

**CALIFORNIA POLLUTION CONTROL  
FINANCING AUTHORITY  
BOND PROGRAM**

**FINANCIAL STATEMENTS  
WITH  
INDEPENDENT AUDITOR'S REPORT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY  
BOND PROGRAM**

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**James Marta & Company LLP**  
**Certified Public Accountants**

*Accounting, Auditing, Tax and Consulting*

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**INDEPENDENT AUDITOR'S REPORT**

Members of the Board  
California Pollution Control Financing Authority  
Sacramento, California

**Report on the Financial Statements**

We have audited the accompanying Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and Statement of Cash Flows of California Pollution Control Financing Authority Bond Program as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the California Pollution Control Financing Authority Bond Program'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 of material misstatement.

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

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

**Opinion**

In our opinion, the financial statements referred to previously present fairly, in all material respects, the financial position of the California Pollution Control Financing Authority Bond Program as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Change in Accounting Principle*

As discussed in Note 1 to the financial statements, in fiscal year 2015 the California Pollution Control Financing Authority Bond Program adopted new accounting guidance, *GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*; and *GASB Statement 71, Pension Transition for Contributions Made Subsequent to the Measurement – an amendment of GASB Statement No. 68*. The California Pollution Control Financing Authority Bond Program has not restated the actual and pro forma effect of the Statements on the financial statements as of and for the year ended June 30, 2014. This data is not readily available due to an actuary study not being prepared in accordance with GASB 68 for measurement dates prior to June 30, 2014. Our opinion is not modified with respect to this matter.

The effects of this restatement are described in Note 1 to the basic financial statements.

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that management's discussion and analysis; schedule of proportionate share of net pension liability; and schedule of pension contributions on pages 4-12 and 30-32, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

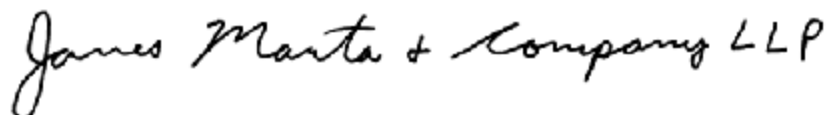
*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the California Pollution Control Financing Authority Bond Program's basic financial statements. The accompanying Schedule of Bonds Issues and Outstanding are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Bonds Issues and Outstanding is the responsibility of management and was derived from and relates 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 Schedule of Bonds Issues and Outstanding 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 May 27, 2016 on our consideration of the California Pollution Control Financing Authority Bond Program'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 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 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 California Pollution Control Financing Authority Bond Program's internal control over financial reporting and compliance.



James Marta & Company LLP  
Certified Public Accountants  
Sacramento, California  
May 27, 2016

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY BOND PROGRAM

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2015

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This section of the financial statements of the Bond Program accounts and records of the Authority presents the analysis of the financial performance of the Authority's Bond Program monies during the fiscal year that ended on June 30, 2015. Please read it in conjunction with the financial statements that follow this section.

### GENERAL BACKGROUND, OVERVIEW AND PROGRAMS

#### **CPCFA's Consolidated Fund**

CPCFA was established by Chapter 1257 (Statutes of 1972), with subsequent changes provided by Chapter 342 (Statutes of 1985), to provide California businesses with alternative methods of financing pollution control facilities. Over the last 40 years, CPCFA has evolved to meet California's needs not only through its Pollution Control Tax-Exempt Bond Program, but also: 1) for small businesses through the California Capital Access Program (CalCAP) and related financing programs, and 2) through grants and loans for the reuse and redevelopment of brownfields through the California Recycle Underutilized Sites Program (CALReUSE). The Authority's conduit financing activities include the Bond Program Support Fund and the Small Business Assistance Fees (SBAF) and can be collectively referred to as the Bond Program.

CPCFA has unusual status in State Government in that its statutes directed the creation of one "catch-all" fund that is continuously appropriated to administer all of the above statutorily-mandated programs ("Fund"). Consequently, all revenues and expenditures for all of CPCFA's programs are consolidated in that Fund, and have been since the inception of the Authority. The Administration and the Legislature authorized CPCFA, and its Fund, to have maximum flexibility in administering state authorized programs. This is fairly exclusive given that most state agencies establish a separate fund for each revenue source to enable the tracking of revenues received and expenditures made for each program, as specified.

CPCFA contracts with the State Treasurer's Office (STO) for administrative services which includes full accounting services for its consolidated Fund. The STO's Accounting Unit is required to utilize the State's California State Accounting & Reporting System (CALSTARS) developed in 1980-81. CALSTARS was designed to conform to Generally Accepted Accounting Principles (GAAP) as necessary, and to satisfy Government Codes, the State Administrative Manual (SAM), and other legally-mandated state accounting requirements. CALSTARS also incorporates the state's Uniform Codes Manual (UCM) to provide for consistency and uniformity. As evidenced by the STO Accounting Unit's annual "Certificate for Achieving Excellence in Financial Reporting" awarded by the State Controller's Office for the errorless preparation of specified CPCFA year-end financial reports, the accounting services provided to CPCFA are in compliance with all applicable state laws, rules and regulations. For the past 40 years, STO accounting staff provided comprehensive accounting services for CPCFA's Fund in the aggregate—but not its individual programs as anticipated by the independent audit of the Bond Program accounts and records directed by Senate Bill 99 in 2010.

Issues related to Authority accounts, including maintaining books, making adjustments to entries, reporting to other state entities and related activities are the responsibility of the STO. The Authority continues to work with the STO to identify areas where the Authority should maintain more direct knowledge and oversight of the accounts and funds traditionally overseen by the STO including areas that

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2015**

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STO should consult with the Authority prior to making certain changes to financial statements and accounting records.

The relationship between CPCFA and STO, including the Accounting Unit, acknowledges that CPCFA retains the policy and program direction and expertise over the Bond Program, and that STO and its Accounting Unit retains the subject matter expertise for accounting principles and practices. This relationship and acknowledgment reduces redundancy, relieving CPCFA of expense associated with hiring internal accounting specialists. In this discussion and analysis, while it is presumed that the Authority is ultimately responsible for its financial statements, the use of the term "Management" herein this discussion and related audit documents refers to responsibilities or decisions which by nature are shared due to CPCFA's reliance on STO's expertise in preparing financial records.

**Conduit Finance Activity**

Since 1972, the Authority has served as a conduit issuer for eligible California businesses for the acquisition, construction, or installation of qualified pollution control, waste disposal, resource recovery and water furnishing facilities. The Authority also provides additional financial assistance to California businesses that meet the size standards set forth in Title 13 of the Code of Federal Regulations or are an eligible small business, which is defined as 500 employees or less, including affiliates.

The Authority uses the Small Business Assistance Fees (SBAF) collected from large businesses to help pay for the costs of issuance of tax-exempt bonds issued on behalf of small businesses. The SBAF may be used to pay for costs such as letter of credit fees, transaction fees and other costs associated with the issuance of bonds. This assistance reduces the net cost of financing to the small business to make it more competitive. On April 23, 2013, CPCFA waived the collection of SBAF from large businesses to incentivize the issuance of bonds, but continues to offer the subsidy to qualifying small businesses. This SBAF waiver will continue through June 30, 2016. Commencing July 1, 2016 through December 31, 2016 half of the SBAF fee will be waived from large businesses.

In December 2013, CPCFA made a change to its Administrative Fee for refunding bond issuances when coupled with a new money bond issuance. When the financing requested is a refunding of a prior sale of bonds previously approved by the Authority and the refunding is included as part of an application which also requests new financing by the same applicant for a new proposed project, the Authority has the discretion to charge the applicant the Authority's reasonable and necessary expenses allocable to the refunding request in lieu of the normal Administrative Fee.

During the fiscal year ended June 30, 2015, the Authority served as the issuer for \$112,540,000 in tax exempt bonds. As of June 30, 2015, the Authority's total conduit debt issued was \$14,374,361,437 and total conduit debt outstanding was \$3,633,784,470.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This financial report of the Authority's Bond Program includes the Independent Auditors' Report, Management Discussion and Analysis (MD&A), basic financial statements, accompanying notes and supplemental information.



**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY  
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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2015**

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**REQUIRED FINANCIAL STATEMENTS**

The financial statements of the Authority's Bond Program report information using accounting methods similar to those used by private sector companies. These statements offer both short-term and long-term financial information about its activities.

The *Statement of Net Position* includes all of the assets and liabilities of the Authority's Bond Program for the year ended June 30, 2015 and provides information about the nature and amounts of investments in resources (assets) and the obligations to creditors (liabilities). It also provides the basis for computing rates of return, evaluating the capital structure of the Authority and assessing the liquidity and financial flexibility of the Authority's Bond Program.

The *Statement of Revenues, Expenses and Changes in Net Position* accounts for all of the revenue and expenses of the Authority's Bond Program for the year ended June 30, 2015. This statement reflects the results of the Bond Program's operations over the year and can be used to determine the credit worthiness and its ability to successfully recover all its costs through fees, investment income and other revenues.

The *Statement of Cash Flows* provides information about the Authority's Bond Program's cash receipts and cash payments during the year ended June 30, 2015. This statement reports cash receipts, cash payments, and net changes in cash resulting from operations, capital and related financing, noncapital financing and investment activities. The statement provides answers to questions of where cash came from, what cash was used for and what caused changes in cash for the reporting period covered.

The accompanying Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

In addition to the basic financial statements and accompanying notes, the final section in this report also presents certain supplementary information. This supplementary information section contains the detail of conduit bonds issued and conduit bonds outstanding as of June 30, 2015.

