2, 2012	On or after March 2, 2012	On or after January 1, 2013
Formula	2% @ 55	2% @ 60	2% @ 62
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life
Minimum retirement age	50	50	52
Benefits, as a % of annual salary	2.0%	2.0%	2.0%
Required employee contribution rates	7.0%	7.0%	7.25%
Required employer contribution rates	10.868% + $29,200	8.668% + $1,260	7.072%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. All employees are participants in the Tier I plan and are required to contribute 7 percent of their annual covered salary. For the year ended June 30, 2020, contributions to the Plan were $302,986.

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

As of June 30, 2020, the Authority reported a net pension liability of $307,159 for its proportionate share of the Plan's net pension liability.

The Authority's net pension liability is measured as the proportionate share of net pension liability. The net pension liability is measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018. 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 of all participating employers, actuarially determined. The Authority's proportionate share of the net pension liability as of June 30, 2019 was 0.00767 percent, a decrease of 0.00473 percent from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the Authority recognized pension expense of $109,999. June 30, 2020, 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
Pension Contributions Subsequent to Measurement Date	$ 302,986	$ -
Change of Assumptions	9,455	-
Differences Between Expected and Actual Experience	19,681	-
Differences Between Projected and Actual Investment Earnings	-	5,370
Differences between Employer's Contributions and Proportionate Share of Contributions	1,661	25,060
Changes in Employer's Proportionate	28,616	107,905
Total	$ 362,399	$ 138,335

$302,986 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year ended June 30	
2021	$ (1,981)
2022	(43,115)
2023	(34,911)
2024	1,085
Total	$ (78,922)

Actuarial Assumptions

The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth [1]	3.3% - 14.2%
Mortality	Based on CalPERS Experience Study

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

The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

In determining the long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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

Asset Class	Target	Real Return	Real Return
Global equity	50.0%	4.80%	5.98%
Fixed income	28.0%	1.00%	2.62%
Inflation assets	0.0%	0.77%	1.81%
Private equity	8.0%	6.30%	7.23%
Real assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
	100.0%		

(1) An expected inflation of 2.00% used for this period
(2) An expected inflation of 2.92% used for this period

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate, and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.15 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report call “GASB Crossover Testing Report” that can be obtained at CalPERS’ website under the GASB 68 section.

The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that the Authority's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, each pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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, calculated using the discount rate, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 - percentage point lower or 1 - percentage point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Discount Rate	6.15%	7.15%	8.15%
Net Pension Liability / (Asset)	$ 683,545	$ 307,159	$ (3,520)

Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Note 10 - Postemployment Benefits Other Than Pensions (OPEB)

General Information about the OPEB Plan

Plan description. The Authority's defined benefit OPEB plan, RecycleSmart Retiree Healthcare Plan (Plan), provides OPEB for all permanent full-time general employees of the Authority. The Plan is a single-employer defined benefit OPEB plan administered by the Authority. The Authority is responsible for establishing and amending the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits provided. The Plan provides healthcare benefits for retirees and their dependents who retire directly from the Authority under CalPERS. The benefit terms provide for payment of the Public Employee Medical & Hospital Care Act (PEMHCA) minimum payments until the age of 65. As of June 30, 2020, the Authority would be required to pay $136 per month per employee for any health care benefits provided.

Employees Covered by benefit terms. At June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	-
Inactive employees entitled to but not yet receiving benefits	-
Active employees	6
Total	6

Total OPEB Liability

The Authority's total OPEB liability of $56,056 was measured as of June 30, 2019, and was determined by an actuarial valuation as of June 30, 2018.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
General Inflation	2.75% per annum
Discount Rate	3.50% at June 30, 2018 Based on Bond Buyer 20-bond Index on June 30, 2019
Mortality, Retirement, Disability, Termination	CalPERS 1997-2015 Experience Study
Mortality Improvement	Mortality
Salary Increases	Aggregate 3% Merit - CalPERS 1997-2015 Experience Study
Medical Trend	Non-Medicare - 7.5% for 2020, decreasing to an ultimate rate of 4.0% in 2076 Medicare - 6.5% for 2020, decreasing to an ultimate rate of 4.0% in 2076
Healthcare participation	50%

