

Regional Solid Waste Association

City of Del Mar
Terry Sinnott

City of Encinitas
Mark Muir

City of National City
Ron Morrison

City of Poway
Dave Grosch

City of Solana Beach
Mike Nichols

City of Vista
Cody Campbell

Special Contract Party
City of Escondido
Michael Morasco

General Manager/General Counsel
Thomas F. Nixon

REGULAR MEETING AGENDA

JANUARY 8, 2015
9:00 a.m.

Fletcher Cove Community Center
133 Pacific Avenue
Solana Beach, CA



REGIONAL SOLID WASTE ASSOCIATION

REGULAR MEETING AGENDA

January 8, 2015

9:00 a.m.

**Fletcher Cove Community Center
133 Pacific Avenue
Solana Beach, CA**

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

2. SWEARING-IN OF NEW BOARD MEMBER(S) - ACTION ITEM

This item is scheduled to swear-in new board members as the delegate/representative from a member city.

3. ORAL COMMUNICATIONS

This item is scheduled to provide an opportunity for public testimony on matters within the jurisdiction of the Association. The Association may receive comments but no action may be taken. Anyone desiring to speak is requested to fill out a speaker slip.

4. CONSENT CALENDAR

(Consent Calendar items will be acted on simultaneously with one motion unless separate discussion and/or action is requested by a Board Member.)

- A. Minutes of the October 2, 2014 Meeting of the Board of the Regional Solid Waste Association – Action: Receive and File

5. FINANCE AND BUDGET - INFORMATION & ACTION ITEMS

- A. **RSWA Investment Report for the Second Quarter of Fiscal Year 2014/2015 – Information Item (Receive and File)**

Treasurer Sinnott, General Manager Nixon and Fiduciary Agent Dale Nielsen of the City of Vista will review the investment report as of December 24, 2014.

The recommendation is to receive and file the investment report.

B. Review Budget and Expenditure Status for the Second Quarter of Fiscal Year 2014/2015 - Information Item (Receive and File)

Treasurer Sinnott, General Manager Nixon and Fiduciary Agent Dale Nielsen of the City of Vista will review the second quarter budget and expenditure status as of December 24, 2014.

The recommendation is to review the status of both the budget and expenditures and receive and file the reports.

C. Review and Approval of Auditor's Report – Action Item

Treasurer Sinnott, General Manager Nixon and Fiduciary Agent Dale Nielsen of the City of Vista will review the audit report by Lance Soll & Lunghard, LLP.

The recommendation is to approve the audit report which includes the audit letters.

6. PRESENTATION TO BOARD OF DIRECTORS

Presentation Regarding County of San Diego Landfill Capacity Projections and Disposal Goals, Waste Management Plan, Landfill Regulation and Recycling Activities and Mandates.

Presenters: KariLyn Merlos, Supervising Environmental Health Specialist, County of San Diego Department of Environmental Health and Stephanie Ewalt, Recycling Specialist, County of San Diego Department of Public Works.

7. HOUSEHOLD HAZARDOUS WASTE (HHW) ISSUES – INFORMATION AND POSSIBLE ACTION

A. HHW Participation Reports - Information Item

General Manager Nixon and Bill Wilson of the City of Encinitas will review the HHW participation reports.

B. Update on HHW Issues – Information Item

General Manager Nixon will update the Board on current household hazardous waste issues.

8. ADMINISTRATIVE MATTERS – POSSIBLE ACTION ITEMS

A. Review Future Meeting Schedule – Possible Action Item

April 2, 2015
July 2, 2015
October 1, 2015

This item is scheduled for discussion and approval of the future meeting schedule, including the potential rescheduling of the July 2, 2015 meeting.

B. Reports by Board Members and/or RSWA Staff Regarding Conferences Attended – Information Item

This item is scheduled to provide an opportunity for Board Members or RSWA Staff to report on conferences attended.

9. COMMENTS FROM ASSOCIATION MEMBERS, GENERAL COUNSEL AND GENERAL MANAGER

The Members may ask questions, make comments and ask that any matter be agendaized for consideration at a later meeting.

10. ADJOURNMENT

Adjournment to the meeting of April 2, 2015 at 9:00 a.m. at the Fletcher Cove Community Center, 133 Pacific Avenue, Solana Beach, CA.

NOTE: Members of the Public may fill out a speaker slip to speak on any item on the Agenda or speak on any matter within the purview of the Association under the heading of Oral Communications.

REGIONAL SOLID WASTE ASSOCIATION

ADDRESSING THE ASSOCIATION BOARD

If you wish to speak to an item not on the posted agenda, but within the Association's subject matter jurisdiction, please submit a speaker slip to speak during Oral Communications. The Brown Act does not allow any discussion or action by the Board or staff on matters raised during public comment except: 1) to briefly respond to statements made or questions posed, 2) ask a question for clarification, 3) receive and file the matter, 4) if it is within staff's authority, refer it to them for a reply, or 5) direct that it be placed on a future board agenda for a report or action. A reasonable amount of time will be allocated by the Chair for public comment. Time donations are not permitted during Oral Communications.

If you wish to speak to an item on the agenda, please fill out a speaker slip indicating which agenda Item number you wish to speak to and hand it in before that item has been announced by the Chair. To donate time to another person, fill out a speaker slip indicating that fact. The person or persons donating time must be present when the speaker to whom they have donated time is heard.

ADDITIONAL INFORMATION: This agenda provides a brief description of each item to be considered by the Association Board. All revised or additional documents and writings related to any items on the agenda, which are distributed to all or a majority of the Board Members within 72 hours preceding a meeting, shall be available for public inspection (1) at the Solana Beach City Clerk's office during normal business hours; and (2) at the Fletcher Cove Community Center at the time of the meeting. Additional information is available through the General Manager to the Association at (714) 415-1012.

**PUBLIC NOTICE FOR THE REGULAR MEETING OF
THE REGIONAL SOLID WASTE ASSOCIATION**

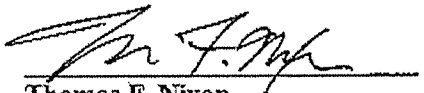
**January 8, 2015
9:00 a.m.**

**Fletcher Cove Community Center
133 Pacific Avenue
Solana Beach, CA**

In accordance with the requirements of California Government Code Section 54955, this Notice and the Agenda has been posted at Fletcher Cove Community Center, 133 Pacific Avenue, Solana Beach, CA and Solana Beach City Hall, 635 South Highway 101, Solana Beach, CA not less than 72 hours prior to the meeting date and time above.

In compliance with the Americans With Disabilities Act, if you need special assistance to participate in this meeting, please contact the Association's General Manager, Thomas F. Nixon, at (714) 415-1012 at least forty-eight (48) hours prior to the meeting to allow the Association to make reasonable arrangements to ensure accessibility to this meeting.

I, Thomas F. Nixon, General Manager of the Regional Solid Waste Association, do hereby declare that I caused the posting of the agenda for the regular meeting of the Regional Solid Waste Association for January 8, 2015 in the locations listed above which are freely accessible to the public at or prior to 9:00 a.m. January 5, 2015.



Thomas F. Nixon
General Manager
Regional Solid Waste Association

**MINUTES
REGIONAL SOLID WASTE ASSOCIATION
REGULAR MEETING**

**October 2, 2014
9:00 a.m.**

**Fletcher Cove Community Center
133 Pacific Avenue
Solana Beach, CA**

BOARD MEMBERS IN ATTENDANCE:

**Council Member Mark Muir, City of Encinitas
Council Member Michael Morasco, City of Escondido
Mayor Ron Morrison, City of National City – RSWA Chairperson
Council Member Mike Nichols, City of Solana Beach – RSWA Vice Chairperson
Council Member John Mullin, City of Poway
Council Member Dave Cowles, City of Vista – RSWA Board Secretary**

STAFF RESOURCES IN ATTENDANCE:

**Thomas F. Nixon, General Manager/General Counsel
Dale Nielsen, Finance Manager/Treasurer – City of Vista**

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Vice Chairperson Nichols called the meeting to order at 9:25 a.m. and asked General Manager Nixon to call the roll of the Board. Chairperson Morrison had not yet arrived. Treasurer Sinnott was not present. All other members were present.

Vice Chairperson Nichols led the Board in the Pledge of Allegiance.

2. SWEARING-IN OF NEW BOARD MEMBER(S) - ACTION ITEM

There were no new Board members to be sworn-in.

3. ORAL COMMUNICATIONS

This item was scheduled to provide an opportunity for public testimony on matters within the jurisdiction of the Association.

There were no oral communications presented.

4. **CONSENT CALENDAR**

- A. The consent calendar included the receipt and filing of the Regular Board Meeting Minutes of July 10, 2014.

MOTION WAS MADE TO APPROVE THE CONSENT CALENDAR.

(Motion by Board Member Cowles, City of Vista / Second by Vice Chairperson Nichols, City of Solana Beach.) Motion was approved by a vote of 5 ayes, 0 nays.

Ayes: Cowles, Morasco, Mullin, Muir, Nichols

Nays:

Abstain:

Absent: Morrison, Sinnott

5. **FINANCE AND BUDGET – INFORMATION AND ACTION ITEMS.**

- A. **Review Final Budget and Expenditure Status for FY 2013/2014 – Information Item (Receive and File)**

General Manager Nixon reviewed the budget and expenditure status as of June 30, 2014.

The recommendation was to receive and file the budget and expenditure status reports.

MOTION WAS MADE TO RECEIVE AND FILE THE BUDGET AND EXPENDITURE STATUS REPORTS.

(Motion by Board Secretary Cowles, City of Vista / Second by Vice Chairperson Nichols, City of Solana Beach.) Motion was approved by a vote of 5 ayes, 0 nays.

Ayes: Cowles, Morasco, Mullin, Muir, Nichols

Nays:

Abstain:

Absent: Morrison, Sinnott

- B. **Review Draft RSWA Investment Policy and Adopt Resolution No. 2014-02 Approving the Policy – Action Item**

General Manager Nixon discussed the investment policy and indicated that there were no changes to the existing investment policy.

MOTION WAS MADE TO ADOPT RESOLUTION NO. 2014-02 APPROVING THE RSWA INVESTMENT POLICY.

(Motion by Board Member Muir, City of Encinitas / Second by Board Member Mullin, City of Solana Beach.) Motion was approved by a roll call vote of 5 ayes, 0 nays.

Ayes: Cowles, Morasco, Muir, Mullin, Nichols
Nays:
Abstain:
Absent: Morrison, Sinnott

C. RSWA Investment Report for the First Quarter of Fiscal Year 2014/2015 – Information Item (Receive and File)

General Manager Nixon reviewed the investment report as of September 19, 2014.