**ANALYSIS OF CHANGE IN BOND PROGRAM BALANCE FOR FISCAL YEAR ENDED JUNE 30, 2015**

**Statement of Net Position**

The net position of the Bond Program was \$26,929,725 as of June 30, 2015. The net position of the CPCFA Bond Program decreased by \$645,502 from one year ago (2014 to 2015) due, in part, to a decrease in bond issuance closing fees received, including the SBAF waiver and the change to the refunding fee.

CPCFA had two bond transactions that closed on July 1, 2015. STO Accounting office received the closing fee invoices prior to FY end and still had the books open for FY 2014/2015. The closing fees for these two transactions, which totaled \$333,770, were inadvertently included in the 2014/2015 FY when they should have been included in the 2015/2016 FY. The CPCFA Bond Program had a change in

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2015**

management at that time, and checking for this type of occurrence was missed. To avoid this in the future, CPCFA Bond Program staff will ensure that any deals which close at FY end are included in the appropriate FY books. Typically, the closing invoices are sent out two weeks prior to the date that a transaction is scheduled to close. To ensure that the closing fees are included as revenue in the appropriate FY, if a deal closes at or FY end prior to the books being closed, CPCFA staff will ensure that the closing date is typed on the invoice so that STO Accounting can determine which FY that the revenue should go. In addition, the CPCFA Bond Program Manager has been trained on how to evaluate the various accounting reports and is able to determine that the revenue is contained in the proper FY.

The following table presents a condensed, combined statement of net position as of June 30, 2015, and June 30, 2014, including dollar change from 2014 to 2015.

		FY 2014	FY 2015	Difference (2014-2015)
Total Assets	Current	\$28,123,985	\$27,434,610	(\$653,132)
	Deferred Outflow on pensions		\$36,243	
Total Liabilities	Current	\$69,316	\$30,650	\$471,812
	Long-term		\$430,288	
	Deferred Inflows on pensions		\$80,190	
Total Net Assets	Restricted	\$28,054,669	\$26,929,725	(\$1,124,944)

**Assets**

Total assets decreased by \$653,132 from the prior year.

**Liabilities**

Total liabilities both current and long-term were \$541,128 as of June 30, 2015, representing an increase of \$471,812 from the prior fiscal year.

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

CPCFA Bond Program revenues were \$310,538 while expenses were \$956,040.

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**JUNE 30, 2015**

		FY 2014	FY 2015	Difference (2014-2015)
Program Revenues	Fees	\$ 319,264	\$ 241,112	\$ (78,152)
	Nonoperating	68,485	69,426	941
Total Revenues		<u>387,749</u>	<u>310,538</u>	<u>(77,211)</u>
Program Expenses	Salaries & Wages	328,033	296,059	(31,974)
	Services & Supplies	7,113	5,056	(2,057)
	Consultants Services	101,939	118,587	16,648
	Small business financing assistance	190,504	267,519	77,015
	Operating Expenses	39,057	2,437	(36,620)
Total Expenses		<u>666,646</u>	<u>689,658</u>	<u>23,012</u>
Extraordinary item		<u>390,509</u>	<u>266,382</u>	
Changes in Net Position		(669,406)	(645,502)	

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY  
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**MANAGEMENT’S DISCUSSION AND ANALYSIS**

**JUNE 30, 2015**

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**BOND PROGRAM OUTLOOK**

Business investment in California using tax-exempt bonds declined noticeably during the recent economic downturn. As a result, Private Activity Bond (PAB) allocation has gone unused and CPCFA has received unused allocation as Carryforward Allocation. As of May 4, 2016 CPCFA has approximately \$2.4 billion in Carryforward Allocation available for both small and large businesses to issue PABs. That said, the bond program did see an increase in the number of inducements and bond issuances during the 2014-2015 fiscal year, indicating the possibility of a positive trend in bond activity. The current amount of available allocation is listed in the table below.

<b>Total 2013 – 2014 Carryforward Allocation Available</b>	<b><u>\$2,394,673,562</u></b>
Solid Waste Disposal	\$1,159,720,000
Sewage Facilities	\$234,953,562
Water Furnishing	\$1,000,000,000

As the SBAF fund currently has a balance of approximately \$15 million, CPCFA has implemented a temporary SBAF fee waiver, until June 30, 2016, for large businesses. Then, from July 1, 2016 to December 31, 2016, half of the SBAF fee will be waived for large businesses. This will not affect the SBAF assistance given to small businesses. CPCFA staff anticipates that the temporary fee waiver will entice large businesses to issue PABs by noticeably reducing a portion of the cost of issuance. The fee waiver could also serve as an incentive for national companies to focus investment in California while their overall fees are lower.

The change to the Administration fee for refundings has encouraged several applicants to issue bonds through CPCFA for new projects and refund previously issued bonds with more attractive interest rates. We anticipate this trend to continue based on applications currently in the pipeline.

Additionally, as described above in **CPCFA’s Consolidated Fund** the Bond Program typically provides financial support to other CPCFA programs and this is reflected in the **Statement of Revenues, Expenses and Changes in Net Position**, although no such transfers occurred in FY 2014-2015.

The Bond Program does not receive any on-going State General Fund support and continues to generate revenues sufficient to support operating expenses.

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY  
BOND PROGRAM**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2015**

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**ANALYSIS OF 2015 ACTIVITIES**

**Applications received in FY 2014/2015:**

The following schedule presents a summary of applications received during the fiscal year ended June 30, 2015:

<b>Application Number</b>	<b>Date Received</b>	<b>Applicant Name</b>	<b>Project Type</b>	<b>Amount</b>
876	08/21/2014	GreenWaste Recovery, Inc.	SWD*	\$33,160,000
877	09/24/2014	Pena Disposal, Inc.	SWD	\$3,400,000
878	10/30/2014	Eco-Modity, LLC	SWD	\$11,500,000
879	06/19/2015	Aemerge, LLC	SWD	\$22,475,000
		<b>TOTAL:</b>		<b><u>\$70,535,000</u></b>

\* Solid Waste Disposal

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY  
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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2015**

**Initial Resolutions (IR) adopted in FY 2014/2015:**

The following schedule presents a summary of Initial Resolutions adopted during the fiscal year ended June 30, 2015:

<b>IR No.</b>	<b>Date Approved</b>	<b>Applicant Name</b>	<b>Project Type</b>	<b>Amount</b>
14-03	07/15/2014	Bay Counties Waste Services, Inc.	SWD*	\$8,820,000
14-04	09/16/2014	Greenwaste Recovery, Inc.	SWD	\$33,160,000
14-05	10/21/2014	Pena Disposal, Inc.	SWD	\$3,400,000
14-06	11/18/2014	Eco-Modity, LLC	SWD	\$11,500,000
		<b>TOTAL:</b>		<b><u>\$56,880,000</u></b>

\*Solid Waste Disposal

**Final Resolutions (FR) adopted in FY 2014/2015:**

The following schedule presents a summary of Final Resolutions adopted during the fiscal year ended June 30, 2015:

<b>FR No.</b>	<b>Date Approved</b>	<b>Applicant Name</b>	<b>Project Type</b>	<b>Amount</b>
536	09/16/2014	Sierra Pacific Industries	SWD*	\$30,000,000
537	09/16/2014	Bay Counties Waste Services, Inc.	SWD	\$8,820,000
538	09/16/2014	Garden City Sanitation	SWD	\$8,905,000
539	11/18/2014	Greenwaste Recovery, Inc.	SWD	\$28,300,000
540	10/21/2014	Synagro Organic Fertilizer Company of Sacramento	SEW**	\$13,800,000
541	01/20/2015	Blue Line Transfer, Inc.	SWD	\$22,720,000
542	06/16/2015	California Waste Solutions, Inc.	SWD	\$40,000,000
543	05/19/2015	Waste Management Inc.	SWD	\$140,430,000
		<b>TOTAL:</b>		<b><u>\$419,675,000</u></b>

\*Solid Waste Disposal

\*\*Sewage Treatment Facilities

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY  
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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2015**

**Bonds sold in FY 2014/2015:**

The following schedule presents a summary of bonds sold during the fiscal year ended June 30, 2015:

<b>Closing Date</b>	<b>Applicant Name</b>	<b>Project Type</b>	<b>Amount of Issue</b>	<b>Beginning Interest Rate</b>	<b>Mode</b>
09/24/2014	Garden City Sanitation	SWD*	\$8,905,000	.08	Weekly
09/25/2014	Sierra Pacific Industries	SWD	\$30,000,000	.08	Weekly
10/15/2014	Bay Counties SMART	SWD	\$8,820,000	.08	Weekly
11/25/2014	Sacramento Biosolids/Synagro	SEW**	\$13,730,000 TE \$65,000TX	3.27 4.04	Fixed Fixed
12/04/2014	Greenwaste Recovery, Inc.	SWD	\$28,300,000	.98	Monthly
02/04/2015	Blue Line Transfer	SWD	\$22,720,000	1.17	Weekly
	<b>TOTAL:</b>		<b><u>\$112,540,000</u></b>		

\*Solid Waste Disposal

\*\* Sewage Treatment Facilities

Note: All bond sales negotiated.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Authority's Bond Program's financial position and is intended for distribution to a variety of interested parties. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Executive Director, California Pollution Control Financing Authority, 915 Capitol Mall, Room 457, Sacramento, California 95814.