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2019	$ 41,367
Service Cost	9,197
Interest	1,957
Assumption changes	3,535
Net changes	14,689
Balance at June 30, 2020	$ 56,056

Changes of assumptions reflect a change in the discount rate from 3.58 percent in measurement year ended

June 30, 2018 to 3.50 percent in measurement year ended June 30, 2019.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the Authority as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.5 percent) or 1-percentage-point higher (4.5 percent) than the current discount rate:

	1% Decrease (2.87%)	Current Rate (3.87%)	1% Increase (4.87%)
Total OPEB Liability	$ 67,380	$ 56,056	$ 47,176

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.5 percent decreasing to 3.0 percent) or 1-percentage-point higher (8.5 percent decreasing to 5.0 percent) than the current healthcare cost trend rates:

	1% Decrease (6.5% decreasing to 3.0%)	Current Rate (7.5% decreasing to 4.0%)	1% Increase (8.5% decreasing to 5.0%)
Total OPEB Liability	$ 44,109	$ 56,056	$ 72,344

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2020, the Authority recognized OPEB expense of $10,727. At June 30, 2020, the Authority reported deferred inflows of resources related to OPEB from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Changes in assumptions	$ 3,185	$ 5,714
Total	$ 3,185	$ 5,714

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal year ending June 30,	Deferred outflows/ (inflows) of resources
2021	$ (427)
2022	(427)
2023	(427)
2024	(427)
2025	(427)
Thereafter	(394)
Total	$ (2,529)

Note 11 - Operating Leases

The Authority leases its office space under an agreement with an original term of 10 years starting July 30, 2010. The lease contains a provision for a renewal of 5 years. The lease was renewed in January 2020 for an additional 10 years beginning in August 2020 through July 2030. The Authority also has a copier lease with an original term of 5 years.

The future minimum rental payments required under the operating lease are as follows:

Fiscal year ending June 30,	Amount
2021	$ 104,176
2022	129,056
2023	123,942
2024	124,691
2025	129,028
2025-2030	702,385
2031	12,438
Total	$ 1,325,716

Total rent expense for the year ended June 30, 2020, was $92,864 and was recognized in the General Fund. Of that, rental expense for the office building operating lease was $81,344. Rental expense for the copier lease was $11,520.

Note 12 - Contingencies

The Authority may be subject to claims or legal proceedings arising in the ordinary course of business. Management is not aware of any claims or pending litigation which is likely to have a material adverse effect on the financial position of the Authority.

Note 13 - New Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) releases new accounting and financial reporting standards which may have a significant impact on the Authority's financial reporting process. Future new standards which may impact the Authority include the following:

GASB Statement No. 84 – In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2019.

GASB Statement No. 87 – In July 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases; enhancing the comparability of financial statements between governments; and also enhancing the relevance, reliability (representational faithfulness), and consistency of information about the leasing activities of governments. This Statement is effective for reporting periods beginning after June 15, 2021.

GASB Statement No. 89 – In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (a) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (b) to simplify accounting for certain interest costs. This Statement is effective for reporting periods beginning after December 15, 2020.

GASB Statement No. 90 – In September 2018 issued Statement No. 90, *Majority Equity Interests*, *an amendment of GASB Statements No. 14 and No. 61*. The objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The Statement is effective for reporting periods beginning after December 15, 2019.

GASB Statement No. 91 – In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The objectives of this statement are to provide a single method for reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The Statement is effective for reporting periods beginning after December 15, 2021.

GASB Statement No. 92 – In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting to improve the consistency of authoritative literature by addressing practices issues that have been identified during implementation and application of certain GASB Statements. The Statement is effective for reporting periods beginning after June 15, 2021.

GASB Statement No. 93 – In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address the accounting and financial reporting implications that result from the replacement of an IBOR. The Statement is effective for reporting periods beginning after June 15, 2021.

GASB Statement No. 94 – In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The Statement is effective for reporting periods beginning after June 15, 2022.

GASB Statement No. 96 – In May 2020, the GASB issued Statement No. 96, *Subscription-based Information Technology Arrangements*. The objective of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The Statement is effective for reporting periods beginning after June 15, 2022.