The recommendation was to receive and file the investment report.

MOTION WAS MADE TO RECEIVE AND FILE THE INVESTMENT REPORT. (Motion by Board Member Mullin, City of Poway / Second by Board Secretary Cowles, City of Vista.) Motion was approved by a vote of 5 ayes, 0 nays.

Ayes: Cowles, Morasco, Muir, Mullin, Nichols
Nays:
Abstain:
Absent: Morrison, Sinnott

Chairman Morrison arrived at 9:33 a.m. and presided over the remainder of the meeting.

D. Review Budget and Expenditure Status for the First Quarter of Fiscal Year 2014/2015 – Information Item (Receive and File)

General Manager Nixon reviewed the first quarter budget and expenditure status as of September 19, 2014.

The Chairman accepted for receipt and filing the budget and expenditure status report for the first quarter of Fiscal Year 2014/2015.

E. Report on Environmental Enhancement Fund Distribution and Press Release – Information Item

General Manager Nixon discussed the distribution of the Environmental Enhancement Funds to each member city.

This was an information item only.

6. **TOPICS FOR POTENTIAL FUTURE PRESENTATIONS TO RSWA BOARD – ACTION ITEM**

The Board of Directors and staff discussed various options for future presentations to the RSWA Board. Following the discussion and direction from the Board of Directors, staff stated that KariLyn Merlos from the County would be contacted regarding providing a presentation to the Board at the January 2015 meeting.

7. **HOUSEHOLD HAZARDOUS WASTE (HHW) ISSUES – INFORMATION AND POSSIBLE ACTION**

A. **HHW Participation Reports – Information Item**

Bill Wilson of the City of Encinitas updated the Board regarding the HHW participation activity.

B. **Review HHW Items – Information Item**

General Manager Nixon updated the Board on the status of the pharmaceutical take back legislation.

8. **ADMINISTRATIVE MATTERS – POSSIBLE ACTION ITEMS**

A. **Discuss and Approve Future Meeting Schedule – Possible Action Item**

January 8, 2015

April 2, 2015

July 2, 2015

This item was scheduled for discussion and approval of the future meeting schedule. Chairperson Morrison suggested that the Board decide at the January 8, 2015 meeting whether to change the date of the July 2015 Board meeting. No action was taken by the Board.

B. **Reports by Board Members and/or RSWA Staff Regarding Conferences Attended – Information Item**

This item was scheduled to provide an opportunity for Board Members or RSWA staff to report on conferences attended. No conferences were attended since the last Board meeting.

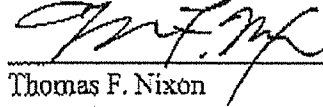
9. **COMMENTS FROM ASSOCIATION MEMBERS AND GENERAL MANAGER**

There were no comments offered by Board Members.

10. ADJOURNMENT

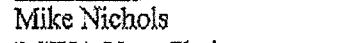
The Chairperson adjourned the meeting at 10:10 a.m. to the meeting of January 8, 2015 at 9:00 a.m. at the Fletcher Cove Community Center, 133 Pacific Avenue, Solana Beach, CA.

Respectfully Submitted:

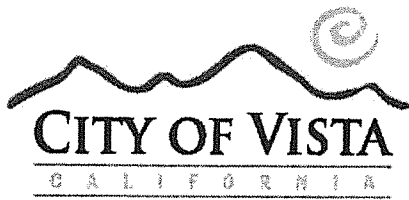


Thomas F. Nixon
General Manager

Approved:



Mike Nichols
RSWA Vice Chairperson



To: Regional Solid Waste Association Board

From: Thomas F. Nixon, RSWA General Manager/General Counsel

Initiated By: Dale Nielsen, Director of Finance/Treasurer *DM*

Date: December 24, 2014

Subject: Regional Solid Waste Association's Investment Report

BACKGROUND

Government Code Sec. 53646(b) requires the treasurer or chief fiscal officer to make a quarterly report that includes the type of investment, institution, date of maturity, amount of deposit, current market value of all maturities that exceed 12 months, and the interest rate. In accordance with Regional Solid Waste Association's Investment Policy, this report is provided on a quarterly basis.

FINDINGS

The invested cash balance as of December 24, 2014, for the Regional Solid Waste Association (RSWA) is \$348,966, not including investment interest for December 2014, which has not been calculated yet.

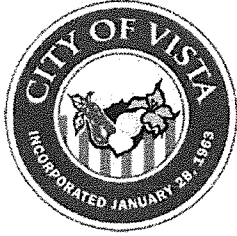
As of February 3, 2010, all of RSWA's cash invested in the Local Agency Investment Fund (LAIF) was transferred to the City of Vista and was taken in as part of the City of Vista's investment portfolio. The cash activities of RSWA are accounted for within a separate fund (Fund 709) within the City of Vista's general ledger structure. Investment earnings are credited to RSWA on a monthly basis, based upon RSWA's cash balance as a percentage of the overall City portfolio balance.

RSWA's cash balance is not tied to any individual investment within the City's portfolio, but rather is an undivided interest in the portfolio as a whole. For this reason all of RSWA's cash balance is available on an "on demand" basis with immediate liquidity. The most recently approved City of Vista Treasurer's Cash Report for the month ended September 30, 2014, is attached as a reference.

The Regional Solid Waste Association is in compliance with its adopted investment policy.

RECOMMENDATIONS

It is recommended that the Board accept and file this report.



AGENDA REPORT

- ☒ CITY COUNCIL
- ☐ COMMUNITY DEVELOPMENT COMMISSION
- ☐ SUCCESSOR AGENCY
- ☐ BUENA SANITATION DISTRICT
- ☐ JOINT POWERS FINANCING AUTHORITY

Department: Finance

Item No: C3

Prepared By: Denise E. Thomas, Deputy City Treasurer
Dale Nielsen, Finance Director/Treasurer

Meeting Date: November 18, 2014

Approved By: Patrick Johnson, City Manager

Agenda Location: Consent Calendar

SUBJECT: TREASURER'S CASH REPORT FOR MONTH ENDING SEPTEMBER 30, 2014

RECOMMENDATION: Receive and file the attached Treasurer's Cash Report for the month ending September 30, 2014.

PRIOR ACTION: On October 14, 2014, received the Treasurer's Cash Report for the month ending August 31, 2014 (Vote: 5-0).

STATEMENT ON THE SUBJECT: The City Treasurer is required to submit to the City Council and City Manager on a monthly basis a report of cash and investment activity. Attached as Exhibit 1 is a report providing details of this activity for the month of September 2014.

The City invests a large portion of its portfolio in U.S. Agency securities (83.5% of the portfolio as of September 30) because of their safety. In order to avoid having to sell securities at a possible loss because of unexpected or larger than normal disbursements, the City also invests a portion of its funds in the Local Agency Investment Fund (LAIF) which offers same day liquidity at a constant net asset value (14.4% of the portfolio). The City also invests in high quality municipal bonds (1.5% of the portfolio) to obtain higher yields and negotiable certificates of deposit (0.6% of the portfolio) to add diversity to the portfolio. Negotiable certificates of deposit are both insured and non-callable.

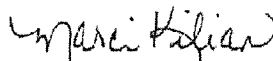
In compliance with California Government Code Section 53646, the City has sufficient investment liquidity and anticipated revenues to meet the City's budgeted expenditure requirements for the next six months. All investments are in compliance with state law and the City's Investment Policy.

FISCAL IMPACT: There is no direct fiscal impact associated with the staff recommendation. As detailed on the attached Treasurer's Cash Report, cash and investments as of September 30, 2014, totaled \$203,959,006 and funds managed by fiscal agents totaled \$31,737,143.

EXHIBITS:

1. Treasurer's Cash Report for month ending September 30, 2014

ACTION: Received the report.
Vote: 5-0



Clerk/Secretary

DATE: October 23, 2014
TO: Patrick Johnson, City Manager
FROM: Dale R. Nielsen, Finance Director/Treasurer
PREPARED BY: Denise Thomas, Deputy City Treasurer
SUBJECT: Treasurer's Cash Report for the Month Ending September 30, 2014

During the month of September 2014, the City's total cash and investments decreased by \$5,083,479. Some of the major receipts and expenditures are listed below. Note that due to the hundreds of individual cash transactions, they may not total up to anything close to the net change in cash for the month.

<u>Receipts</u>	
\$1,254,274	Regular sales tax
\$561,269	Prop L sales tax
<u>Expenditures</u>	
\$2,620,569	Payroll expenses
\$1,560,439	S.D. Co. Sheriff's Department payment
\$2,187,299	Capital project expenditures
\$888,870	Debt service payments

The City's portfolio earnings were \$189,909 in September, and the yield to maturity increased from 1.13% on August 31 to 1.18% on September 30. The weighted average maturity of the portfolio increased from 1,030 days on August 31 to 1,056 days on September 30. Investments maturing in one year or less totaled \$29,052,447 (15% of the portfolio, including \$28,807,454 available on demand), investments maturing between one and two years totaled \$14,161,784 (7% of the portfolio), investments maturing between two and three years totaled \$49,958,493 (25% of the portfolio), investments maturing between three and four years totaled \$58,794,555 (29% of the portfolio) and investments maturing between four and five years totaled \$48,000,000 (24% of the portfolio).