## **BASIC FINANCIAL STATEMENTS**



**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY  
BOND PROGRAM**

**STATEMENT OF NET POSITON**

**JUNE 30, 2015**

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**ASSETS**

Current Assets	
Cash and cash equivalents	\$ 27,415,408
Interest receivable	19,202
Total Assets	<u>27,434,610</u>

**DEFERRED OUTFLOWS**

Deferred outflows on pensions	<u>36,243</u>
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**LIABILITIES**

Current Liabilities	
Accounts payable	465
Due to other funds	21,745
Other liabilities - accrued leave	8,440
Total Current Liabilities	<u>30,650</u>
Long-Term Liabilities	
Net Pension Liability	<u>430,288</u>
Total Liabilities	<u>460,938</u>

**DEFERRED INFLOWS**

Deferred inflows on pensions	<u>80,190</u>
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**NET POSITION**

Net Position	
Restricted for purposes specified in enabling legislation	<u>26,929,725</u>
Total Net Position	<u><u>\$ 26,929,725</u></u>

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY  
BOND PROGRAM**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

**FOR THE FISCAL YEAR ENDING JUNE 30, 2015**

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Operating Revenues		
Application fees	\$	36,700
Closing fees		180,412
Agent for sale fees		24,000
Total Operating Revenues		<u>241,112</u>
Operating Expenses		
Salaries, wages and benefits		296,059
Services and supplies		5,056
Consultant services		118,587
Small business financing assistance		267,519
Operating expenses		2,437
Total Operating Expenses		<u>689,658</u>
Operating Income (Loss)		<u>(448,546)</u>
Nonoperating Revenues (Expenses)		
Interest and investment income		69,426
Total Nonoperating Revenues		<u>69,426</u>
Loss Before Extraordinary item		<u>(379,120)</u>
Extraordinary item		
Bad Debt Expense		<u>(266,382)</u>
Changes in Net Position		<u>(645,502)</u>
Net Position Beginning of Year, As Originally Reported		28,054,669
Prior Period Adjustment		<u>(479,442)</u>
Net Position Beginning of Year, As Adjusted		<u>27,575,227</u>
Net Position, End of Year	\$	<u><u>26,929,725</u></u>

See accompanying notes to the basic financial statements.

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY  
BOND PROGRAM**

**STATEMENT OF CASH FLOWS**

**FOR THE FISCAL YEAR ENDING JUNE 30, 2015**

<b>Cash Flows From Operating Activities</b>	
Receipts from fees	\$ 241,112
Payments to vendors	(148,147)
Payments for salaries and benefits	(317,636)
Small Business Assistance	(267,519)
Net cash provided (used) by operating activities	<u>(492,190)</u>
 <b>Cash Flows From Investing Activities</b>	
Interest and investment income received	67,215
Transfers from other state agencies	125,000
Net cash provided (used) by investing activities	<u>192,215</u>
 Net decrease in cash and cash equivalents	 (299,975)
 <b>Cash and Equivalents, Beginning of Year</b>	 <u>27,715,383</u>
 <b>Cash and Equivalents, End of Year</b>	 <u>\$ 27,415,408</u>
 <b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>	
Operating income (loss)	\$ (448,546)
Software expensed	-
(Increase) decrease in:	
Accounts receivable	229
Due from other funds or agencies	-
Deferred outflows on pensions	(36,243)
Increase (decrease) in:	
Accounts payable	(33,964)
Due to other funds or agencies	11,897
Other liabilities - accrued leave	(16,599)
Deferred inflows on pensions	80,190
Net pension liability	(49,154)
 <b>Net Cash Provided (Used) by Operating Activities</b>	 <u>\$ (492,190)</u>

See accompanying notes to the financial statements.

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY  
BOND PROGRAM**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2015**

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**1. ORGANIZATION AND NATURE OF OPERATIONS**

California Pollution Control Financing Authority (the Authority), a state agency within the California State Treasurer's Office, was created in 1972 to assist California businesses to meet their growth and capital needs by providing access to low-cost financing through private activity tax-exempt bonds and loans, and fosters compliance with government imposed environmental standards and requirements.

Irrespective of company size, financing is available for eligible California businesses for the acquisition, construction, or installation of qualified pollution control, waste disposal, resource recovery and water furnishing facilities. The Authority also provides additional financial assistance to California businesses that meet the size standards set forth in Title 13 of the Code of Federal Regulations or are an eligible small business, which is defined as 500 employees or less, including affiliates.

The Authority uses the Small Business Assistance Fees (SBAF) collected from larger bond transactions to help pay for the costs of issuance of tax-exempt bonds issued on behalf of small businesses. The SBAF may be used to pay for costs such as letter of credit fees, transaction fees and other costs associated with the issuance of bonds. This assistance reduces the net cost of financing to the small business to make it more competitive. As noted in the Management Discussion & Analysis, CPCFA has temporarily waived the collection of the fees from large businesses until June 30, 2015, but continues to provide the assistance to qualifying small businesses. CPCFA has also changed its refunding fee to encourage the submission of applications for new money projects coupled with refundings of previously issued bonds.

Effective January 1, 2010, legislation (Senate Bill 99, which added Chapter 10.7 of Division 6 of Title 1, commencing with section 5870, to the Government Code) increased the reporting and auditing requirements for conduit issuers. The focus of the legislation was on the joint powers authorities that frequently issue bonds and also requires the inclusion of state finance authorities. The legislation was written to include the finance authorities chaired by the Treasurer. As a result, the Authority must comply with the same reporting/auditing requirements imposed on the joint powers authorities.

The Bond Program is one of many programs administered by the Authority. Other State agencies, such as the State Treasurer's Office and the State Controller's Office support the Authority by providing services and thus allocate a portion of their expenses to the Authority. The Authority allocates its portion of such expenses to its different programs along with any direct costs associated with each program. The Bond Program is entirely supported by staff at the Authority to perform all necessary functions. Thus, the accompanying financial statements of the Authority's Bond Program are not indicative of the Authority's financial position or net assets as a whole but only of that portion of the Authority's financial statements related to the Bond Program.

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY  
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**NOTES TO THE FINANCIAL STATEMENTS**

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**2. SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIC FINANCIAL STATEMENTS**

The basic financial statements of the Authority's Bond Program (i.e. the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position and Statement of Cash Flows) have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The financial statements report information on the Authority's Bond Program and are presented in accordance with standards established by the Governmental Accounting Standards Board (GASB).

**B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION**

The basic financial statements are prepared on the economic resource measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

The Authority distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services. Operating expenses include the cost of sales and services, general and administrative expenses and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**C. CASH AND CASH EQUIVALENTS**

The Bond Program's cash and cash equivalents are considered cash and short term investments that are held on deposit with the State Controller's Office. Cash receipts and disbursements of the Authority are made through a cash pool maintained by the State Controller.

**D. ACCOUNTS RECEIVABLE**

Accounts receivable consist of application, initial and closing fees receivable on conduit bond financing programs. As of June 30, 2015, there were no accounts receivables.

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY  
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**E. CAPITAL ASSETS**

Capital assets are recorded at cost and consist of furniture, fixtures and equipment and software. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Depreciation is being provided using the straight-line method over the estimated useful lives of the assets ranging from 5 to 10 years.

As of June 30, 2015, all capital assets were fully depreciated.

**F. IMPAIRMENT OF CAPITAL ASSETS**

The Authority reviews its capital assets for impairment whenever events or changes in circumstances indicate that there has been a decline in service utility that is large in magnitude and outside of the normal life cycle of the capital asset being evaluated. As of June 30, 2015, there has been no impairment of the capital assets.

**G. OTHER LIABILITIES - ACCRUED LEAVE**

Other Liabilities - Accrued Leave on the statement of net position includes vested and unpaid vacation and annual leave. It is anticipated that compensated absences will generally not be used in excess of a normal year's accumulation. Unused sick leave balances are not included in the liability because they do not vest to employees. For further information, refer to the financial statements of the State of California for the year ended June 30, 2015.

**H. NET ASSETS**

In the statement of net position, net position is classified in the following categories:

*Invested in Capital Assets, Net of Related Debt* - This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition or improvement of the assets.

*Restricted Net Position* - This amount is restricted by external contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

*Unrestricted Net Position* - This amount is all net position that do not meet the definition of "invested in capital assets, net of related debt" or "restricted net position."

As of June 30, 2015, all of the net position of the Bond Program are classified as restricted by enabling legislation for purposes specified in the Act as described in Note 1.

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY  
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**NOTES TO THE FINANCIAL STATEMENTS**

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**I. GENERAL AND ADMINISTRATIVE EXPENSES**

The Authority is subject to an allocation of intradepartmental support costs in accordance with an agreement between the Authority and the State Treasurer's Office (STO). Such costs could affect the Authority's financial position or operating results in a manner that differs from those that might have been obtained if the Authority was autonomous. The Authority records these costs as invoiced by STO for the fiscal year and allocates the costs to its different programs. However, the allocation is subject to review and adjustment subsequent to year-end. Any adjustment is included on invoices and recorded in the period in which the adjustment is identified.

**J. COST ALLOCATION WITHIN THE AUTHORITY**

The Authority allocates certain general and administrative expenses to its different programs based upon the employee hours worked on each program. The payroll and related costs for all employees working on the bond program are allocated based on actual hours worked as recorded on the monthly employee Personnel Activity Reports (PARs). Staff that recorded hours worked on the bond program included an Executive Assistant, three Associate Treasury Program Officers, a Treasury Program Manager I, a Treasury Program Manager II, and the Executive Director

**K. USE OF ESTIMATES**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**L. PRIOR PERIOD RESTATEMENTS**

**Change in accounting principle**

In fiscal year 2015, California Pollution Control Financing Authority Bond Program adopted new accounting guidance, *GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*; and *GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. The primary objective of these Statements is to improve accounting and financial reporting by state and local governments for pensions. They also improve information provided by state and local governmental employers about financial support for pensions that is provided by other entities.

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**NOTES TO THE FINANCIAL STATEMENTS**

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**L. PRIOR PERIOD RESTATEMENTS (CONTINUED)**

This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement.

The scope of this Statement addresses accounting and financial reporting for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts that have the following characteristics: contributions from employers and nonemployer contributing entities to the pension plan and earnings on those contributions are irrevocable; pension plan assets are dedicated to providing pensions to plan members in accordance with the benefit terms; and pension plan assets are legally protected from the creditors of employers, nonemployer contributing entities, and the pension plan administrator. If the plan is a defined benefit pension plan, plan assets also are legally protected from creditors of the plan members.