GASB Statement No. 97 – In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statement No.14 and No.84 and A Supersession of GASB Statement No.32*. The objective of this Statement is (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The Statement is effective for reporting periods beginning after June 15, 2021.

Required Supplementary Information
June 30, 2020

Central Contra Costa Solid Waste Authority

	2015	2016	2017	2018	2019	2020
Proportion of the net pension liability	0.02270%	0.02106%	0.01979%	0.01193%	0.01240%	0.00767%
Proportionate share of the net pension liability	$ 27,336	$ 281,262	$ 385,071	$ 470,274	$ 467,474	$ 307,159
Covered payroll	560,970	577,799	687,362	708,206	668,374	803,018
Proportionate Share of net pension liability as a percentage of covered payroll	4.87%	48.68%	56.02%	66.40%	69.94%	38.25%
Plan fiduciary net position a a percentage of the total pension liability	79.82%	78.40%	74.06%	73.31%	71.74%	89.02%
Measurement date	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019

*Fiscal year 2015 was the first year of implementation, therefore, only six years are shown.

	2015	2016	2017	2018	2019	2020
Actuarially determined contributions	$ 67,514	$ 70,318	$ 74,273	$ 75,967	$ 71,760	$ 102,986
Contributions in relation to the actuarially determined contribution	(67,514)	(70,318)	(74,273)	(75,967)	(71,760)	(302,986)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ (200,000)
Covered payroll	$ 577,799	$ 687,362	$ 708,206	$ 668,374	$ 803,018	$ 881,310
Contributions as a percentage of covered payroll	11.68%	10.23%	10.49%	11.37%	8.94%	11.69%

*Fiscal year 2015 was the first year of implementation, therefore, only six years are shown.

	2018	2019	2020
Total OPEB Liability			
Service cost	$ 7,266	$ 6,454	$ 9,197
Interest on total OPEB liability	1,142	1,508	1,957
Changes in assumptions	(5,558)	(2,262)	3,535
Net change in total OPEB liability	2,850	5,700	14,689
Total OPEB Liability -- beginning	32,817	35,667	41,367
Total OPEB Liability -- ending (a)	$ 35,667	$ 41,367	$ 56,056
Covered payroll	$ 668,374	$ 803,018	$ 881,310
Total OPEB Liability as a percentage of covered payroll	5.34%	5.15%	6.36%
Measurement date	June 30, 2017	June 30, 2018	June 30, 2019

* Fiscal year 2018 was the first year of implementation, therefore, only three years are shown.

Notes to the schedule:
No assets are accumulated in a trust to pay related benefits.

Changes of assumptions. Changes of assusmptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in the period:

3.58%	3.87%	3.50%

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Administrative fees	$ 1,845,439	$ 1,845,439	$ 1,845,441	$ 2
Source reduction and recyling education fees	-	-	333,333	333,333
Interest income	213,671	213,671	273,163	59,492
Miscellaneous	10,500	10,500	20,623	10,123
Total revenues	2,069,610	2,069,610	2,472,560	402,950
Expenditures				
Current:				
General government:				
Personnel services	1,413,946	1,413,946	1,361,583	52,363
Materials and supplies	96,320	96,320	79,891	16,429
Office rent and utilities	125,044	125,044	100,326	24,718
Professional contracts and services	434,300	434,300	293,230	141,070
Distributions to member agencies	-	-	1,084,593	(1,084,593)
Total expenditures	2,069,610	2,069,610	2,919,623	(850,013)
Excess (deficiency) of revenues over (under) expenditures	-	-	(447,063)	(447,063)
Other Financing Sources/(Uses)				
Transfers in	-	-	1,084,593	1,084,593
Transfers out	-	-	(5,376)	(5,376)
Total Other Financing Sources/(Uses)	-	-	1,079,217	1,079,217
Net change in fund balance	-	-	632,154	632,154
Fund Balance - Beginning	1,596,848	1,596,848	1,596,848	-
Fund Balance - Ending	$ 1,596,848	$ 1,596,848	$ 2,229,002	$ 632,154