CASH AND INVESTMENTS (EXCLUDING FUNDS MANAGED BY FISCAL AGENTS)

Total Investments Per Attached Detail List	\$ 199,967,278.37
Plus Cash in Bank	\$ 3,991,727.33
TOTAL CASH AND INVESTMENTS ON SEPTEMBER 30, 2014	\$ 203,959,005.70

Total Cash and Investments on August 31, 2014		\$ 209,042,484.36
September Receipts	\$ 5,110,862.89	
September Disbursements	\$ (10,194,341.55)	
Net Change in Total Cash and Investments		\$ (5,083,478.66)
TOTAL CASH AND INVESTMENTS ON SEPTEMBER 30, 2014		\$ 203,959,005.70

FUNDS MANAGED BY FISCAL AGENTS
\$ 31,737,143.45

INVESTMENTS ON SEPTEMBER 30, 2014

Investment Type	Coupon/ Discount	Purch. Date	Face Value	Purch. Price	Next Call Date	Maturity Date	Yield	Book Value	% of Portfolio	Market Value*	Est. Unrealized Gain/(Loss)	Change In Unrealized Gain/(Loss)	Broker/ Dealer
<u>INVESTMENT POOLS</u>													
LAIF	N/A	VARIOUS	28,807,454	100.00000		LIQUID	0.246%	28,807,453.72	14.41%	28,807,454	0	0	State Treas.
<u>FEDERAL AGENCY ISSUES</u>													
<u>FEDERAL FARM CREDIT BANK</u>													
FFCB	0.7000%	05/05/14	5,000,000	100.07390		11/01/16	0.670%	5,003,092.91	2.50%	5,013,550	10,457	(6,676)	Wedbush
FFCB	1.7300%	02/21/14	3,000,000	100.00000	10/05/14	11/13/18	1.730%	3,000,000.00	1.50%	3,000,540	540	390	Wedbush
FFCB	1.8700%	12/26/13	5,000,000	100.00000	12/26/14	12/26/18	1.870%	5,000,000.00	2.50%	5,002,750	2,750	(20,550)	Wedbush
Sub-Totals								13,003,092.91	6.50%	13,016,840	13,747	(26,836)	
<u>FEDERAL HOME LOAN BANK</u>													
FHLB	2.0000%	01/25/13	5,000,000	105.30360		09/09/16	0.520%	5,141,944.51	2.57%	5,130,600	(11,345)	2,326	Wedbush
FHLB	1.0000%	07/07/14	5,000,000	100.00000	01/07/15	07/07/17	1.000%	5,000,000.00	2.50%	4,996,200	(3,800)	(12,500)	Wedbush
FHLB	1.1000%	06/19/14	5,000,000	100.00000	12/19/14	09/19/17	1.100%	5,000,000.00	2.50%	4,978,550	(21,450)	(13,850)	Wedbush
FHLB	1.0000%	02/12/13	5,000,000	99.97000	11/09/14	11/09/17	1.010%	5,000,000.00	2.50%	4,952,000	(48,000)	(30,500)	Citigroup
FHLB	1.0800%	06/13/13	5,000,000	100.00000	12/13/14	06/13/18	1.080%	5,000,000.00	2.50%	4,921,700	(78,300)	(17,250)	Vining Sparks
FHLB	1.5000%	06/30/14	5,000,000	100.00000	12/30/14	06/29/18	1.500%	5,000,000.00	2.50%	4,980,050	(19,950)	(16,950)	Vining Sparks
FHLB	2.0000%	07/30/14	5,000,000	100.00000	10/30/14	07/30/19	2.000%	5,000,000.00	2.50%	4,988,750	(11,250)	(21,050)	Vining Sparks
Sub-Totals								35,141,944.51	17.57%	34,947,850	(194,095)	(109,774)	
<u>FEDERAL HOME LOAN MORTGAGE CORP</u>													
FHLMC	0.7000%	09/27/12	5,000,000	100.00000	12/27/14	09/27/16	0.700%	5,000,000.00	2.50%	4,997,950	(2,050)	(3,250)	Vining Sparks
FHLMC	0.7500%	10/24/12	5,000,000	100.00000	10/05/14	10/05/16	0.750%	5,000,000.00	2.50%	4,994,750	(5,250)	(6,000)	Citigroup
FHLMC	0.7500%	01/16/13	5,000,000	100.00000	10/05/14	10/05/16	0.750%	5,000,000.00	2.50%	4,994,750	(5,250)	(6,000)	Citigroup
FHLMC	1.0000%	02/27/12	5,000,000	100.00000	02/27/15	02/27/17	1.000%	5,000,000.00	2.50%	5,009,750	9,750	(6,600)	Wedbush
FHLMC	1.1500%	02/28/14	5,000,000	100.00000	11/28/14	08/28/17	1.150%	5,000,000.00	2.50%	4,980,150	(19,850)	(10,200)	Vining Sparks
FHLMC	1.0000%	02/21/14	5,000,000	99.80000		09/29/17	1.060%	4,991,694.92	2.50%	4,977,450	(14,245)	(7,881)	Wedbush
FHLMC	1.5000%	06/26/13	5,000,000	100.00000	12/26/14	06/26/18	1.500%	5,000,000.00	2.50%	4,988,900	(11,100)	(15,500)	Vining Sparks
FHLMC	1.8500%	03/12/14	5,000,000	100.00000	12/12/14	03/12/19	1.850%	5,000,000.00	2.50%	4,985,900	(14,100)	(16,444)	Wedbush
FHLMC	2.1000%	04/24/14	5,000,000	100.00000	10/24/14	04/24/19	2.100%	5,000,000.00	2.50%	5,006,100	6,100	(7,550)	Citigroup
FHLMC	2.0000%	07/09/14	5,000,000	100.00000	10/09/14	07/09/19	2.000%	5,000,000.00	2.50%	4,997,800	(2,200)	(11,575)	Vining Sparks
FHLMC	2.0000%	08/20/14	5,000,000	100.00000	11/20/14	08/20/19	2.000%	5,000,000.00	2.50%	4,978,125	(21,875)	(20,825)	MBS
Sub-Totals								54,991,694.92	27.50%	54,911,625	(80,070)	(111,825)	
<u>FEDERAL NATIONAL MORTGAGE ASSOCIATION</u>													
FNMA	0.7000%	12/19/12	5,000,000	100.00000	12/19/14	12/19/16	0.700%	5,000,000.00	2.50%	4,981,400	(18,600)	(6,500)	Citigroup
FNMA	0.8750%	04/01/14	5,000,000	99.14930		08/28/17	1.130%	4,963,704.85	2.48%	4,966,406	2,701	(9,934)	Wedbush
FNMA	1.0500%	10/04/12	3,750,000	100.00000	10/04/14	10/04/17	1.050%	3,750,000.00	1.88%	3,722,363	(27,638)	(13,613)	Citigroup

INVESTMENTS ON SEPTEMBER 30, 2014

Investment Type	Coupon/ Discount	Purch. Date	Face Value	Purch. Price	Next Call Date	Maturity Date	Yield	Book Value	% of Portfolio	Market Value*	Est. Unrealized Gain/(Loss)	Change In Unrealized Gain/(Loss)	Broker/ Dealer
FNMA	0.8750%	01/08/13	5,000,000	100.00000		10/26/17	0.875%	5,000,000.00	2.50%	4,952,550	(47,450)	(6,950)	Wedbush
FNMA	1.0000%	11/15/12	5,000,000	100.00000	11/15/14	11/15/17	1.000%	5,000,000.00	2.50%	4,981,050	(18,950)	(18,200)	Vining Sparks
FNMA	1.2000%	05/16/14	5,000,000	100.00000	05/16/16	11/16/17	1.200%	5,000,000.00	2.50%	4,988,281	(11,719)	(19,769)	Vining Sparks
FNMA	1.0000%	02/27/13	5,000,000	100.00000	02/27/15	11/27/17	1.000%	5,000,000.00	2.50%	4,948,500	(51,500)	(19,950)	Citigroup
FNMA	1.0300%	01/30/13	5,000,000	100.00000	10/30/14	01/30/18	1.030%	5,000,000.00	2.50%	4,932,600	(67,400)	(19,650)	Vining Sparks
FNMA	1.2500%	06/20/13	5,000,000	100.00000	12/20/14	06/20/18	1.250%	5,000,000.00	2.50%	4,940,900	(59,100)	(19,800)	Vining Sparks
FNMA	1.8750%	03/27/14	5,000,000	101.00600		09/18/18	1.641%	5,044,555.00	2.52%	5,051,100	6,545	(17,263)	Multi-Bank
FNMA	2.0000%	08/20/14	5,000,000	100.00000	02/20/15	08/20/19	2.000%	5,000,000.00	2.50%	4,970,150	(29,850)	(14,400)	Vining Sparks
FNMA	2.1000%	08/28/14	5,000,000	100.00000	08/28/15	08/28/19	2.100%	5,000,000.00	2.50%	5,010,900	10,900	(15,550)	Vining Sparks
FNMA	2.0500%	09/24/14	5,000,000	100.00000	10/24/15	09/24/19	2.050%	5,000,000.00	2.50%	4,983,900	(16,100)	(42,550)	Vining Sparks
Sub-Totals								63,758,259.85	31.88%	63,430,100	(328,160)	(224,129)	
TOTAL FEDERAL AGENCY ISSUES								166,894,992.19	83.46%	166,306,415	(588,578)	(472,564)	
<u>NEGOTIABLE CERTIFICATES OF DEPOSIT (FDIC INSURED)</u>													
Bank of India, N.Y.	0.4000%	01/03/14	245,000	99.98390		11/26/14	0.418%	244,993.25	0.12%	245,085	92	(57)	Multi-Bank
BMW Bank, Utah	0.5500%	08/01/14	245,000	99.39260		06/27/16	0.872%	243,642.30	0.12%	244,274	631	(267)	Multi-Bank
Barclays Bank	0.8200%	07/30/14	245,000	99.67500		07/05/16	0.820%	244,274.80	0.12%	245,000	725	(34)	Multi-Bank
Ally Bank	6.5000%	07/30/14	245,000	99.70000		07/11/16	0.805%	244,330.04	0.12%	245,000	670	(31)	Multi-Bank
Discover Bank	0.6500%	07/30/14	245,000	99.70000		07/11/16	0.805%	244,330.04	0.12%	245,000	670	(31)	Multi-Bank
TOTAL NEGOTIABLE CERTIFICATES OF DEPOSIT								1,221,570.43	0.61%	1,224,359	2,788	(420)	
<u>MUNICIPAL BONDS</u>													
Oceanside Unified	4.5000%	06/01/11	3,000,000	104.47800		05/01/16	3.500%	3,043,262.03	1.52%	3,134,010	90,748	(10,533)	Stone
TOTAL MUNICIPAL BONDS								3,043,262.03	1.52%	3,134,010	90,748	(10,533)	
TOTAL INVESTMENTS								199,967,278.37	100.00%	199,472,237	(495,041)	(483,517)	