This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

For defined benefit pensions, this Statement requires the liability of employers and nonemployer contributing entities to employees for defined benefit pensions (net pension liability) to be measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the pension plan's fiduciary net position.

As of June 30, 2015, according to GASB 68, the California Pollution Control Financing Authority Bond Program's total pension liability must be recognized. Therefore, the previous pension liability as of June 30, 2014 in the amount of \$479,442 has been shown as a restatement of net position on the Statement of Revenues, Expenditures and Change in Net Position as a separate line item.

In November 2013, GASB issued *GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the governments' beginning net pension liability. This Statement amends paragraph 137 of



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**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2015**

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**L. PRIOR PERIOD RESTATEMENTS (CONTINUED)**

Statement No. 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability.

Statement No. 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts. The provisions of this Statement are required to be applied simultaneously with the provisions of Statement No. 68 and are effective for the California Pollution Control Financing Authority Bond Program's fiscal year ending June 30, 2015.

As of June 30, 2015, according to GASB 71, the California Pollution Control Financing Authority Bond Program had subsequent contributions to the measurement date. As a result of the contributions, in the current year the California Pollution Control Financing Authority Bond Program had deferred outflows of \$36,243 and deferred inflows of \$80,190 resulting from the implementation of GASB 71.

**M. DEFERRED INFLOWS AND OUTFLOWS**

In addition to assets, the statement of net position includes a separate sections for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s), and as such will not be recognized as an outflow of resources (expense/expenditures) until then.

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

**3. CASH IN STATE TREASURY**

Deposits with State Controller

The Authority invests excess cash funds in the Surplus Money Investment Fund (SMIF). All of the resources of SMIF are invested through the Pooled Money Investment Board and is administered by the office of the State Controller. As of June 30, 2015, the Authority's Bond Program invested funds in SMIF in the amount of \$27,414,000. During the year ended June 30, 2015, the Authority's Bond Program earned interest and investment income in the amount of \$69,426 of which \$19,202 is receivable as of June 30, 2015.

Disclosures regarding interest rate risk, credit risk, concentration of credit risk, custodial risk and other additional detailed disclosures required by GASB regarding cash deposits and investments, are presented in the financial statements of the State of California for the year ended June 30, 2015.

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**JUNE 30, 2015**

**4. DUE FROM OTHER STATE AGENCIES**

The Authority entered into multiple loan agreements with California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) for amounts up to \$849,500. The loans are interest-bearing based on variable interest rate determined by the Pooled Money Investment Board and are due on demand. Loans totaling \$299,500 were made with CAEATFA to fund staffing and other costs associated with administrating CAEATFA’s conduit bond issuance program. As this program has been underutilized since the agreements were executed, and because there is no anticipation of future demand for the program, management of CAEATFA has determined that is unlikely to be able to repay any or all of the related loans. Accordingly, an allowance for the amounts deemed uncollectible - \$266,382, including accrued interest – was recorded during fiscal year 2015.

The Authority entered into a loan agreement with California Urban Waterfront Area Restoration Financing Authority (CUWARFA). The loan is interest- bearing and had a balance of \$1,022,985 the last time the contract was renewed with CUWARFA on June 30, 1998. CUWARFA did not remit payment to the Bond Program by the amended due date of the loan in 2003. CUWARFA is currently a dormant agency. While CUWARFA may repay the Authority at some future date, the likelihood and timing of any future repayment is uncertain. Accordingly, an allowance for the full amount due from CUWARFA was recorded during fiscal year 2012. No change in the allowance was made in during the fiscal year 2015.

As of June 30, 2015, there are no amounts outstanding deemed collectible from other state agencies, and none are reported on the Statement of Net Position.

**5. CAPITAL ASSETS**

Capital assets are comprised of the following at June 30, 2015:

	July 1, 2014	Additions	Deletions	June 30, 2015
Fixtures, furniture and equipment	\$ 87,702			\$ 87,702
Software	-			-
Accumulated depreciation	(87,702)			(87,702)
Net Capital Assets	\$ -	\$ -	\$ -	\$ -

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY  
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**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2015**

**6. CONDUIT FINANCING ACTIVITY**

The Authority acts as a conduit by assisting eligible borrowers with access to low interest rate capital markets through the issuance of tax-exempt revenue bonds. The financings are secured by the full faith and credit of the participating institutions, and the Authority is not responsible for payment in any financing. As a result, the financing obligations are not recorded in the Authority's financial statements. The borrowers' obligations generally are, but need not be, secured by insurance, a letter of credit or guaranty. At June 30, 2015, the aggregate amount of the Authority's conduit debt obligations outstanding issued on behalf of program participants totaled \$3,633,784,470.

The Authority's conduit financing activity for the year ended June 30, 2015 is as follows:

	Debt issued during fiscal year 2015 (third party debt)	Debt outstanding at June 30, 2015 (third party debt)
Qualified Private Activity Debt		
Industrial development bonds	\$ -	\$ 925,190
Solid waste disposal facilities bonds	112,540,000	2,754,444,280
Water furnishing facilities revenue bonds	-	826,290,000
Wastewater treatment/sewage facilities	-	52,125,000
Total Conduit Debt Issued and Outstanding	\$ 112,540,000	\$ 3,633,784,470

**7. EMPLOYEE RETIREMENT PLANS**

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by the California Public Employees' Retirement System (CalPERS).

Plan Description

The California Pollution Control Financing Authority Bond Program contributes to the State of California Miscellaneous Plan, under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees' Retirement Law. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814.

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**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2015**

**7. EMPLOYEE RETIREMENT PLANS (CONTINUED)**

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

	<b>CalPERS</b>		
	Prior to January 15, 2011	January 15, 2011 to December 31, 2012	On or after January 1, 2013
Hire date			
Benefit formula	2% @ 55	2% @ 60	2% @ 60
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 to 63	50 to 63	52 to 67
Monthly benefits, as a % of eligible compensation	1.0% to 2.5%	1.092% to 2.418%	1.0% to 2.5%
Required employee contribution rates	8.00%	8.00%	8.00%
Required employer contribution rates	24.198%	24.198%	24.198%

Contributions

Section 20814(c) of the California Public Employees' 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 the July 1 following notice of a change in the rate. Funding contributions for the Plans 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. California Pollution Control Financing Authority Bond Program is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2015, the contributions recognized as part of pension expense for the Plans was \$48,440.

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

As of June 30, 2015, the California Pollution Control Financing Authority Bond Program reported net pension liabilities for its proportionate share of the net pension liability of the Plans of \$430,288.

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

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**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2015**

**7. EMPLOYEE RETIREMENT PLANS (CONTINUED)**

	<b>CalPERS</b>
Proportion - June 30, 2014	0.00174%
Proportion - June 30, 2013	0.00302%
Change - Increase (Decrease)	-0.00129%

For the year ended June 30, 2015, the California Pollution Control Financing Authority Bond Program recognized pension expense of \$48,440 for CalPERS. At June 30, 2015, the California Pollution Control Financing Authority Bond Program reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Pension contributions subsequent to measurement date	\$ 73,030	\$ -
Change in employer's proportion and differences between proportionate share of contributions	(36,787)	-
Net differences between projected and actual earnings on plan investments	-	(80,190)
<b>Total</b>	<b>\$ 36,243</b>	<b>\$ (80,190)</b>

The amounts 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, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<b>Year Ended June 30</b>	<b>Deferred Outflows/(Inflows) of Resources</b>
2016	\$ (20,392)
2017	(20,392)
2018	(20,392)
2019	(20,392)
2020	-
Thereafter	-

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY  
BOND PROGRAM**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2015**

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**7. EMPLOYEE RETIREMENT PLANS (CONTINUED)**

Actuarial Assumptions

The total pension liabilities in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions:

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

(1) Varies by entry age and service

(2) Net of pension plan investment and administrative expenses, includes inflation

(3) Derived using CalPERS' Membership Data for all Funds

Discount Rate

The discount rate used to measure the total pension liability was 7.50% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained from the CalPERS website under the GASB 68 section.

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

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY  
BOND PROGRAM**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2015**

**7. EMPLOYEE RETIREMENT PLANS (CONTINUED)**

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

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

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

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

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

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

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

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY  
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**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2015**

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**7. EMPLOYEE RETIREMENT PLANS (CONTINUED)**

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the California Pollution Control Financing Authority Bond Program's proportionate share of the net pension liability, calculated using the discount rate, as well as what the California Pollution Control Financing Authority Bond Program'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:

	Discount Rate - 1%	Current Discount Rate	Discount Rate + 1%
	6.50%	7.50%	8.50%
Net Pension Liability	\$ 637,137	\$ 430,288	\$ 270,727

Pension Plan Fiduciary Net Position

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

Payable to the Pension Plan

At June 30, 2015, the District had no outstanding amount of contributions to the pension plans required for the year ended June 30, 2015.

**8. OTHER POST EMPLOYMENT BENEFITS (OPEB)**

Upon retirement, the State of California provides health care benefits to the participants in the retirement systems to which the State contributes as an employer. A portion of the costs associated with the State's other post-employment benefits is allocated to the Bond Program. Additional detailed disclosure required by GASB, regarding other post employment benefits are presented in the financial statements of the State of California for the year ended June 30, 2015.



