Annual Financial Report
June 30, 2024 and 2023

Monterey Regional Waste Management District

Monterey Regional Waste Management District

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Board of Directors

for the Year Ended
June 30, 2024

Member	Office	Representing	Term Expires
Kim Shirley	Chair	Del Rey Oaks	December 2024
Bruce Delgado	Vice Chair	Marina	December 2024
Bill Peake	Director	Pacific Grove	November 2026
Peter McKee	Director	Pebble Beach Community Services District	December 2026
Kim Barber	Director	Monterey	December 2026
Karen Ferlito	Director	Carmel By The Sea	December 2023
Jerry Blackwelder	Director	Sand City	December 2024
Alexis Garcia-Arrazola	Director	Seaside	December 2024
Wendy Root Askew	Director	County of Monterey	
Felipe Melchor	General Manager/ Secretary of the Board		

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report

To the Board of Directors
Monterey Regional Waste Management District
Marina, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities of the Monterey Regional Waste Management District (District), as of and for the year ended June 30, 2024, and June 30, 2023 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Monterey Regional Waste Management District, as of June 30, 2024, and June 30, 2023 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.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in the net pension liability and related ratios, schedule of pension plan contributions, and schedule of changes in the district's total OPEB liability and related ratios be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining schedule of net position, the combining schedule of revenues, expenses and changes in net position, and schedule of revenues, expenses, and changes in net position actual to budget are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information 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. The 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 GAAS. In our opinion, the combining schedule of net position, the combining schedule of revenues, expenses and changes in net position, and schedule of revenues, expenses, and changes in net position actual to budget are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Eide Bailly LLP

Menlo Park, California
February 15, 2025

This section of Monterey Regional Waste Management District's (District) annual financial report presents a discussion and analysis of the District's performance during the fiscal year that ended June 30, 2024 and June 30, 2023. Please read it in conjunction with the District's financial statements, which follow this section.

The District was formed in 1951 under the California Health and Safety Code. The primary purpose of the District is to dispose of solid waste in the Monterey Peninsula area. The District's role has expanded to include the recovery of recyclable materials in the waste stream (cardboard, newspaper, glass, wood waste, plastic, metals, concrete, asphalt, reusable building materials and resale items) and to receive non-hazardous liquid wastes. In addition, the District operates a landfill gas to electrical energy system, with capacity to generate about 5,000 kilowatts of continuous power. The District also accepts household hazardous waste.

The Monterey Regional Waste Management Authority (Authority) was formed pursuant to the provisions of the Government Code of the State of California and a Joint Powers Agreement (JPA), dated April 1, 1993, by and between the cities of Carmel-by-the-Sea, Del Rey Oaks, Marina, Monterey, Pacific Grove, Sand City and Seaside. During the fiscal year ending June 30, 1996, the Pebble Beach Community Services District also became a member of the Authority. During the fiscal year ending June 30, 2015, Monterey County also became a member of the Authority. The Authority was formed to assist in the financing of public capital improvements, such as the design, acquisition and construction of additions, betterments, and improvements to the District's facilities.

Accounting principles generally accepted in the United States of America require that these financial statements present the District (the primary government) and its component units. The Authority is included in the District's financial statements because of its significant financial relationship to the District.