WEIGHTED AVERAGE MATURITY = 1,056 DAYS

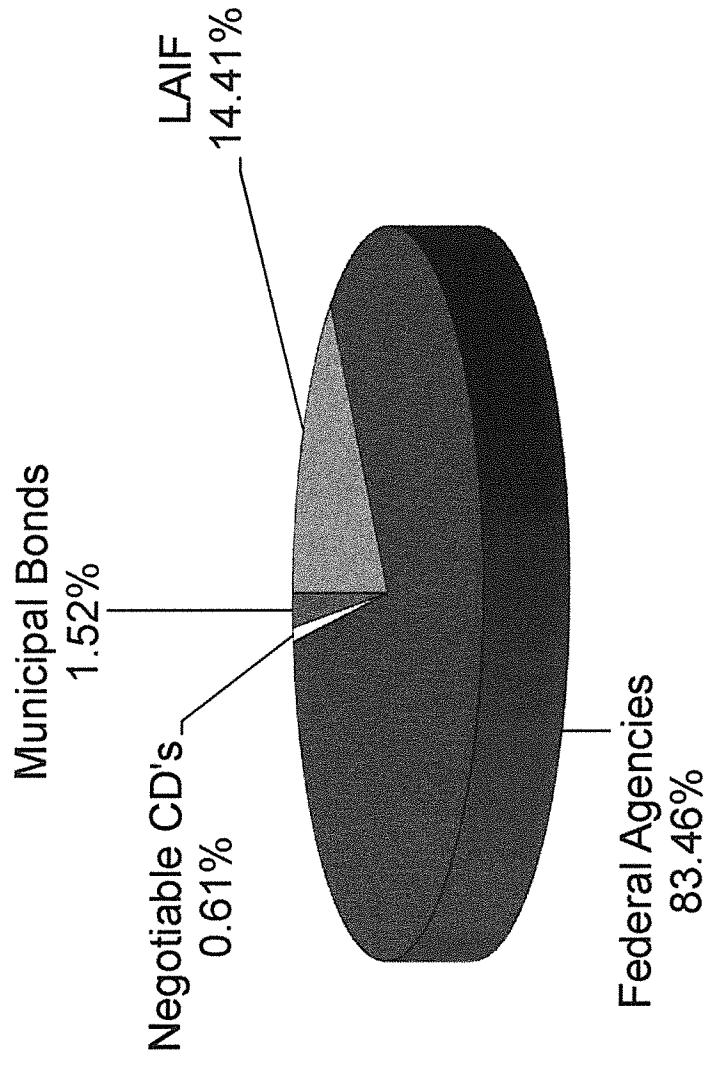
YIELD TO MATURITY = 1.179%

As required by Gov't Code 53646, the City has sufficient liquidity and anticipated revenues to meet the budgeted expenditures for the next 6 months.

All investments are in compliance with California Government Code and the City's Investment Policy.

*Market values were obtained from Bank of New York Mellon. They are only estimates, and do not necessarily reflect what we could sell a security for on any given day.

DISTRIBUTION OF INVESTMENTS

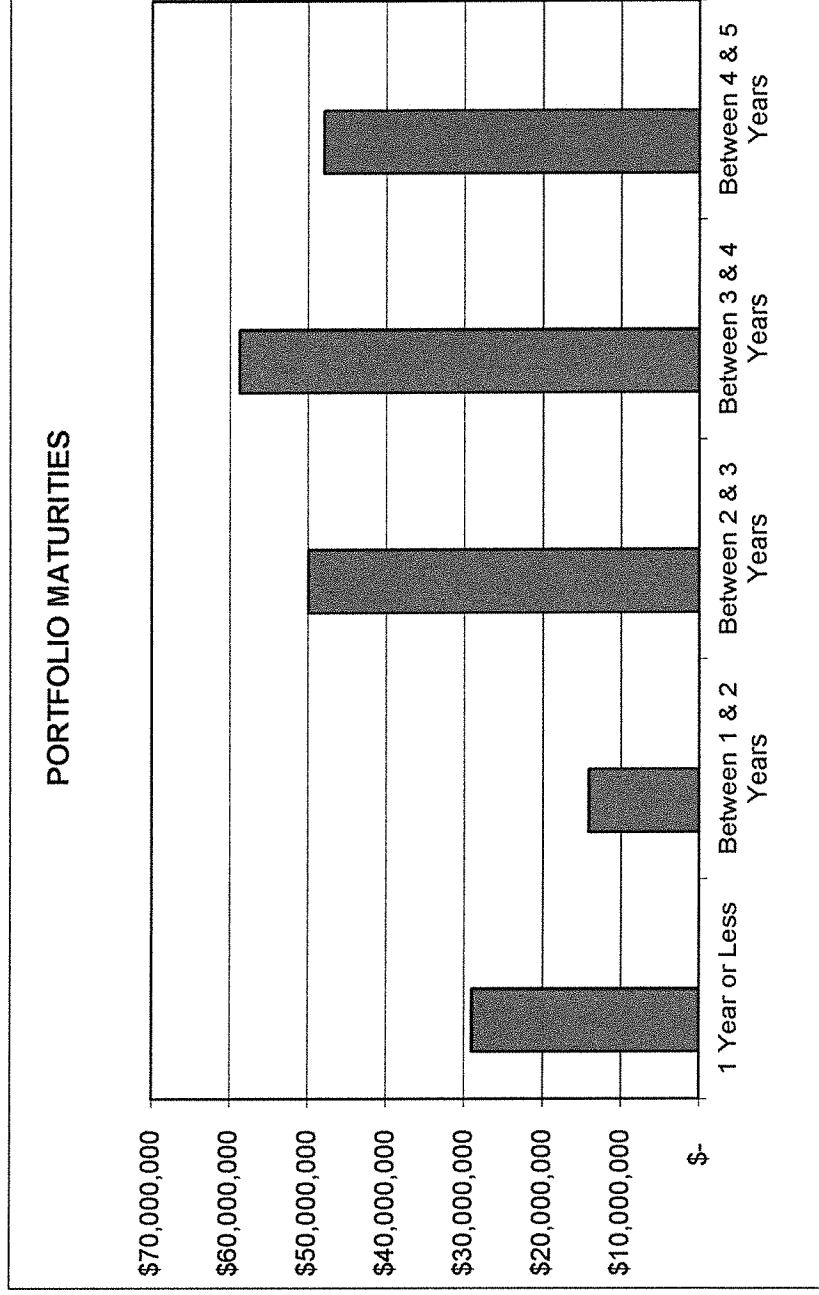


INVESTMENT TRANSACTIONS FOR SEPTEMBER 2014

Date	Trans. Type	Investment Description	Purch. Date	Matur. Date	Yield	PURCHASES/ DEPOSITS		SALES/CALLS/MATURITIES/WITHDRAWALS		
						Book Value		Book Value	Proceeds (Principal)	Capital Gain/(Loss)
09/23/14	Withdrawal	LAIF						\$ 6,000,000.00	\$ 6,000,000.00	\$ -
09/24/14	Purchase	FNMA	09/24/14	09/24/19	2.05%	\$ 5,000,000.00				
TOTALS						\$ 5,000,000.00		\$ 6,000,000.00	\$ 6,000,000.00	\$ -

PORTFOLIO MATURITIES
SEPTEMBER 30, 2014

	LENGTH OF TIME UNTIL MATURITY					TOTAL
	1 Year or Less	Between 1 & 2 Years	Between 2 & 3 Years	Between 3 & 4 Years	Between 4 & 5 Years	
Investment Pool	\$ 28,807,454					\$ 28,807,454
Federal Agency Issues		\$ 10,141,945	\$ 49,958,493	\$ 58,794,555	\$ 48,000,000	\$ 166,894,992
Negotiable CDs	\$ 244,993	\$ 976,577				\$ 1,221,570
Municipal Bonds		\$ 3,043,262				\$ 3,043,262
TOTAL	\$ 29,052,447	\$ 14,161,784	\$ 49,958,493	\$ 58,794,555	\$ 48,000,000	\$ 199,967,278
% OF TOTAL	14.53%	7.08%	24.98%	29.40%	24.00%	100.00%