**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY  
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**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2015**

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**9. RECONCILIATION WITH FINANCIAL TRANSACTION REPORT SUBMITTED**

On September 25, 2015, the Authority submitted to the State Controller's office its unaudited Financial Transactions Report as of and for the year ended June 30, 2015. The following schedule summarizes the differences between the audited financial statements and the unaudited information as of June 30, 2015:

<u>Statement of Net Position</u>	<u>Unaudited Report Submitted</u>	<u>Audited Financial Statements</u>	<u>Difference between Unaudited and Audited</u>
Total assets	\$ 27,804,622	\$ 27,434,610	\$ (370,012)
Total deferred outflows	-	36,243	36,243
Total liabilities	549,881	460,938	(88,943)
Total deferred inflows	<u>-</u>	<u>80,190</u>	<u>80,190</u>
Net Position	<u>\$ 27,254,741</u>	<u>\$ 26,929,725</u>	<u>\$ (325,016)</u>

**10. SUBSEQUENT EVENTS**

Management evaluated its fiscal year 2015 financial statements for subsequent events through May 24, 2016, the date the financial statements were available to be issued. Management is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY  
BOND PROGRAM**

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY**

**JUNE 30, 2015**

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<b>CalPERS</b>	<b>June 30, 2014</b> (1)
Proportion of the net pension liability	0.00174%
Proportionate share of the net pension liability	\$ 516,228
Covered-employee payroll (2)	\$ 176,801
Proportionate share of the net pension liability as percentage of covered-employee payroll	291.98%
Plans fiduciary net position as a percentage of the total pension liability	66.48%
Proportionate share of aggregate employer contributions (3)	\$ 37,419

- (1) Historical information is required only for measurement periods for which GASB 68 is applicable.
- (2) Covered-employee payroll represented above is based on pensionable earnings provided by the employer.
- (3) The plans' proportionate share of aggregate contributions may not match the actual contributions made by the employer during the measurement period. The plans' proportionate share of aggregate contributions is based on the plans' proportion of fiduciary net position as well as any additional side fund (or unfunded liability) contributions made by the employer during the measurement period.

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**SCHEDULE OF PENSION CONTRIBUTIONS**

**JUNE 30, 2015**

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<u>CalPERS</u>	<u>Fiscal Year 2013-14</u> (1)
Actuarially determined contribution (2)	\$ 36,209
Contributions in relation to the actuarially determined contributions	(37,419)
Contribution deficiency (excess)	<u>\$ (1,210)</u>
Covered-employee payroll (3)	\$ 176,801
Contributions as a percentage of covered-employee payroll (3)	20.48%

- (1) Historical information is required only for measurement periods for which GASB 68 is applicable.
- (2) Employers are assumed to make contributions equal to the actuarially determined contributions (which is the actuarially determined contribution). However, some employers may choose to make additional contributions towards their side fund or their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions. The Plans have determined that employer obligations referred to as "side funds" do not conform to the circumstances described in paragraph 120 of GASB 68, therefore are not considered separately financed specific liabilities.
- (3) Covered-employee payroll represented above is based on pensionable earnings provided by the employer.

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY  
BOND PROGRAM**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**JUNE 30, 2015**

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**PURPOSE OF SCHEDULES**

Schedule of Proportionate Share of the Net Pension Liability

**Changes in assumptions**, in 2015, amounts reported as changes in assumptions resulted primarily from adjustments to expected retirement ages of general employees.

Fiscal year 2015 was the first year of implementation, therefore only one year is shown.

Schedule of Pension Contributions

If an employer's contributions to the plans are actuarially determined or based on statutory or contractual requirements, the employer's actuarially determined contribution to the pension plans (or, if applicable, its statutorily or contractually required contribution), the employer's actual contributions, the difference between the actual and actuarially determined contributions (or statutorily or contractually required), and a ratio of the actual contributions divided by covered-employee payroll.

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

(1) Varies by entry age and service

(2) Net of pension plan investment and administrative expenses, includes inflation

(3) Derived using CalPERS' Membership Data for all Funds

**SUPPLEMENTARY INFORMATION**

'CPCFA'

<b>Outstanding Bond Report</b>
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3/17/2016

AS OF 6/30/2015

Year	Authority	Closing Date	Pgm Type	Bond Name	Final Maturity	Comments	Principal Issued	Principal Paid	Outstanding Debt	Outstanding Bond
19872	CPCFA	12/22/1987	LB	WADHAM 1987 SERIES C	11/01/2017	OPT RED BEGINS 11/01/88	\$ 14,000,000	\$ 6,700,000	\$ 7,300,000	\$ 7,300,000
19921	CPCFA	01/02/1992	LB	NCRRA SERIES 1991A	07/01/2017	DEFEASED 08/23/96	\$ 94,970,000	\$ 71,945,000	\$ 23,025,000	\$ 23,025,000
19961	CPCFA	05/23/1996	LB	PG&E 1996R SERIES C	11/01/2026	REFUNDS 06/01/88	\$ 200,000,000	\$ 0	\$ 200,000,000	\$ 200,000,000
19961	CPCFA	05/23/1996	LB	PG&E 1996R SERIES E	11/01/2026	REFUNDS 06/01/88	\$ 165,000,000	\$ 0	\$ 165,000,000	\$ 165,000,000
19961	CPCFA	05/23/1996	LB	PG&E 1996R SERIES F	11/01/2026	REFUNDS 06/01/88	\$ 100,000,000	\$ 0	\$ 100,000,000	\$ 100,000,000
19961	CPCFA	05/23/1996	LB	PG&E 1996R SERIES G	02/01/2016	BULLET MATURITY 02/01/16	\$ 62,870,000	\$ 0	\$ 62,870,000	\$ 62,870,000
19962	CPCFA	12/13/1996	LB	SO CAL WATER 1996A	12/01/2026	BULLET MATURITY 12/01/26	\$ 8,000,000	\$ 270,000	\$ 7,730,000	\$ 7,730,000
19971	CPCFA	06/18/1997	SBAF	TALCO PLASTICS 1997A	06/01/2027	MAN RED BEGINS 06/01/99	\$ 4,300,000	\$ 2,550,000	\$ 1,750,000	\$ 1,750,000
19972	CPCFA	07/16/1997	LB	CANFIBRE 1997 A	07/01/2019	MAN RED BEGINS 07/01/02	\$ 60,000,000	\$ 0	\$ 60,000,000	\$ 60,000,000
19972	CPCFA	07/16/1997	LB	CANFIBRE 1997 B (T)	07/01/2014	MAN RED BEGINS 07/01/02	\$ 25,000,000	\$ 0	\$ 25,000,000	\$ 25,000,000
19972	CPCFA	08/05/1997	LB	AIR PRODUCTS MFG. CORP. SERIES 1997A(TE)	03/01/2041	TE CONVERSION FROM 06/02/08	\$ 13,100,000	\$ 0	\$ 13,100,000	\$ 13,100,000
19972	CPCFA	08/05/1997	LB	AIR PRODUCTS MFG. CORP. SERIES 1997B(TE)	03/01/2042	TE CONVERSION FROM 03/17/98	\$ 10,000,000	\$ 0	\$ 10,000,000	\$ 10,000,000

'CPCFA'

<b>Outstanding Bond Report</b>
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AS OF 6/30/2015

Year	Authority	Closing Date	Pgm Type	Bond Name	Final Maturity	Comments	Principal Issued	Principal Paid	Outstanding Debt	Outstanding Bond
19972	CPCFA	08/05/1997	LB	AIR PRODUCTS MFG. CORP. SERIES 1997C(TE)	03/01/2041	TE CONVERSION FROM 03/03/08	\$ 8,900,000	\$ 0	\$ 8,900,000	\$ 8,900,000
19972	CPCFA	09/16/1997	LB	PG&E 1997B (R)	11/01/2026	REFUNDS 12/17/87	\$ 148,550,000	\$ 0	\$ 148,550,000	\$ 148,550,000
19972	CPCFA	09/30/1997	LB	AIR P/CHEM 1997B (TX)	03/01/2042	TE CONVERSION FROM 04/03/08	\$ 25,000,000	\$ 0	\$ 25,000,000	\$ 25,000,000
19981	CPCFA	03/04/1998	SBAF	SANTA CLARA VALLEY, IND. SERIES 1998A	03/01/2018	MAN RED BEGINS 03/01/99	\$ 8,495,000	\$ 7,715,000	\$ 780,000	\$ 780,000
19982	CPCFA	07/01/1998	LB	USA WASTE 1998 A (R)	06/01/2018	BULLET MATURITY 06/01/18	\$ 13,520,000	\$ 0	\$ 13,520,000	\$ 13,520,000
19982	CPCFA	07/01/1998	LB	USA WASTE 1998 B (R)	06/01/2018	REFUNDS 12/30/85	\$ 8,200,000	\$ 0	\$ 8,200,000	\$ 8,200,000
19991	CPCFA	05/28/1999	SBAF	ATLAS DISPOSAL 1999A	05/01/2019	BULLET MATURITY 05/01/19	\$ 5,400,000	\$ 1,031,000	\$ 4,369,000	\$ 4,369,000
20001	CPCFA	05/16/2000	LB	WEST VALLEY MRF, LLC 2000A	06/01/2030	OPT RED BEGINS 06/01/01	\$ 8,500,000	\$ 6,300,000	\$ 2,200,000	\$ 2,200,000
20001	CPCFA	05/24/2000	SBAF	ALAMEDA COUNTY 2000A	06/01/2020	OPT RED BEGINS 06/01/01	\$ 10,310,000	\$ 6,980,000	\$ 3,330,000	\$ 3,330,000
20001	CPCFA	06/14/2000	SBAF	METROPOLITAN RECYCLING 2000A	06/01/2020	OPT RED BEGINS 06/01/00	\$ 3,400,000	\$ 2,030,000	\$ 1,370,000	\$ 1,370,000
20002	CPCFA	09/20/2000	SBAF	SOLID WASTES OF WILLITS, INC. SERIES 2000A	09/01/2015	OPT RED BEGINS	\$ 3,300,000	\$ 2,855,000	\$ 445,000	\$ 445,000
20002	CPCFA	11/14/2000	LB	EXXONMOBIL SERIES 2000 (R)	11/01/2030	OPT RED BEGINS 11/01/30	\$ 19,500,000	\$ 0	\$ 19,500,000	\$ 19,500,000