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Recycling revenue fee	$ 2,542,533	$ 2,542,533	$ 1,056,040	$ (1,486,493)
Recycling contribution	566,667	566,667	566,667	-
Home composting	5,800	5,800	3,097	(2,703)
Other income	-	-	6,904	6,904
Total revenues	3,115,000	3,115,000	1,632,708	(1,482,292)
Expenditures				
Current:				
Public information	999,284	999,284	588,938	410,346
Total expenditures	999,284	999,284	588,938	410,346
Excess (Deficiency) of Revenues over (Under) Expenditures	2,115,716	2,115,716	1,043,770	(1,071,946)
Other financing sources/(uses)				
Transfers in	-	-	5,376	5,376
Transfers out	-	-	(1,084,593)	(1,084,593)
Total Other Financing Sources/(Uses)	-	-	(1,079,217)	(1,079,217)
Net change in fund balance	2,115,716	2,115,716	(35,447)	(2,151,163)
Fund Balance - Beginning	2,973,492	2,973,492	2,973,492	-
Fund Balance - Ending	$ 5,089,208	$ 5,089,208	$ 2,938,045	$ (2,151,163)

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Source reduction and recycling education fees	$ 1,127,511	$ 1,127,511	$ 1,127,511	$ -
Expenditures				
Public information	1,127,511	1,127,511	1,127,511	-
Fund Balance - Beginning	85,877	85,877	85,877	-
Fund Balance - Ending	$ 85,877	$ 85,877	$ 85,877	$ -

Note 1 - Budgetary Information

The Authority adopts a budget annually to be effective July 1 for the ensuing fiscal year. Budgeted expenditures are adopted through the passage of a resolution. This resolution constitutes the maximum authorized expenditures for the fiscal year and cannot legally be exceeded except by subsequent amendments of the budget by the Authority's Board of Directors.

The Authority follows the Diversion Incentive Fund Policy adopted by the Board of Directors and distributes the total amount of Fund Balance (excluding the Diversion Incentive Reserve) in the subsequent year to member agency accounts. This amount is not budgeted as the amount of Fund Balance is distributed based on the actual amount available following the Board Policy.

Expenditures are controlled at the fund level for all budgeted departments within the Authority. This is the level at which expenditures may not legally exceed appropriations. Budgeted amounts for the statement of revenues, expenditures and changes in fund balance – budget and actual include budget amendments approved by the Authority's Board of Directors.

The budgets are adopted on a basis substantially consistent with generally accepted accounting principles (GAAP).

Any amendments or transfers of appropriations between object group levels within the same department must be authorized by the Authority's Executive Director. Any amendments to the total level of appropriations for a fund or transfers between funds must be approved by the Authority's Board of Directors with the exception of transfers to the general fund for distributions to member accounts out of the Division Incentive Special Revenue Fund. Supplemental appropriations financed by unanticipated revenues during the year must be approved by the Authority's Board of Directors.

The General Fund had excess expenditures over appropriations in the amount of $850,013 during the current year due to distributions to member agencies are not budgeted.

Supplementary Information

Franchise Fee	Balance July 1,2019	Additions	Deletions	Balance June 30, 2020
Assets				
Cash and investments	$ -	$ 8,727,662	$ 8,727,662	$ -
Total Assets	$ -	$ 8,727,662	$ 8,727,662	$ -
Liabilities				
Due to member agencies	$ -	$ 8,727,662	$ 8,727,662	$ -
Total Liabilities	$ -	$ 8,727,662	$ 8,727,662	$ -
Total				
Assets				
Cash and investments	$ -	$ 8,727,662	$ 8,727,662	$ -
Total Assets	$ -	$ 8,727,662	$ 8,727,662	$ -
Liabilities				
Accounts payable	$ -	$ -	$ -	$ -
Due to member agencies	-	8,727,662	8,727,662	-
Total Liabilities	$ -	$ 8,727,662	$ 8,727,662	$ -

Other Report

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Board of Directors
Central Contra Costa Solid Waste Authority
Walnut Creek, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Central Contra Costa Solid Waste Authority (Authority) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated January 29, 2020.

Internal Control over Financial Reporting

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

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

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

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

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing* Standards in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Eide Bailly LLP

Sacramento, California
January 29, 2020