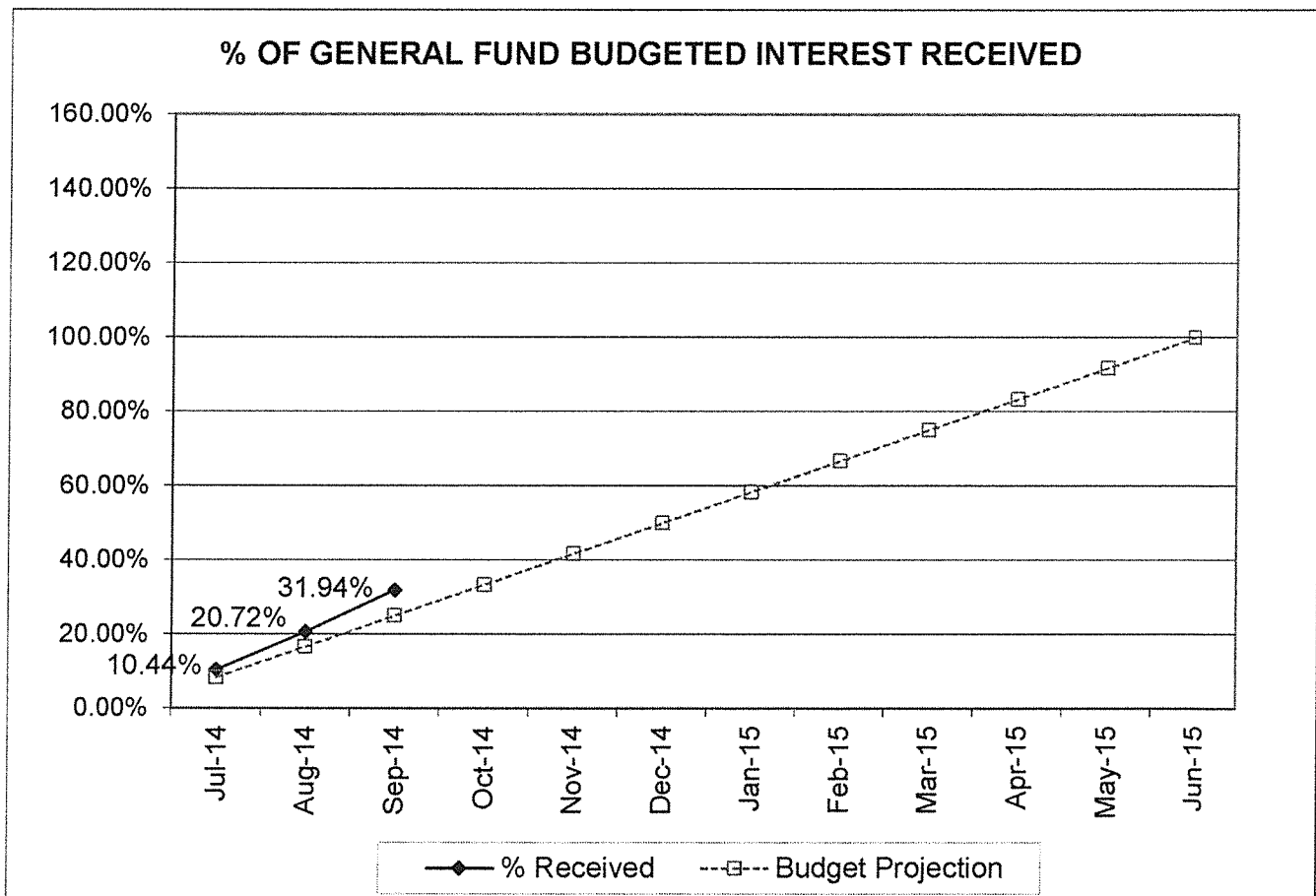


**INTEREST EARNINGS
FISCAL YEAR 2014-2015**

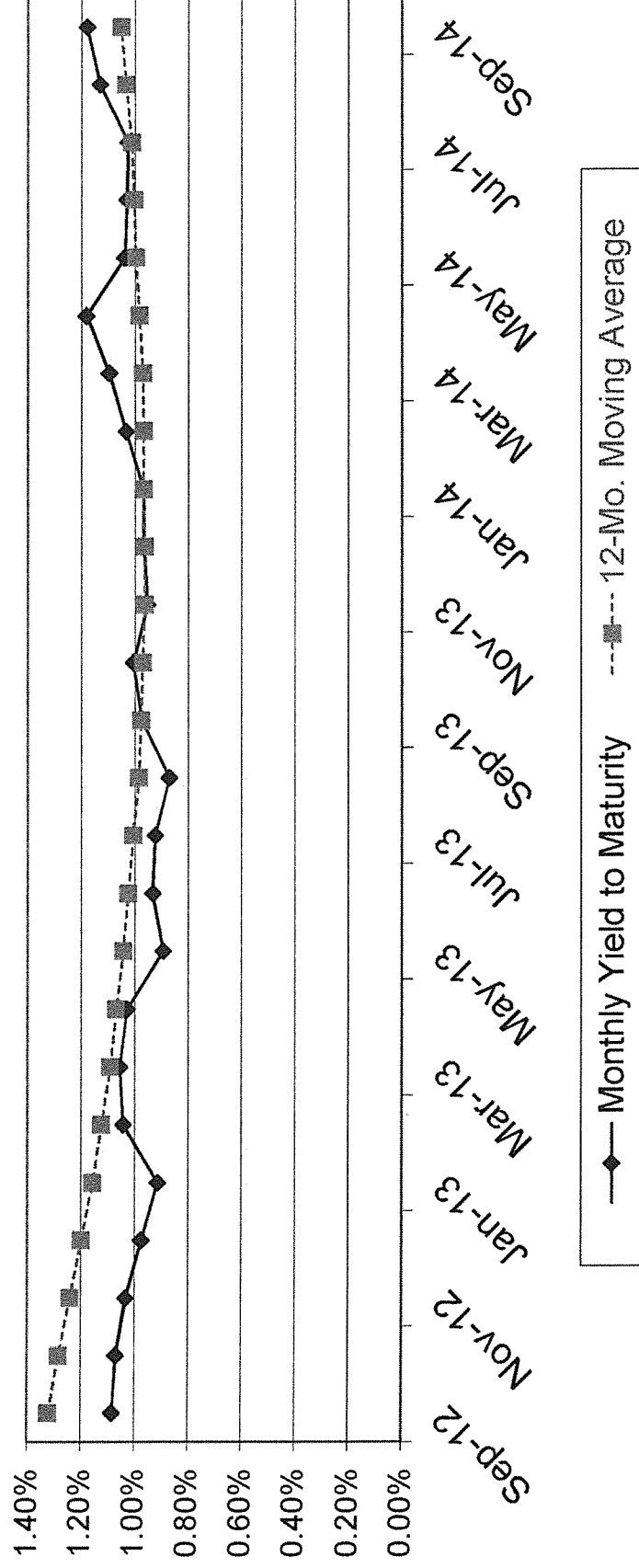
Month	----- ALL FUNDS -----			----- GENERAL FUND -----		
	Monthly Amount	Portfolio Yield	YTD Amount	Monthly Amount	YTD Amount	% Of Budgeted Amount
Jul-14	\$ 180,154	1.03%	\$ 180,154	\$ 58,689	\$ 58,689	10.44%
Aug-14	\$ 178,159	1.13%	\$ 358,313	\$ 57,789	\$ 116,478	20.72%
Sep-14	\$ 189,909	1.18%	\$ 548,222	\$ 63,083	\$ 179,561	31.94%
Oct-14			\$ 548,222		\$ 179,561	31.94%
Nov-14			\$ 548,222		\$ 179,561	31.94%
Dec-14			\$ 548,222		\$ 179,561	31.94%
Jan-15			\$ 548,222		\$ 179,561	31.94%
Feb-15			\$ 548,222		\$ 179,561	31.94%
Mar-15			\$ 548,222		\$ 179,561	31.94%
Apr-15			\$ 548,222		\$ 179,561	31.94%
May-15			\$ 548,222		\$ 179,561	31.94%
Jun-15			\$ 548,222		\$ 179,561	31.94%

GENERAL FUND BUDGETED INTEREST REVENUE:

\$ 562,141.00



Portfolio Yield To Maturity September 2012 - September 2014

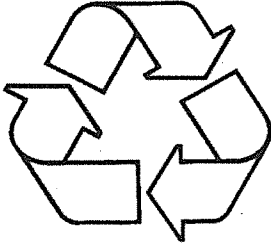


**CASH AND INVESTMENTS BY FUND
(EXCLUDING FUNDS MANAGED BY FISCAL AGENTS)
SEPTEMBER 30, 2014**

FUND	FUND NAME	CASH & INVESTMENTS
001	GENERAL FUND	48,721,025.87
002	GENERAL FUND CIP	3,688,615.79
102	PARK DEVELOPMENT	4,272,631.67
103	COMM DEVELOPMENT BLOCK GRANT	226,988.90
106	GAS TAX	4,182,545.14
107	SENIOR CITIZEN NUTRITION PROGRAM	(101,639.75)
108	1972 LIGHTING & LANDSCAPE MAINTENANCE	(69,155.51)
109	PLANNED LOCAL DRAINAGE	623,570.95
110	DEVELOPMENT	5,378,875.41
111	PROPOSITION "A" SALES TAX	(1,699,896.25)
113	SOUTH MELROSE LANDSCAPE AD	38,160.88
114	LA MIRADA CANYON MAINT DIST	68,187.69
117	GRANTS	(161,815.81)
120	JPFA 1993 "C" NORTH CO. SQUARE	146,970.63
122	VISTA HOUSING AUTHORITY	460,748.40
123	HOUSING AUTH BOND FUNDS	567,571.03
124	HOME PROGRAM	584,562.96
125	STATE COPS GRANT	100,035.25
126	CALHOME PROGRAM	29,950.43
301	VISTA REDEVELOPMENT AGENCY	151,209.27
302	REDEVELOPMENT REVOLVING FUND	(17,999.03)
303	RDA HOUSING BONDS	-
305	PASEO SANTA FE FACILITIES PROJ	16,616,257.26
310	REDEVELOPMENT SCHOOL SAFETY	83,402.46
407	REDEVELOPMENT DEBT SERVICE	68,499.60
408	REDEV OBLIGATION RETIREMENT	1,445,955.70
412	JPFA 1993 D WATERPARK	(443.75)
413	JPFA 1993 "C" NORTH CO. SQUARE	787,248.42
418	JPFA 1997 SERIES "A" HACIENDA	5,100.90
421	2007 CITY OF VISTA COP'S	(5,076.25)
501	CITY SEWER REVENUE	9,383,284.35
502	CITY CAPITAL EXPANSION	2,440,982.48
503	CITY CAPITAL REPAIRS AND REPLACEMENT	40,276,410.10
504	BUENA SEWER REVENUE	2,686,992.16
505	BUENA CAPITAL EXPANSION	1,545,488.71
506	BUENA CAPITAL REPAIRS AND REPLACEMENT	40,491,951.98
507	WAVE WATERPARK	1,285,690.42
601	RISK MANAGEMENT	9,372,930.07
602	BUILDING AND FACILITIES MAINT	(70,400.83)
603	VEHICLE MAINTENANCE	2,586,400.54
604	INFORMATION TECHNOLOGY	2,464,514.97
701	TRUST DEPOSITS	1,675,022.24
704	CFD 1993 "A" NORTH CO. SQUARE	(528,673.81)
705	RDA PROPERTY TRUST FUND	-
708	DEFERRED STREET CONSTRUCTION	3,738,029.81
709	RSWA AGENCY FUND	418,294.25
	TOTAL	203,959,005.70

**FUNDS MANAGED BY FISCAL AGENTS
SEPTEMBER 30, 2014**

DESCRIPTION	BOOK VALUE
<i>FUNDS MANAGED BY U.S. BANK:</i>	
1993 CFD 92-1 (N. County Square), Series A	890,633.57
1993 JPFA Revenue Bonds (N. County Square), Series C	8,557,970.75
1995, 1998, 2001 & 2005 CDC Tax Allocation Bonds (Vista Redev. Project)	3,976,694.07
1997 JPFA Lease Revenue Refunding Bonds (Hacienda & Buena Vista), A & B	142,931.25
2005 CDC Tax Allocation Refunding Bonds (Hidden Valley)	2,417.48
2007 City of Vista Certificates of Participation	10,661,584.93
2010 CDC Bond Anticipation Notes (Vista Redevelopment Project)	1,705,194.35
2010 CDC Tax Allocation Bonds (Vista Redevelopment Project)	4,773,581.07
2011 CDC Tax Allocation Bonds	917,085.50
TOTAL FUNDS MANAGED BY U.S. BANK	31,628,092.97
 <i>FUNDS MANAGED BY TRISTAR:</i>	
Worker's Compensation Trust Account	109,050.48
 TOTAL FUNDS MANAGED BY FISCAL AGENTS	 <u>31,737,143.45</u>



REGIONAL SOLID WASTE ASSOCIATION

Member Agencies: Cities of Del Mar, Encinitas, Escondido,
National City, Poway, Solana Beach, and Vista

To: RSWA Board Members
From: General Manager Thomas F. Nixon
Subject: Second Quarter of FY 2014/2015 Budget and Expenditure Status –
Item 5.B.
Date: RSWA Agenda January 8, 2015

BACKGROUND

Attached for your information are the following reports:

The Financial Status Report as of December 24, 2014 (Second Quarter FY 2014/2015) which shows a Fund Balance for the First Quarter in the amount of \$348,966.