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AS OF 6/30/2015

Year	Authority	Closing Date	Pgm Type	Bond Name	Final Maturity	Comments	Principal Issued	Principal Paid	Outstanding Debt	Outstanding Bond
20011	CPCFA	03/16/2001	LB	EXXONMOBIL SERIES 2001 (R)	12/01/2029	OPT RED BEGINS	\$ 13,995,000	\$ 0	\$ 13,995,000	\$ 13,995,000
20011	CPCFA	05/16/2001	SBAF	MISSION TRAIL WASTE SYSTEMS, INC. SERIES	03/01/2016	OPT RED BEGINS 03/01/02	\$ 3,500,000	\$ 3,220,000	\$ 280,000	\$ 280,000
20012	CPCFA	07/17/2001	LB	WASTE MANAGEMENT, INC. SERIES 2001A	07/01/2031	OPT RED BEGINS 07/01/02	\$ 19,000,000	\$ 0	\$ 19,000,000	\$ 19,000,000
20012	CPCFA	10/04/2001	SBAF	BOS FARMS SERIES 2001A	09/01/2021	OPT RED BEGINS 10/04/01	\$ 1,550,000	\$ 0	\$ 1,550,000	\$ 1,550,000
20012	CPCFA	10/11/2001	SBAF	WESTERN SKY DAIRY SERIES 2001	09/01/2026	OPT RED BEGINS 04/01/02	\$ 5,000,000	\$ 0	\$ 5,000,000	\$ 5,000,000
20012	CPCFA	11/20/2001	LB	BRAWLEY BEEF SERIES 2001	10/01/2016		\$ 6,815,000	\$ 0	\$ 6,815,000	\$ 6,815,000
20021	CPCFA	01/15/2002	LB	WASTE MANAGEMENT, INC. SERIES 2002A (R)	01/01/2022	BULLET MATURITY	\$ 48,500,000	\$ 0	\$ 48,500,000	\$ 48,500,000
20021	CPCFA	05/30/2002	SBAF	CALIFORNIA WASTE SOLUTIONS SERIES 2002A	05/01/2032	OPT RED BEGINS 05/04/04	\$ 11,275,000	\$ 6,770,000	\$ 4,505,000	\$ 4,505,000
20022	CPCFA	07/10/2002	LB	WASTE MANAGEMENT, INC. SERIES 2002B (NEW)	07/01/2027	BULLET MATURITY 07/01/27	\$ 14,000,000	\$ 0	\$ 14,000,000	\$ 14,000,000
20022	CPCFA	07/10/2002	LB	WASTE MANAGEMENT, INC. SERIES 2002B (R)	07/01/2027	BULLET MATURITY 07/01/27	\$ 24,435,000	\$ 0	\$ 24,435,000	\$ 24,435,000
20022	CPCFA	10/10/2002	SBAF	CARLOS ECHEVERRIA & SONS DAIRY SERIES 2002	10/01/2027	OPT RED BEGINS 10/01/17	\$ 3,500,000	\$ 0	\$ 3,500,000	\$ 3,500,000
20022	CPCFA	10/22/2002	SBAF	SOUTH LAKE REFUSE COMPANY SERIES 2002	10/01/2027	MAN RED BEGINS 10/01/03	\$ 6,750,000	\$ 5,780,000	\$ 970,000	\$ 970,000
20022	CPCFA	10/23/2002	SBAF	MARBORG INDUSTRIES PROJECT SERIES 2002	06/01/2022	OPT RED BEGINS 06/01/03	\$ 5,215,000	\$ 3,515,000	\$ 1,700,000	\$ 1,700,000

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<b>Outstanding Bond Report</b>
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AS OF 6/30/2015

Year	Authority	Closing Date	Pgm Type	Bond Name	Final Maturity	Comments	Principal Issued	Principal Paid	Outstanding Debt	Outstanding Bond
20022	CPCFA	11/06/2002	SBAF	T & W FARMS SERIES 2002	11/01/2027	OPT RED BEGINS 11/01/03	\$ 3,200,000	\$ 260,000	\$ 2,940,000	\$ 2,940,000
20022	CPCFA	11/07/2002	SBAF	BIDART DAIRY SERIES 2002	11/01/2027	BULLET MATURITY 11/01/27	\$ 6,000,000	\$ 0	\$ 6,000,000	\$ 6,000,000
20022	CPCFA	11/13/2002	SBAF	MILK-TIME DAIRY 2002A	11/01/2027	OPT RED BEGINS 11/13/03	\$ 1,400,000	\$ 0	\$ 1,400,000	\$ 1,400,000
20022	CPCFA	12/03/2002	LB	REPUBLIC SERVICES, INC. PROJECT SERIES 2002B	06/01/2023	OPT RED BEGINS 12/01/17	\$ 15,200,000	\$ 2,830,000	\$ 12,370,000	\$ 12,370,000
20022	CPCFA	12/03/2002	LB	REPUBLIC SERVICES, INC. PROJECT SERIES 2002C	06/01/2023	OPT RED BEGINS 12/01/17	\$ 91,355,000	\$ 17,025,000	\$ 74,330,000	\$ 74,330,000
20022	CPCFA	12/17/2002	SBAF	ORANGE AVE DISPOSAL 2002A	12/01/2032	OPT RED BEGINS 01/01/04	\$ 6,250,000	\$ 1,700,000	\$ 4,550,000	\$ 4,550,000
20022	CPCFA	12/18/2002	LB	WASTE MANAGEMENT, INC. SERIES 2002C	12/01/2027	OPT RED BEGINS 11/30/07	\$ 15,000,000	\$ 0	\$ 15,000,000	\$ 15,000,000
20031	CPCFA	05/09/2003	SBAF	VANDERHAM FAM TRUST- L&J VAND DAIRY FKA K&S	05/01/2028	BULLET MATURITY 05/01/28	\$ 2,000,000	\$ 0	\$ 2,000,000	\$ 2,000,000
20031	CPCFA	05/23/2003	SBAF	JOHN B. AND ANN M. VERWEY PROJECT SERIES	05/01/2028	OPT RED BEGINS	\$ 3,400,000	\$ 0	\$ 3,400,000	\$ 3,400,000
20031	CPCFA	05/30/2003	SBAF	P&D DAIRY PROJECT SERIES 2003A	05/01/2028	OPT RED BEGINS 05/01/18	\$ 3,000,000	\$ 0	\$ 3,000,000	\$ 3,000,000
20032	CPCFA	11/06/2003	SBAF	JDS RANCH PROJECT SERIES 2003	11/01/2028	BULLET MATURITY 11/01/28	\$ 2,350,000	\$ 0	\$ 2,350,000	\$ 2,350,000
20032	CPCFA	11/20/2003	LB	WASTE MANAGEMENT, INC. SERIES 2003	11/01/2038	BULLET MATURITY 11/01/38	\$ 35,700,000	\$ 0	\$ 35,700,000	\$ 35,700,000
20032	CPCFA	12/18/2003	SBAF	GEORGE BORBA & SON DAIRY SERIES 2003A	12/02/2028	BULLET MATURITY 12/01/28	\$ 3,800,000	\$ 0	\$ 3,800,000	\$ 3,800,000

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<b>Outstanding Bond Report</b>
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3/17/2016

AS OF 6/30/2015

Year	Authority	Closing Date	Pgm Type	Bond Name	Final Maturity	Comments	Principal Issued	Principal Paid	Outstanding Debt	Outstanding Bond
20041	CPCFA	05/19/2004	SBAF	AG RESOURCES III, LLC SERIES 2004	05/01/2034	OPT RED BEGINS 05/01/10	\$ 8,350,000	\$ 0	\$ 8,350,000	\$ 8,350,000
20041	CPCFA	06/08/2004	LB	EDCO DISPOSAL CORPORATION SERIES	10/01/2029	OPT RED BEGINS 10/01/05	\$ 22,200,000	\$ 19,435,000	\$ 2,765,000	\$ 2,765,000
20041	CPCFA	06/10/2004	SBAF	A&M FARMS SERIES 2004	06/01/2029	OPT RED BEGINS 06/01/15	\$ 2,000,000	\$ 100,000	\$ 1,900,000	\$ 1,900,000
20041	CPCFA	06/15/2004	SBAF	VANDERHAM TRUST-J&D WILSON & SONS DAIRY S.	06/01/2029	BULLET MATURITY 06/01/29	\$ 2,500,000	\$ 0	\$ 2,500,000	\$ 2,500,000
20041	CPCFA	06/29/2004	LB	PG&E SERIES 2004 A (R)	12/01/2023	OPT RED BEGINS 06/01/07	\$ 70,000,000	\$ 0	\$ 70,000,000	\$ 70,000,000
20041	CPCFA	06/29/2004	LB	PG&E SERIES 2004 B (R)	12/01/2023	OPT RED BEGINS 06/01/07	\$ 90,000,000	\$ 0	\$ 90,000,000	\$ 90,000,000
20041	CPCFA	06/29/2004	LB	PG&E SERIES 2004 C (R)	12/01/2023	OPT RED BEGINS 06/01/07	\$ 85,000,000	\$ 0	\$ 85,000,000	\$ 85,000,000
20041	CPCFA	06/29/2004	LB	PG&E SERIES 2004 D (R)	12/01/2023	OPT RED BEGINS 06/01/07	\$ 100,000,000	\$ 0	\$ 100,000,000	\$ 100,000,000
20042	CPCFA	08/05/2004	SBAF	CALIFORNIA WASTE SOLUTIONS SERIES 2004A	05/01/2009	OPT RED BEGINS 05/01/05	\$ 8,350,000	\$ 7,740,000	\$ 610,000	\$ 610,000
20051	CPCFA	04/07/2005	LB	WASTE MANAGEMENT, INC. SERIES 2005A	04/01/2025	MAN RED BEGINS 04/01/12	\$ 50,000,000	\$ 0	\$ 50,000,000	\$ 50,000,000
20051	CPCFA	04/07/2005	LB	WASTE MANAGEMENT, INC. SERIES 2005B	04/01/2025	OPT RED BEGINS 04/01/15	\$ 50,000,000	\$ 0	\$ 50,000,000	\$ 50,000,000
20051	CPCFA	06/14/2005	SBAF	AMADOR VALLEY INDUSTRIES SERIES 2005A	06/01/2015	OPT RED BEGINS 06/01/06	\$ 6,900,000	\$ 6,645,000	\$ 255,000	\$ 255,000
20052	CPCFA	10/18/2005	SBAF	TRI-CITY SERIES 2005A	11/01/2020		\$ 6,065,000	\$ 5,391,441	\$ 673,559	\$ 673,559