Financial Highlights

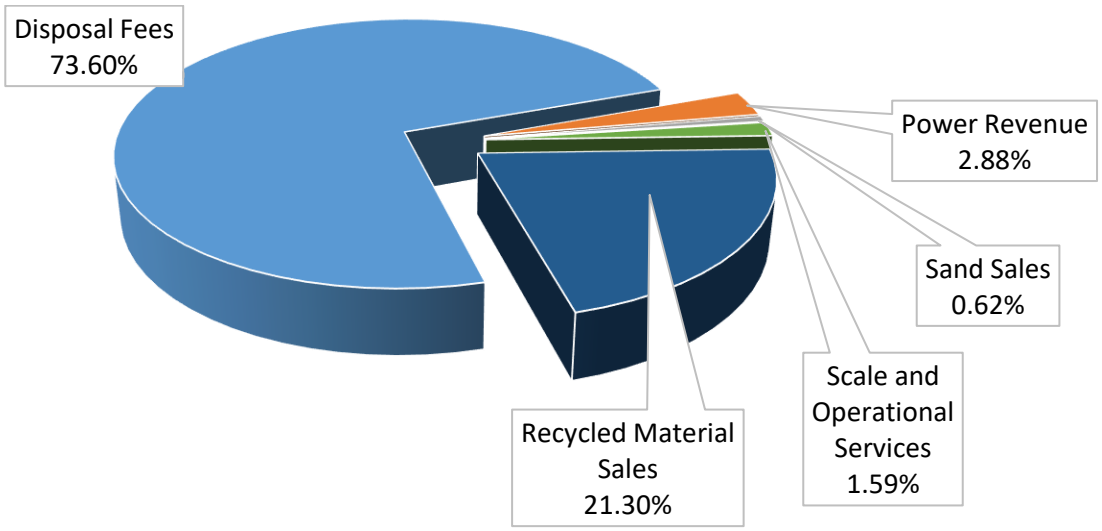
Fiscal Year 2023-2024

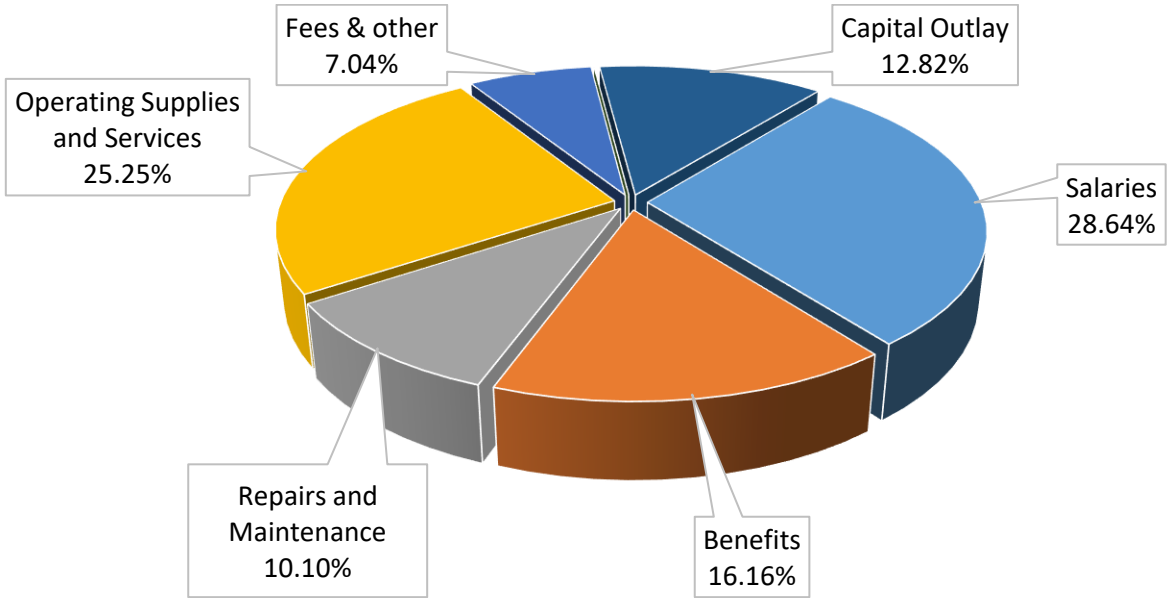
- Operating revenues increased by 4.2 percent, reaching $51.7 million, while operating expenses rose by 19.9 percent, totaling $48.9 million.
- The capital outlay for buildings, equipment, and infrastructure amounted to $16.39 million.
- Operating revenues exceeded the budgeted figures by $607 thousand, whereas operating expenses surpassed the budgeted amounts by $6.8 million. Additionally, non-operating revenues and expenses were above the projected levels by $754 thousand.

Fiscal Year 2022-2023

- Operating revenues increased by 8.7 percent, reaching $49.6 million, while operating expenses rose by 18.8 percent, amounting to $40.78 million. Capital expenditures for buildings, equipment, and infrastructure totaled $6.8 million.
- Operating revenues exceeded the budgeted expectations by $1.3 million, whereas operating expenses surpassed the budgeted amounts by $3.9 million. Additionally, non-operating revenues and expenses were below the anticipated levels by $3.0 million.

The following figures show the District's sources of revenues and areas of expenditures for fiscal year 2024:





Overview of the Financial Statements

This financial report consists of five parts: management's discussion and analysis (this section), the basic financial statements, the notes to the financial statements, required supplementary information and other supplementary information.