The RSWA Cash Activity Report as of December 24, 2014.

CITY OF VISTA

MEMORANDUM

TO: Thomas F. Nixon, RSWA General Manager/General Counsel

FROM: Dale Nielsen, Director of Finance/Treasurer *D/N*

DATE: December 24, 2014

SUBJECT: RSWA Budget Status

Attached are the Financial Status Report and Cash Activity Report for the Regional Solid Waste Association (RSWA) for the second quarter of fiscal year (FY) 2014/2015. The reports show actual activity from July 1, 2014 through December 24, 2014.

ACCOUNT RECONCILIATION

Each account has been reviewed and reconciled against the transactions contained in the City of Vista's financial database as of December 24, 2014.

REVENUES

Year-to-date (YTD) activity includes actual revenue of \$129,495, which represents 48% of the FY 14/15 budgeted revenue. Interest earnings have not yet been posted for the month of December.

EXPENDITURES

The YTD activity includes actual expenditures through December 24, 2014, totaling \$165,855, which represents 66% of the FY 14/15 budgeted amount.

FUND BALANCE

The total fund balance as of December 24, 2014, is \$348,966.

**REGIONAL SOLID WASTE ASSOCIATION
FY2014-2015 FINANCIAL STATUS REPORT
AS OF DECEMBER 24, 2014**

	<u>BUDGET</u>	<u>YTD ACTUAL</u>
BEGINNING BALANCE (6-30-2014 Fund Balance)	385,326	385,326
<i>REVENUE</i>		
DISPOSAL AGREEMENT VOLUME REBATE	236,989	118,494
HHW NON-MEMBER	32,000	9,259
INVESTMENT EARNINGS	3,000	1,741
TOTAL REVENUE	271,989	129,495
<i>EXPENSES</i>		
STIPENDS	8,000	1,950
INSURANCE	6,200	5,833
TRAVEL AND MEETINGS	4,000	
AUDIT SERVICES	2,750	2,387
LEGAL SERVICES	18,000	9,000
CONSULTANT SERVICES	33,000	15,263
REIMBURSEMENTS	3,500	90
HHW EDUCATION	7,000	7,000
HHW PERMITS	1,600	1,484
HHW FACILITY SECURITY & PHONE	3,000	2,448
WEBSITE MAINTENANCE	1,000	
RSWA PHONE, FLYERS	5,000	400
INTERGOVERNMENTAL PROGRAMS	159,617	120,000
TOTAL EXPENSES	252,667	165,855
TOTAL ENDING FUND BALANCE	404,648	348,966
CASH		348,966
ACCOUNTS RECEIVABLE		
PREPAID EXPENSE		
ACCOUNTS PAYABLE		
TOTAL ENDING FUND BALANCE	404,648	348,966
FUND BALANCE, UNRESERVED/UNDESIGNATED	304,648	248,966
VISTA HHW FACILITY CLOSURE DESIGNATION	50,000	50,000
POWAY HHW FACILITY CLOSURE DESIGNATION	50,000	50,000
TOTAL ENDING FUND BALANCE	404,648	348,966

RSWA CASH ACTIVITY
JULY 1, 2014 - DECEMBER 24, 2014

<u>Date</u>	<u>Ck.#</u>	<u>Name</u>	<u>Description</u>	<u>Deposit</u>	<u>Disbursement</u>	<u>Cash Balance</u>
7/1/2014			Balance carried forward from 6/30/14			\$ 368,400.20
7/10/14	83956	MORRISON, RON	RSWA-BOARD STIPEND (APRIL)		\$ 150.00	\$ 368,250.20
7/10/14	83958	MULLIN, JOHN	RSWA-BOARD STIPEND (APRIL)		\$ 150.00	\$ 368,100.20
7/10/14	84013	SINNOTT, TERRY	RSWA-BOARD STIPEND (APRIL)		\$ 150.00	\$ 367,950.20
7/10/14	84068	WURBS, LIN H.	RSWA BUDGET PREP ASSIST (JUNE)		\$ 525.00	\$ 367,425.20
7/10/14		CITY OF POWAY	REFUND OVERPAYMENT IN FY13/14	\$ 1,000.00		\$ 368,425.20
7/10/14	84114	WOODRUFF, SPRADLIN & SMART	RSWA CONSULT SVCS (JULY)		\$ 2,500.00	\$ 365,925.20
7/16/14		EDCO	FY14/15 CONTRACT VOLUME REBATE	\$ 59,247.18		\$ 425,172.38
7/24/14	84260	PSC ENVIRONMENTAL SERVICES	RSWA-TRANSPORT/DISPOSAL (FY13/14)		\$ 4,496.00	\$ 420,676.38
7/24/14	84351	BARTH, TERESA	RSWA BOARD MEMBER STIPEND		\$ 150.00	\$ 420,526.38
7/24/14	84359	CITY OF DEL MAR	RSWA HHW EDUCATIONAL APPROP		\$ 1,000.00	\$ 419,526.38
7/24/14	84360	CITY OF ENCINITAS	RSWA HHW EDUCATIONAL APPROP		\$ 1,000.00	\$ 418,526.38
7/24/14	84361	CITY OF ESCONDIDO	RSWA HHW EDUCATIONAL APPROP		\$ 1,000.00	\$ 417,526.38
7/24/14	84362	CITY OF NATIONAL CITY	RSWA HHW EDUCATIONAL APPROP		\$ 1,000.00	\$ 416,526.38
7/24/14	84363	CITY OF POWAY	RSWA HHW EDUCATIONAL APPROP		\$ 1,000.00	\$ 415,526.38
7/24/14	84365	CITY OF SOLANA BEACH	RSWA HHW EDUCATIONAL APPROP		\$ 1,000.00	\$ 414,526.38
7/24/14	84366	CITY OF VISTA	RSWA HHW EDUCATIONAL APPROP		\$ 1,000.00	\$ 413,526.38
7/24/14	84370	COUNTY OF SAN DIEGO	RSWA-HAZARDOUS WASTE PERMITS		\$ 1,484.00	\$ 412,042.38
7/24/14	84371	COWLES, RALPH DAVIS	RSWA BOARD MEMBER STIPEND		\$ 150.00	\$ 411,892.38
7/24/14	84425	MORASCO, MICHAEL K.	RSWA BOARD MEMBER STIPEND		\$ 150.00	\$ 411,742.38
7/24/14	84426	MORRISON, RON	RSWA BOARD MEMBER STIPEND		\$ 150.00	\$ 411,592.38
7/24/14	84427	MULLIN, JOHN	RSWA BOARD MEMBER STIPEND		\$ 150.00	\$ 411,442.38
7/24/14	84431	NICHOLS, MICHAEL EDWIN	RSWA BOARD MEMBER STIPEND		\$ 150.00	\$ 411,292.38
7/24/14	84457	SINNOTT, TERRY	RSWA BOARD MEMBER STIPEND		\$ 150.00	\$ 411,142.38
7/24/14	84482	WOODRUFF, SPRADLIN & SMART	RSWA GEN COUNSEL-JULY-SEPT 2014		\$ 4,500.00	\$ 406,642.38
7/29/14		PSC ENVIRONMENTAL SERVICES	HHW NON-MEMBER APR-JUN 2014	\$ 19,246.75		\$ 425,889.13
7/31/14		INVESTMENT EARNINGS	JULY INTEREST ALLOCATION	\$ 353.00		\$ 426,242.13
8/7/14	84808	WOODRUFF, SPRADLIN & SMART	RSWA GENERAL MGR SVCS		\$ 2,500.00	\$ 423,742.13
8/31/14		INVESTMENT EARNINGS	AUGUST INTEREST ALLOCATION	\$ 351.00		\$ 424,093.13
9/18/14	85322	ALLIANT INSURANCE SERVICES	RSWA-SPECIAL LIAB INSURANCE		\$ 3,682.88	\$ 420,410.25
9/18/14	85571	WOODRUFF, SPRADLIN & SMART	RSWA-GENERAL MGR FEE (SEPT)		\$ 2,500.00	\$ 417,910.25
9/30/14		INVESTMENT EARNINGS	SEPT INT ALLOC	\$ 384.00		\$ 418,294.25
10/2/14	85600	CITY OF DEL MAR	ENVIRO ENHANCE FUND DIST 14/15		\$ 3,000.00	\$ 415,294.25
10/2/14	85601	CITY OF ENCINITAS	ENVIRO ENHANCE FUND DIST 14/15		\$ 28,680.00	\$ 386,614.25
10/2/14	85602	CITY OF NATIONAL CITY	ENVIRO ENHANCE FUND DIST 14/15		\$ 18,240.00	\$ 368,374.25
10/2/14	85603	CITY OF POWAY	ENVIRO ENHANCE FUND DIST 14/15		\$ 22,560.00	\$ 345,814.25
10/2/14	85604	CITY OF SOLANA BEACH	ENVIRO ENHANCE FUND DIST 14/15		\$ 6,840.00	\$ 338,974.25
10/2/14	85605	CITY OF VISTA	ENVIRO ENHANCE FUND DIST 14/15		\$ 40,680.00	\$ 298,294.25
10/13/14		EDCO CONTRACT VOLUME REBATE	CONTRACT VOLUME REBATE	\$ 59,247.18		\$ 357,541.43
10/16/14	85852	COWLES, RALPH DAVIS	RSWA BOARD STIPEND-OCT 2014		\$ 150.00	\$ 357,391.43
10/16/14	85925	LANCE, SOLL & LUNGHARD, LLP	2013/2014 ANNUAL AUDIT		\$ 2,387.00	\$ 355,004.43
10/16/14	85940	MORASCO, MICHAEL K.	RSWA BOARD STIPEND-OCT 2014		\$ 150.00	\$ 354,854.43
10/16/14	85941	MORRISON, RON	RSWA BOARD STIPEND-OCT 2014		\$ 150.00	\$ 354,704.43
10/16/14	85942	MUIR, MARK ANDERSON	RSWA BOARD STIPEND-OCT 2014		\$ 150.00	\$ 354,554.43
10/16/14	85943	MULLIN, JOHN	RSWA BOARD STIPEND-OCT 2014		\$ 150.00	\$ 354,404.43
10/16/14	85949	NICHOLS, MICHAEL EDWIN	RSWA BOARD STIPEND-OCT 2014		\$ 150.00	\$ 354,254.43
10/16/14	86060	WOODRUFF, SPRADLIN & SMART	RSWA LEGAL SERVICES \$4500 (OCT-DEC)/CONSULTANT SVCS \$2500 (OCT)		\$ 7,000.00	\$ 347,254.43
10/30/14	86213	PROGRESSIVE TECHNOLOGY SECL	SVC/MONITOR SECURITY SYS		\$ 2,448.00	\$ 344,806.43
10/30/14	86283	WOODRUFF, SPRADLIN & SMART	RSWA REIMBURSEMENTS		\$ 490.28	\$ 344,316.15
10/30/14	86285	WURBS, LIN H.	RSWA CONSULTANT SVCS		\$ 262.50	\$ 344,053.65
10/31/14		INVESTMENT EARNINGS	OCT INTEREST ALLOC	\$ 333.00		\$ 344,386.65
11/13/14	86487	WOODRUFF, SPRADLIN & SMART	RSWA GEN MGR SVCS-NOV 2014		\$ 2,500.00	\$ 341,886.65
11/17/14		HHW NON-MEMBER	QUARTERLY PSC	\$ 9,259.25		\$ 351,145.90
11/30/14		INVESTMENT EARNINGS	NOV INTEREST ALLOCATION	\$ 320.00		\$ 351,465.90
12/11/14	86961	WOODRUFF, SPRADLIN & SMART	RSWA GM MONTHLY SVCS-DEC 2014		\$ 2,500.00	\$ 348,965.90

December 24, 2014

To the Board of Directors
of the Regional Solid Waste Association
City of Vista, California

We have audited the financial statements of the business-type activities of the Regional Solid Waste Association (RSWA) for the year ended June 30, 2014. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 4, 2014. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practice

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the RSWA are described in the notes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2014. We noted no transactions entered into by the RSWA during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. No misstatements were found.