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Year	Authority	Closing Date	Pgm Type	Bond Name	Final Maturity	Comments	Principal Issued	Principal Paid	Outstanding Debt	Outstanding Bond
20052	CPCFA	11/08/2005	LB	WASTE MANAGEMENT, INC. SERIES 2005C	11/01/2023	OPT RED BEGINS 11/01/15	\$ 75,000,000	\$ 0	\$ 75,000,000	\$ 75,000,000
20061	CPCFA	01/06/2006	SBAF	GREENWASTE RECOVERY, INC. SERIES 2006A	12/01/2035	OPT RED BEGINS 06/01/11	\$ 12,315,000	\$ 4,310,000	\$ 8,005,000	\$ 8,005,000
20061	CPCFA	01/26/2006	LB	BURRTEC WASTE GROUP, INC. SERIES 2006A	01/01/2036	OPT RED BEGINS 12/01/09	\$ 18,445,000	\$ 9,740,000	\$ 8,705,000	\$ 8,705,000
20061	CPCFA	02/09/2006	SBAF	PENA'S DISPOSAL, INC. SERIES 2006A	02/01/2036	OPT RED BEGINS 02/01/08	\$ 5,390,000	\$ 3,080,000	\$ 2,310,000	\$ 2,310,000
20061	CPCFA	05/11/2006	SBAF	MARIN SANITARY SERVICE SERIES 2006A	05/01/2026	OPT RED BEGINS 05/01/07	\$ 13,845,000	\$ 10,130,000	\$ 3,715,000	\$ 3,715,000
20061	CPCFA	06/02/2006	LB	BURRTEC WASTE & RECYCLING SERIES 2006A	06/01/2023	OPT RED BEGINS 06/01/08	\$ 18,425,000	\$ 9,720,000	\$ 8,705,000	\$ 8,705,000
20061	CPCFA	06/02/2006	LB	DESERT PROPERTIES PROJECT SERIES 2006B	06/01/2036	OPT RED BEGINS 06/01/12	\$ 6,730,000	\$ 3,870,000	\$ 2,860,000	\$ 2,860,000
20061	CPCFA	06/07/2006	LB	CR&R INCORPORATED SERIES 2006A	06/01/2025	OPT RED BEGINS 06/01/10	\$ 19,600,000	\$ 0	\$ 19,600,000	\$ 19,600,000
20062	CPCFA	10/18/2006	SBAF	GARAVENTA ENTERPRISES SERIES 2006A	10/01/2036	OPT RED BEGINS 10/01/08	\$ 18,940,000	\$ 6,325,000	\$ 12,615,000	\$ 12,615,000
20062	CPCFA	12/15/2006	SBAF	MID-VALLEY DISPOSAL SERIES 2006A	12/01/2036	OPT RED BEGINS 12/15/11	\$ 7,120,000	\$ 2,555,000	\$ 4,565,000	\$ 4,565,000
20071	CPCFA	02/08/2007	SBAF	VALLEY VISTA SERVICES SERIES 2007A	02/01/2017	OPT RED BEGINS 02/08/12	\$ 7,840,000	\$ 1,835,000	\$ 6,005,000	\$ 6,005,000
20071	CPCFA	03/13/2007	SBAF	TRI-CITY SERIES 2007A	09/01/2017	MAN RED BEGINS 10/01/07	\$ 5,595,937	\$ 4,075,900	\$ 1,520,037	\$ 1,520,037
20071	CPCFA	04/26/2007	LB	CR&R INCORPORATED SERIES 2007A	06/01/2037	OPT RED BEGINS 04/11/12	\$ 34,615,000	\$ 0	\$ 34,615,000	\$ 34,615,000

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Year	Authority	Closing Date	Pgm Type	Bond Name	Final Maturity	Comments	Principal Issued	Principal Paid	Outstanding Debt	Outstanding Bond
20071	CPCFA	06/27/2007	SBAF	CALIFORNIA WASTE SOLUTIONS SERIES 2007A	05/01/2032	OPT RED BEGINS 05/01/10	\$ 25,905,000	\$ 12,390,000	\$ 13,515,000	\$ 13,515,000
20072	CPCFA	07/09/2007	SBAF	RATTO GROUP OF COMPANIES SERIES 2007A	07/01/2037	OPT RED BEGINS 07/01/17	\$ 42,600,000	\$ 14,800,000	\$ 27,800,000	\$ 27,800,000
20072	CPCFA	07/12/2007	LB	WASTE CONNECTIONS INC. SERIES 2007	07/12/2007	OPT RED BEGINS 07/12/08	\$ 15,500,000	\$ 0	\$ 15,500,000	\$ 15,500,000
20072	CPCFA	08/01/2007	SBAF	NORTHERN RECYCLING & WASTE SERIVCES 2007A	08/01/2037	OPT RED BEGINS 08/01/17	\$ 10,315,000	\$ 6,265,000	\$ 4,050,000	\$ 4,050,000
20072	CPCFA	12/12/2007	LB	EDCO DISPOSAL CORPORATION SERIES	10/01/2037	OPT RED BEGINS 10/01/08	\$ 31,960,000	\$ 19,655,000	\$ 12,305,000	\$ 12,305,000
20081	CPCFA	02/21/2008	SBAF	AVI-PGS PROJECT SERIES 2008A	06/01/2018	OPT RED BEGINS 06/01/09	\$ 5,630,000	\$ 3,610,000	\$ 2,020,000	\$ 2,020,000
20081	CPCFA	05/14/2008	SBAF	SOLID WASTES OF WILLITS INC. SERIES 2008A	09/01/2038	OPT RED BEGINS 09/10/13	\$ 3,870,000	\$ 785,000	\$ 3,085,000	\$ 3,085,000
20081	CPCFA	06/07/2008	SBAF	GARAVENTA ENTERPRISES SERIES 2008A	10/01/2038	OPT RED BEGINS 10/01/11	\$ 17,150,000	\$ 5,725,000	\$ 11,425,000	\$ 11,425,000
20082	CPCFA	10/08/2008	LB	GREENWASTE OF PALO ALTO SERIES 2008B	06/01/2038	OPT RED BEGINS 10/08/13	\$ 13,465,000	\$ 9,090,000	\$ 4,375,000	\$ 4,375,000
20082	CPCFA	11/05/2008	LB	BURRTEC WASTE GROUP, INC. SERIES 2008A	10/01/2038	OPT RED BEGINS 10/01/13	\$ 25,500,000	\$ 2,980,000	\$ 22,520,000	\$ 22,520,000
20082	CPCFA	11/06/2008	SBAF	UPPER VALLEY DISPOSAL SERVICE SERIES 2008A	11/01/2028	MAN RED BEGINS 11/01/13	\$ 4,235,000	\$ 1,770,000	\$ 2,465,000	\$ 2,465,000
20092	CPCFA	11/19/2009	IDB	MUSCO FAMILY OLIVE COMPANY PROJECT 2009A	11/01/2019		\$ 3,200,000	\$ 0	\$ 3,200,000	\$ 3,200,000

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20092	CPCFA	12/23/2009	SBAF	GARDEN CITY SANITATION, INC. 2009A	07/01/2039		\$ 33,000,000	\$ 8,670,000	\$ 24,330,000	\$ 24,330,000
20092	CPCFA	12/23/2009	SBAF	GARDEN CITY SANITATION, INC. 2009B	07/01/2039		\$ 10,000,000	\$ 4,030,000	\$ 5,970,000	\$ 5,970,000
20092	CPCFA	12/23/2009	SBAF	MARBORG INDUSTRIES PROJECT SERIES 2009A	06/01/2039		\$ 11,755,000	\$ 5,510,000	\$ 6,245,000	\$ 6,245,000
20101	CPCFA	02/25/2010	SBAF	PLEASANTON GARBAGE SERVICE INC. SERIES	06/01/2040	MAN RED BEGINS 02/21/13	\$ 2,555,000	\$ 1,600,000	\$ 955,000	\$ 955,000
20101	CPCFA	04/20/2010	LB	RECOLOGY INC. PROJECT SERIES 2010A	04/01/2020		\$ 150,495,000	\$ 0	\$ 150,495,000	\$ 150,495,000
20101	CPCFA	05/05/2010	SBAF	BLT ENTERPRISES OF FREMONT LLC PROJECT	06/01/2035		\$ 27,415,000	\$ 3,650,000	\$ 23,765,000	\$ 23,765,000
20101	CPCFA	06/16/2010	SBAF	SAN JOSE WATER COMPANY SERIES 2010A	06/01/2040	OPT RED BEGINS 06/01/20	\$ 50,000,000	\$ 0	\$ 50,000,000	\$ 50,000,000
20102	CPCFA	08/02/2010	LB	REPUBLIC SERVICES, INC. PROJECT SERIES 2010A	08/01/2023	MAN RED BEGINS 11/01/10	\$ 144,205,000	\$ 0	\$ 144,205,000	\$ 144,205,000
20102	CPCFA	08/02/2010	LB	REPUBLIC SERVICES, INC. PROJECT SERIES 2010B	08/01/2024	MAN RED BEGINS 11/01/10	\$ 20,655,000	\$ 0	\$ 20,655,000	\$ 20,655,000
20102	CPCFA	08/04/2010	SBAF	ALAMEDA COUNTY INDUSTRIES INC. SERIES	06/01/2025	MAN RED BEGINS 06/30/15	\$ 2,460,000	\$ 0	\$ 2,460,000	\$ 2,460,000
20102	CPCFA	08/11/2010	SBAF	MISSION TRAIL WASTE SYSTEMS INC. SERIES	12/01/2030		\$ 15,700,000	\$ 4,070,000	\$ 11,630,000	\$ 11,630,000
20102	CPCFA	08/18/2010	LB	AMERICAN WATER CAPITAL CORP. PROJECT	08/01/2040	OPT RED BEGINS 08/01/20	\$ 35,000,000	\$ 0	\$ 35,000,000	\$ 35,000,000
20102	CPCFA	08/18/2010	IDB	WASTE RECOVERY WEST, INC. PROJECT SERIES 2010	08/15/2030		\$ 1,375,000	\$ 449,810	\$ 925,190	\$ 925,190