The financial statements provide both long-term and short-term information about the District's financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of schedules of required supplementary information and a section of other supplementary information that further explains and supports the information in the financial statements.

The District's financial statements are prepared on an accrual basis in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. Under this basis of accounting, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, and depreciation of assets is recognized in the statement of revenues, expenses, and changes in net position. All assets and liabilities associated with the operation of the District are included in the statement of net position.

Net Position

Fiscal Year 2023-2024

The statement of net position, which represents the difference between the District's assets and liabilities, serves as an indicator of the District's financial health or standing. Net position is categorized into three classifications: invested in capital assets – net of debt, restricted, and unrestricted. The category "invested in capital assets – net of related debt" encompasses the cost of the District's buildings, equipment, and infrastructure, after accounting for accumulated depreciation and any remaining debt on these assets. Restricted assets refer to the funds that the District is obligated to allocate for landfill closing/cleanup reserves and the procurement of capital assets.

The District's total net position as of June 30, 2024, was $76.49 million, reflecting a 4.3 percent increase of $3.14 million compared to June 30, 2023 (See Table A-1). This increase in total net position is primarily due to a 5.6 percent or $2.0 million rise in Disposal Fees and a 13.1 percent increase in recycled material revenue. Total assets and deferred outflows rose by 3.2 percent to $155.5 million. Total liabilities and deferred inflows increased by 2.1 percent to $78.99 million.

Fiscal Year 2022-2023

The statement of net position, the difference between the District's assets and liabilities, is one way to measure the District's financial health or position. Net position is reported in three categories: Invested in capital assets – net of debt, restricted and unrestricted. Invested in capital assets – net of related debt is the cost of the District's buildings, equipment, and infrastructure after deducting accumulated depreciation and debt still owed on these assets. Restricted assets are the funds the District is required to set aside for landfill closing/cleanup reserves and the acquisition of capital assets

The District's total net position at June 30, 2023 was $73.35 million, a 16.3 percent increase of $10.3 million over net position at June 30, 2022 (See Table A-1). Much of the increase in total net position is attributable to a 23.0 percent or $6.7 million increase of Disposal Fees, a 33.2 percent or $0.7 million increase of Power Sales. Total assets and deferred outflows increased by 9.2 percent to $150.7 million. Total liabilities and deferred inflows increased by 2.13 percent to $79.0 million.

Table A-1
Net Position
(in thousands of dollars)

				Change	
	2024	2023	2022	2024 to 2023	2023 to 2022
Current Assets	$ 44,898	$ 49,805	$ 45,162	-9.9%	10.3%
Restricted Assets	6,013	6,013	2,500	0.0%	140.5%
Lease Receivables	1,642	1,900	2,140	-13.6%	-11.2%
Deposits	155	155	155	0.0%	0.0%
Capital Assets–Net	94,863	84,656	82,991	12.1%	2.0%
Intangible Assets–Net	25	41	57	-39.0%	-28.1%
Total assets	147,596	142,570	133,005	3.5%	7.2%
Deferred Outflows	7,890	8,130	5,003	-3.0%	62.5%
Total assets and deferred outflows	$ 155,486	$ 150,700	$ 138,008	3.2%	9.2%
Current Liabilities	$ 11,809	$ 8,700	$ 7,483	35.7%	16.3%
Non–Current Liabilities	21,921	21,424	13,842	2.3%	54.8%
Revenue Bonds Payable	37,746	40,537	43,328	-6.9%	-6.4%
Estimated Closure/Post Closure Costs	4,749	4,180	3,528	13.6%	18.5%
Total liabilities	76,225	74,841	68,181	1.8%	9.8%
Deferred Inflows	2,769	2,506	6,766	10.5%	-63.0%
Total liabilities and deferred inflows	$ 78,994	$ 77,347	$ 74,947	2.1%	3.2%
Net Position					
Invested in Capital Assets - Net of Debt	54,372	41,115	36,491	32.2%	12.7%
Restricted	6,013	6,013	2,500	0.0%	140.5%
Unrestricted	16,108	26,225	24,070	-38.6%	9.0%
Total net position, as restated	76,493	73,353	63,061	4.3%	16.3%
Total liabilities, deferred inflows, and net position	$ 155,487	$ 150,700	$ 138,008	3.2%	9.2%

Revenues, Expenses and Changes in Net Position

Fiscal Year 2023-2024

Operating revenues increased by 4.2 percent to $51.76 million (See Table A-2). Significant impacts on District revenues include:

- Revenues from disposal fees rose by 5.6 percent, attributable to a 7% increase in disposal fee rates and a higher volume of materials from within and outside of Monterey County.
- Power revenue declined by 46.9 percent due to reduced operating time of the power generating engines.
- Sales of recycled materials increased by 13.1 percent due to higher commodity prices. CRV rebate values accounted for 39.8 percent of total MRF revenue.