To the Board of Directors of the Regional Solid Waste Association
City of Vista, California

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 24, 2014.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the RSWA's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

The following new Governmental Accounting Standards Board (GASB) pronouncements were effective for fiscal year 2013-2014 audit:

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* - The RSWA properly implemented this pronouncement in fiscal year 2012-13.

GASB Statement No. 66, *Technical Corrections* - The RSWA properly implemented this pronouncement.

GASB Statement No. 67, *Financial Reporting for Pension Plans - An Amendment of GASB of GASB Statement No. 25* - The RSWA properly implemented this pronouncement.



To the Board of Directors of the Regional Solid Waste Association
City of Vista, California

GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees* – The RSWA properly implemented this pronouncement.

The following Governmental Accounting Standards Board (GASB) pronouncements are effective in your next fiscal year 2014-2015 audit and should be reviewed for proper implementation by management:

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement no. 27.*

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations.*

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to Measurement Date.*

Restriction on Use

This information is intended solely for the use of the members of the Board of Directors or individual(s) charged with governance and management of the RSWA and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Lance, Soll & Loughard, LLP

Brea, California

INDEPENDENT AUDITORS' 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*

To the Board of Directors
of the Regional Solid Waste Association
City of Vista, 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 *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Regional Solid Waste Association (RSWA), California, as of and for the year ended June 30, 2014, and the related statement of revenues, expenses and changes in net position, statement of cash flows for the year then ended, and notes to the financial statements, which collectively comprise the RSWA's basic financial statements, and have issued our report thereon dated December 24, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the RSWA's internal control over financial reporting (internal control) to determine the 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 RSWA's internal control. Accordingly, we do not express an opinion on the effectiveness of the RSWA'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 RSWA's financial statements are free from 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 determination of financial statement amounts. 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*.



To the Board of Directors
of the Regional Solid Waste Association
City of Vista, California

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lane, Soll & Lingham, LLP

Brea, California
December 24, 2014

REGIONAL SOLID WASTE ASSOCIATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

REGIONAL SOLID WASTE ASSOCIATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

REGIONAL SOLID WASTE ASSOCIATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Of the Regional Solid Waste Association
City of Vista, California

Report on Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Regional Solid Waste Association (RSWA), California, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the RSWA'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.



To the Board of Directors
of the Regional Solid Waste Association
City of Vista, California

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the RSWA, as of June 30, 2014, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

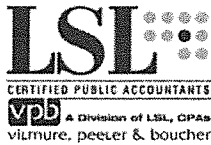
Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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 RSWA's basic financial statements. The budgetary comparison schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The budgetary comparison schedule 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, budgetary comparison schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



To the Board of Directors
of the Regional Solid Waste Association
City of Vista, California

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 24, 2014 on our consideration of the RSWA'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 RSWA's internal control over financial reporting and compliance.

Lance, Soll & Loughard, LLP

Brea, California
December 24, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Regional Solid Waste Association (RSWA) has issued its financial statements for the fiscal year ended June 30, 2014, in conformity with the format prescribed by the provisions of Government Accounting Standards Board Statement No. 34 (GASB 34). This report, Management's Discussion and Analysis, is an overview of the financial activities for the fiscal year and is an integral part of the accompanying Basic Financial Statements.

THE BASIC FINANCIAL STATEMENTS

The RSWA has only one fund; therefore the Basic Financial Statements do not reflect the activities of multiple funds. The Basic Financial Statements include the Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position (Income Statement) and Statement of Cash Flows. Together with this report, the Basic Financial Statements provide information about the significant events, assumptions and decisions resulting in the financial performance reflected in those statements.

The Statement of Net Position provides information regarding the assets and liabilities of the RSWA, with the difference between the two reported as "net position".

Statement of Revenues, Expenses and Changes in Net Position (Income Statement) provides information regarding the revenues received by the RSWA and the expenses incurred in carrying out its programs. The ultimate focus of the income statement is the balance of effective current use of funds and planning for the future, as reflected by the change in net position generated for the fiscal year.

The Statement of Cash Flows provides information regarding the sources and uses of the cash which flowed into and out of the RSWA as a result of its operations and financing decisions.

FINANCIAL ACTIVITIES & FISCAL YEAR 2013-2014 HIGHLIGHTS

The Statement of Net Position

The RSWA is a government entity operating as a Joint Powers Agency pursuant to California Government Code Sections 6500 et. seq (the "Joint Exercise of Powers Act"). In 1997, the cities of Del Mar, Encinitas, National City, Poway, Solana Beach and Vista voted to establish the Regional Solid Waste Association as a Joint Powers Agency (JPA). Subsequently, the City of Escondido joined the JPA as a Special Contract Party Member for the purpose of working on regional Household Hazardous Waste issues.

A condensed version of the Statement of Net Position is presented in Table A below along with the changes which occurred between Fiscal Years ending July 30, 2014 and July 30, 2013.

Table A

	2014	2013	Change
Assets:			
Cash and Investments	\$368,400	\$345,789	\$22,611
All Other Assets	22,397	22,491	(94)
Total Assets	\$390,797	\$368,280	\$22,517
Liabilities:			
Accounts payable	\$5,470	\$11,363	\$(1,249)
Total Liabilities	\$5,470	\$11,363	\$(1,249)
Net Position:			
Unrestricted	\$385,327	\$356,917	\$28,410
Total Net Position	\$385,327	\$356,917	\$28,410

The increase in Total Net Position reflects the change in net position for the year.

The Statement of Revenues, Expenses & Changes in Net Position

The RSWA's business is comprised of two major segments:

- Solid Waste Disposal Contract - In July, 2010 the RSWA Board approved an Amendment to the Transfer and Disposal Services Agreement of 1999 and subsequent Memorandum of Understanding between the RSWA and EDCO Disposal Corporation (EDCO) dated January, 2009. In 1999, the RSWA contracted for the long-term disposal of solid waste generated within its member cities and the 2010 Amendment provided an extension to the terms of the Agreement and MOU through June 30, 2027 in consideration of two additional disposal rate freezes - one in fiscal year 2019/2020 and an additional rate freeze in fiscal year 2023/2024. The basic agreement and subsequent amendments have provided substantial disposal fee savings since 1999 which are passed on to the six member cities. The two additional disposal rate freezes approved as part of the July, 2010 Amendment to Agreement will provide additional cumulative savings to the RSWA member cities. The City of Escondido, as a contract member for household hazardous waste programs, does not participate in the solid waste aspects of the JPA or the RSWA disposal fee savings.
- Household Hazardous Waste (HHW) Program - The RSWA provides a multifaceted HHW program through a contract with EDCO, which contracted with Philip Services Corporation (PSC) during Fiscal Year 2011/2012 for the disposal or recycling of all elements of HHW. PSC has since been acquired by Stericycle, Inc. Citizens of the member cities as well as contract cities can utilize either of the two permanent hazardous

waste collection and recycling facilities located in the cities of Poway and Vista, call for door-to-door pickup as well as contract for a special collection event. Since 2008, the RSWA has utilized E-World Recyclers, located in the City of Vista, for the electronic waste recycling portion of the HHW program.

Table B, below, is a condensed version of the Income Statement; it summarizes the Association's revenue and expenses and compares Fiscal Year 2014 results to those of Fiscal Year 2013.

Table B

	2014	2013	Change
Revenues:			
Contractual	\$275,120	\$273,494	\$1,626
Total Revenue	275,120	273,494	1,626
Expenses:			
Salaries	4,500	5,250	(750)
Administrative Services	85,232	97,371	(12,139)
Member Reimbursements	159,630	161,090	(1,460)
Other	742	4,926	(4,184)
Total Expenses	250,104	268,637	(18,533)
Operating Income	25,016	4,857	20,159
Non-Operating Revenues (Expenses):			
Interest income	3,394	3,334	60
Total Non-Operating Revenue	3,394	3,334	60
Change in Net Position	\$28,410	\$8,191	\$20,219

Contractual revenue is the RSWA's primary source of funding. The sources of this revenue include a contract with EDCO and fees collected from nonmember agencies for the use of the RSWA's managed facilities.

Total non-operating revenue increased slightly by \$60.

Total expenses decreased due to a minor drop in overall administrative services expenses.

CAPITAL ASSETS

The RSWA has no capital assets.

DEBT ADMINISTRATION

The RSWA has no debt.

ECONOMIC OUTLOOK

The Fiscal Year 2014/2015 budget reflects a small increase in revenues due to the contractual adjustment provided for in the Agreement for Transfer and Disposal Services between the RSWA and EDCO, as amended in 2010. The budget also once again provides for the dissemination of the Environmental Enhancement Fund checks to each of the cities for individualized environmental programs in those cities. Additionally, the budget provides for on-going maintenance of the website and funding for special projects related to Household Hazardous Waste (HHW) public information initiatives approved by the RSWA Board.