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Year	Authority	Closing Date	Pgm Type	Bond Name	Final Maturity	Comments	Principal Issued	Principal Paid	Outstanding Debt	Outstanding Bond
20102	CPCFA	09/08/2010	LB	SOUTH BAY RECYCLING, LLC PROJECT SERIES	09/01/1930		\$ 6,290,000	\$ 2,400,000	\$ 3,890,000	\$ 3,890,000
20102	CPCFA	11/02/2010	SBAF	BIO FUELS PROJECT SERIES 2010A	08/01/2021		\$ 11,610,000	\$ 2,910,000	\$ 8,700,000	\$ 8,700,000
20102	CPCFA	11/02/2010	SBAF	BIO FUELS PROJECT SERIES 2010B	08/01/2021		\$ 300,000	\$ 65,000	\$ 235,000	\$ 235,000
20102	CPCFA	11/23/2010	LB	HILMAR CHEESE COMPANY INC., PROJECT SERIES	11/01/2034	MAN RED BEGINS 08/05/13	\$ 9,695,000	\$ 0	\$ 9,695,000	\$ 9,695,000
20102	CPCFA	12/22/2010	SBAF	BIG BEAR DISPOSAL INC. PROJECT SERIES 2010	12/01/2040	MAN RED BEGINS 06/30/11	\$ 4,850,000	\$ 675,000	\$ 4,175,000	\$ 4,175,000
20112	CPCFA	08/10/2011	SBAF	BAY COUNTIES WASTE SERVICES INC. SERIES	08/01/2041		\$ 20,100,000	\$ 3,775,000	\$ 16,325,000	\$ 16,325,000
20112	CPCFA	09/01/2011	SBAF	SO CAL EDISON SERIES 2011(R)	09/01/2031	09/01/31	\$ 30,000,000	\$ 0	\$ 30,000,000	\$ 30,000,000
20112	CPCFA	10/19/2011	SBAF	ZEREP MANAGEMENT CORP. SERIES 2011A	10/01/2036	MAN RED BEGINS 10/15/16	\$ 11,230,000	\$ 0	\$ 11,230,000	\$ 11,230,000
20112	CPCFA	11/02/2011	SBA	RECYCLING INDUSTRIES, INC SERIES 2011	11/01/2041	MAN RED BEGINS 11/02/16	\$ 7,265,000	\$ 630,000	\$ 6,635,000	\$ 6,635,000
20122	CPCFA	07/18/2012	SBAF	METROPOLITAN RECYCLING 2012A	06/01/2042	MAN RED BEGINS 07/05/06	\$ 12,120,000	\$ 1,495,000	\$ 10,625,000	\$ 10,625,000
20122	CPCFA	08/30/2012	SBAF	CALIFORNIA WASTE RECOVERY SYSTEMS	08/01/2042		\$ 7,610,000	\$ 500,000	\$ 7,110,000	\$ 7,110,000
20122	CPCFA	10/10/2012	SBAF	BEST WAY DISPOSAL CO. SERIES 2012	10/01/2042	OPT RED BEGINS 10/01/15	\$ 15,600,000	\$ 0	\$ 15,600,000	\$ 15,600,000
20122	CPCFA	11/02/2012	SBAF	RATTO GROUP OF COMPANIES SERIES 2012	10/01/2042	OPT RED BEGINS 10/01/15	\$ 16,500,000	\$ 0	\$ 16,500,000	\$ 16,500,000

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20122	CPCFA	12/05/2012	SBAF	ALAMEDA COUNTY INDUSTRIES AR, INC	06/01/2037	OPT RED BEGINS 06/01/16	\$ 10,275,000	\$ 0	\$ 10,275,000	\$ 10,275,000
20122	CPCFA	12/24/2012	SBAF	POSEIDON RESOURCES LP SERIES 2012	11/21/2045		\$ 530,345,000	\$ 0	\$ 530,345,000	\$ 530,345,000
20122	CPCFA	12/24/2012	SBAF	SAN DIEGO CO. WATER AUTH. DESAL. PIPELINE	11/21/2045		\$ 203,215,000	\$ 0	\$ 203,215,000	\$ 203,215,000
20132	CPCFA	11/06/2013	SBAF	GREENWASTE RECOVERY, INC SERIES 2013	11/01/2033	OPT RED BEGINS 06/01/14	\$ 40,880,000	\$ 6,170,000	\$ 34,710,000	\$ 34,710,000
20132	CPCFA	11/06/2013	SBAF	ZANKER ROAD RESOURCE MANAGEMENT, LTD. 2013	11/01/2033	OPT RED BEGINS	\$ 29,755,000	\$ 0	\$ 29,755,000	\$ 29,755,000
20132	CPCFA	11/06/2013	SBAF	ZERO WASTE ENERGY DEVELOPMENT SERIES	11/01/2033	OPT RED BEGINS 06/01/14	\$ 32,390,000	\$ 1,750,000	\$ 30,640,000	\$ 30,640,000
20141	CPCFA	02/04/2014	SBAF	MILL VALLEY REFUSE SERIES 2014	02/01/2044	OPT RED BEGINS 02/01/15	\$ 4,675,000	\$ 0	\$ 4,675,000	\$ 4,675,000
20141	CPCFA	04/02/2014	LB	ATHENS SERVICE PROJECT 2014 SERIES A-1	04/01/2044		\$ 54,190,000	\$ 0	\$ 54,190,000	\$ 54,190,000
20141	CPCFA	04/02/2014	LB	ATHENS SERVICE PROJECT 2014 SERIES A-2	04/01/2044		\$ 22,000,000	\$ 0	\$ 22,000,000	\$ 22,000,000
20141	CPCFA	04/02/2014	LB	ATHENS SERVICE PROJECT 2014 SERIES B-1	04/01/2044		\$ 19,705,000	\$ 0	\$ 19,705,000	\$ 19,705,000
20141	CPCFA	04/02/2014	LB	ATHENS SERVICE PROJECT 2014 SERIES B-2	04/01/2044		\$ 8,000,000	\$ 0	\$ 8,000,000	\$ 8,000,000
20141	CPCFA	04/02/2014	LB	ATHENS SERVICE PROJECT 2014 SERIES C-1	04/01/2044		\$ 24,630,000	\$ 0	\$ 24,630,000	\$ 24,630,000
20141	CPCFA	04/02/2014	LB	ATHENS SERVICE PROJECT 2014 SERIES C-2	04/01/2044		\$ 10,000,000	\$ 0	\$ 10,000,000	\$ 10,000,000



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20141	CPCFA	05/15/2014	SBAF	ZEREP MANAGEMENT CORP. SERIES 2014	10/01/2044	BULLET MATURITY	\$ 27,570,000	\$ 0	\$ 27,570,000	\$ 27,570,000
20142	CPCFA	09/24/2014	SBAF	GARDEN CITY SANITATION, INC. 2014	07/01/2044		\$ 8,905,000	\$ 0	\$ 8,905,000	\$ 8,905,000
20142	CPCFA	09/25/2014	LB	SIERRA PACIFIC INDUSTRIES SERIES 2014	09/01/2044		\$ 30,000,000	\$ 0	\$ 30,000,000	\$ 30,000,000
20142	CPCFA	10/15/2014	SBAF	BAY COUNTIES SMART PROJECT SERIES 2014	08/01/2034		\$ 8,820,000	\$ 0	\$ 8,820,000	\$ 8,820,000
20142	CPCFA	11/25/2014	SBAF	SACRAMENTO BIOSOLIDS SERIES 2014A	12/01/2024		\$ 13,730,000	\$ 456,940	\$ 13,273,060	\$ 13,273,060
20142	CPCFA	12/04/2014	SBAF	GREENWASTE RECOVERY, INC. 2014	11/01/2034		\$ 28,300,000	\$ 0	\$ 28,300,000	\$ 28,300,000
20151	CPCFA	02/04/2015	SBAF	BLUE LINE TRANSFER, INC. SERIES 2015	10/01/2034		\$ 22,720,000	\$ 0	\$ 22,720,000	\$ 22,720,000
<b>Total:</b>							<b>\$4,104,950,937</b>	<b>\$ 370,305,091</b>	<b>\$ 3,734,645,846</b>	<b>\$ 3,734,645,846</b>