MAJOR INITIATIVES

After the successful pilot HHW education program in Fiscal Year 2010/2011 in the cities of Encinitas and Solana Beach, in Fiscal Year 2011/2012 the RSWA Board instituted an HHW education program to enable all seven of the RSWA cities to participate. Each city was appropriated \$1,000 to use in the most appropriate educational manner in their individual jurisdiction and reported back to the full Board on their program. The emphasis of the funding was to further advance the RSWA "5 Rs" motto: **Rethink, Refuse, Reduce, Reuse and Recycle**.

In Fiscal Year 2013/2014 the RSWA also continued to provide a variety of options for each jurisdiction to choose to make HHW services available to its citizens. Regional options included utilizing either of the two permanent facilities located in Poway and Vista, hosting a special collection event or using the door-to-door collection program either for seniors and disabled and/or the general population. The innovative menu of different options for the citizens to utilize assisted in encouraging the proper disposal of HHW and accomplishing the goal of maximum disposal volume of HHW.

The RSWA, through its HHW programs, addresses a wide range of HHW issues, including disposal/recycling of electronic waste, batteries, fluorescent bulbs and pharmaceutical waste in addition to the traditional HHW issues such as pesticides, paint and used oil.

The major focus and allocation of funds is to the Environmental Enhancement Program, which allows each individual member jurisdiction to target specific environmental needs and utilize the money to fund services such as recycling education, HHW program costs for disposal or litter abatement programs to support National Pollutant Discharge Elimination System (NPDES) related activities. The influx of money allows each city to not only be creative, but to individualize the program to meet the different and specific needs of each jurisdiction.

Due to the successes in numerous RSWA programs, the RSWA receives requests for information from all over the country, as well as assistance in emulating these programs.

The RSWA, in conjunction with EDCO, expanded its commitment for removal of Household Hazardous Waste from the general waste stream through participation in the Paintcare program, through which used paint is dropped off at RSWA Household Hazardous Waste collection

facilities in Poway and Vista and is recycled or disposed of in an environmentally responsible manner. The RSWA was able to accomplish this in a manner resulting in an overall reduction in cost to its HHW facility users.

The following programs were funded by the RSWA for Fiscal Year 2013/2014:

- Environmental Enhancement Program funding of \$120,000 distributed to each of the full member jurisdictions on a pro rata basis to fund programs that meet the individual needs of that municipality
- Provided funding of \$7,000, distributed on the basis of \$1,000 to each of the seven member jurisdictions as part of HHW and the 5 Rs educational outreach program
- The RSWA sponsored Electronic Waste Recycling and HHW Disposal Program for all member jurisdictions

CONTACTING RSWA'S FINANCIAL & GENERAL MANAGEMENT:

Regional Solid Waste Association
C/o City of Vista Finance Department
Dale Nielsen – Director of Finance
200 Civic Center Drive
Vista, CA 92084-6275
Phone: (760) 726-1340 x1023
Fax: (760) 639-6171
Email: dnielsen@cityofvista.com

For General Management Items:

General Manager Thomas F. Nixon can be reached at: (714) 415-1012
Email: tnixon@wss-law.com

REGIONAL SOLID WASTE ASSOCIATION

STATEMENT OF NET POSITION
JUNE 30, 2014

	<u>Primary Government</u>
Assets:	
Cash and investments	\$ 368,400
Accounts receivable	20,247
Prepaid expense	<u>2,150</u>
Total Assets	<u>390,797</u>
 Liabilities:	
Accounts payable	<u>5,470</u>
Total Liabilities	<u>5,470</u>
 Net Position:	
Unrestricted	<u>385,327</u>
Total Net Position	<u><u>\$ 385,327</u></u>

REGIONAL SOLID WASTE ASSOCIATION

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FISCAL YEAR ENDED JUNE 30, 2014

	<u>Primary Government</u>
Operating Revenues:	
Contractual	\$ 275,120
Total Operating Revenues	<u>275,120</u>
Operating Expenses:	
Salaries	4,500
Legal	18,000
Insurance	5,844
Consulting services	45,200
Member reimbursements	159,630
Household hazardous waste program	15,828
Other	<u>1,102</u>
Total Operating Expenses	<u>250,104</u>
Operating Income (Loss)	<u>25,016</u>
Nonoperating Revenues (Expenses):	
Interest revenue	<u>3,394</u>
Total Nonoperating Revenues (Expenses)	<u>3,394</u>
Changes in Net Position	<u>28,410</u>
Net Position:	
Beginning of Year	<u>356,917</u>
End of Fiscal Year	<u>\$ 385,327</u>

REGIONAL SOLID WASTE ASSOCIATION

STATEMENT OF CASH FLOWS
FISCAL YEAR ENDED JUNE 30, 2014

	Primary Government
Cash Flows from Operating Activities:	
Cash receipts	\$ 275,214
Cash paid to suppliers for goods and services	(244,911)
Cash paid to employees for services	(4,500)
Insurance premiums and settlements	(5,844)
Others	(742)
Net Cash Provided (Used) by Operating Activities	19,217
Cash Flows from Investing Activities:	
Interest income	3,394
Net Cash Provided (Used) by Investing Activities	3,394
Net Increase (Decrease) in Cash and Cash Equivalents	22,611
Cash and Cash Equivalents at Beginning of Year	345,789
Cash and Cash Equivalents at End of Year	\$ 368,400
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	\$ 25,016
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:	
(Increase) decrease in accounts receivable	94
Increase (decrease) in accounts payable	(5,893)
Total Adjustments	(5,799)
Net Cash Provided (Used) by Operating Activities	\$ 19,217

REGIONAL SOLID WASTE ASSOCIATION

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

Note 1: Description of Reporting Entity

The Regional Solid Waste Association (RSWA) was formed under California law on September 1, 1997, through a joint powers agreement among the Cities of Del Mar, Encinitas, National City, Poway, Solana Beach and Vista. The primary purposes of RSWA are to provide stable, long-term, cost effective options for all aspects of regional solid waste disposal; to negotiate and enter into contracts for disposal of solid waste as appropriate; to coordinate and develop, as appropriate, all aspects of collecting, disposing, recycling, transferring and regulating solid waste (including but not limited to recyclables and hazardous waste); and exercise of all other appropriate powers reasonably necessary to carry out the mission and purposes of the joint powers agreement. The City of Escondido joined the JPA as a special contract party for the purpose of working on Regional Household Hazardous Waste issues.

Note 2: Summaries of Significant Accounting Policies

The basic financial statements of RSWA have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the RSWA's accounting policies are described below.

a. Basis of Accounting and Measurement Focus

The basic financial statements include a Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows.

These financial statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the Agency's assets and liabilities are included in the accompanying Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position presents changes in 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 fund is accounted for on a cost of services or "economic resources" measurement focus. This means that all assets and liabilities (whether current or noncurrent) associated with the activity are included on the Statement of Net Position. Their reported fund equity presents total net position. The Statement of Revenues, Expenses and Changes in Net Position present increases (revenues) and decreases (expenses) in total net position.

b. Cash and Investments

The RSWA considered all highly liquid investments with maturities of three months or less when purchased to be cash equivalent.

c. Prepaids

Prepaid items consist of goods and or services paid for in the current fiscal year that will not be received until the subsequent fiscal year. These items are accounted for using the consumption method, and accordingly, the expenditure is recorded in the period in which the goods and or services are received.

REGIONAL SOLID WASTE ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2014

Note 2: Summaries of Significant Accounting Policies (Continued)

d. Net Position

In the Statement of Net Position, net position is classified in the following category:

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

Net position flow assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

e. 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.

Note 3: Cash and Investments

Cash and investments reported in the accompanying financial statements consist of the following at June 30, 2014:

Cash Deposits:	
Bank Deposits	<u>\$ 368,400</u>

The RSWA follows the practice of pooling cash and investments with the City of Vista for all funds. Interest income earned on pooled cash and investments is allocated monthly to the various funds based on the average monthly invested cash balance in each participating fund.

At June 30, 2014, all cash and investments of the RSWA were pooled with the City of Vista and they are not presented by specific, identifiable investment securities. Investment policies and associated risk disclosures applicable to the RSWA's funds are those of the City of Vista and are included in the City of Vista's financial statements.

Note 4: Insurance

The RSWA is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the RSWA carries commercial insurance. During the fiscal year 2014, no claims were made against the RSWA.

REGIONAL SOLID WASTE ASSOCIATION

BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2014

	Budgeted Amount			Variance Positive (Negative)
	Original	Final	Actual	
Revenues:				
Contractual	\$ 264,510	\$ 264,510	\$ 275,120	\$ 10,610
Interest revenue	3,000	3,000	3,394	394
Total Revenues	267,510	267,510	278,514	11,004
Expenses:				
Salaries	10,000	10,000	4,500	5,500
Legal	18,000	18,000	18,000	-
Insurance	5,500	5,500	5,844	(344)
Consulting services	44,950	44,950	45,200	(250)
Member reimbursements	159,630	159,630	159,630	-
Household hazardous waste program	11,600	11,600	15,828	(4,228)
Other	12,500	12,500	1,102	11,398
Total Expenses	262,180	262,180	250,104	12,076
Changes in Net Position	\$ 5,330	\$ 5,330	28,410	\$ 23,080
Net Position:				
Beginning of Year			356,917	
End of Fiscal Year			<u>\$ 385,327</u>	

REGIONAL SOLID WASTE ASSOCIATION

NOTES TO SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2014

Note 1: Economic Dependency

Contractual revenue is the RSWA's primary source of funding. The sources of this revenue include a contract with EDCO Recycling and Waste Collection Services and fees collected from non-member agencies for the use of the RSWA's managed facilities.

Note 2: Member Reimbursements

A summary of the member reimbursement for the year ended June 30, 2014, follow:

Members	Reimbursements	Percentage
Environmental Enhancement Payments:		
City of Del Mar	\$ 3,240	2.7%
City of Encinitas	28,800	24.0%
City of National City	18,120	15.1%
City of Poway	22,680	18.9%
City of Solana Beach	6,840	5.7%
City of Vista	40,320	33.6%
Total	120,000	100.0%
Tonnage Reimbursement Payments:		
City of Poway	22,320	56.3%
City of National City	17,310	43.7%
Total	39,630	100.0%
Total Reimbursements	\$ 159,630	

Note 3: Budgetary Information

The RSWA adheres to the following general procedures in establishing the budgetary data reflected in the financial statements:

The annual budget adopted by the RSWA includes proposed expenditures and estimated revenues for the Operating Fund.

The budget is formally integrated into the accounting system.

The budget for the Operating Fund is adopted on a basis consistent with generally accepted accounting principles. The accrual basis of accounting is employed in the preparation of the budget.