Operating expenses saw a 20 percent increase. Salaries grew by 11.8 percent, while benefits rose by 17.2 percent due to the addition of employees and increased costs of benefits (health insurance, pension, and OPEB). Recycling expenses climbed by 37.9 percent or $1.29 million due to higher volumes of contractor services related to yard waste, wood waste, food waste, and increased processing costs. Contractual services decreased by 19.1 percent or $266 thousand, primarily due to a reduction in temporary staffing costs. Other costs in this category include janitorial services, alarm services, pest control, and portable toilet rentals. Operating supplies expenses increased by 21.0% or $303 thousand due to higher site maintenance and improvement costs, as well as increased tools and equipment rental expenses during the current year.

Fiscal Year 2022-2023

Operating revenues increased by 8.7 percent to $49.6 million (See Table A-2). Some of the major impacts on District revenues are from:

- Revenues from disposal fees increased by 23.0 percent due to a 7% rate increase in disposal fees and increase in material volumes originating from within and outside of Monterey County.
- Power revenue increased by 33.2 percent due to the increase of the surplus power sold in the grid.
- Recycled material sales decreased by 26.3 percent due to the due to lower prices of commodities and the elimination of residual disposal fees. CRV rebates values represent 42.3 percent of total MRF revenue.

Operating expenses increased by 18.8 percent. Salaries increased by 13.2 percent. Benefits increased by 28.2 percent due to the increase in the number of employees and the cost of the benefits (pension and OPEB).

Recycling expenses increased by 80.9 percent or $1.5 million due to a higher volume of contractor services performed related to yard waste, wood waste, and food waste. Contractual services also increased by 92.0 percent or $0.6 million primarily due to the increase in the temporary staffing cost. Other costs under this category include janitorial services, alarm services, bird and other pest control, and portable toilet rental. Operating supplies, services and other expenses increased by 36.4% or 2.24 million due to the increase in site maintenance and improvement costs and in the tools and equipment rental expenses in the current year.

Table A–2
Revenues, Expenses and Changes in Net Position
(in thousands of dollars)

	2024	2023	2022	Change 2024 to 2023	Change 2023 to 2022
Operating Revenues					
Disposal fees	$ 38,093	$ 36,077	$ 29,330	5.6%	23.0%
Power sales	1,492	2,809	2,109	-46.9%	33.2%
Recycled material sales	11,026	9,751	13,231	13.1%	-26.3%
Landscape product sales	-	-	-	0.0%	0.0%
Scale and operational services	824	775	748	6.3%	3.6%
Sand sales	322	236	243	36.4%	-2.9%
Total operating revenues	51,757	49,648	45,661	4.2%	8.7%
Operating Expenses					
Salaries	12,660	11,323	10,001	11.8%	13.2%
Employee benefits	7,143	6,096	4,755	17.2%	28.2%
Depreciation and amortization	5,667	5,199	5,310	9.0%	-2.1%
Recycling	4,706	3,412	1,886	37.9%	80.9%
Repairs and maintenance	4,463	3,341	3,372	33.6%	-0.9%
Operating supplies, services and other expenses	11,160	8,408	6,166	32.7%	36.4%
Taxes, licenses and permits	1,445	1,303	1,408	10.9%	-7.5%
Professional services	1,098	1,043	964	5.3%	8.2%
Closure/post closure costs	569	652	467	-12.7%	39.6%
Total operating expenses	48,911	40,777	34,329	19.9%	18.8%
Operating Income	2,846	8,871	11,332	-67.9%	-21.7%
Non-Operating Revenues (Expenses)					
Interest income	941	598	121	57.4%	394.2%
Other revenue (expenses)	598	2,156	761	-72.3%	183.3%
Interest Expense-Revenue Bonds and Financed Purchase	(1,245)	(1,332)	(1,891)	-6.5%	-29.6%
Total non-operating revenues (expenses)	294	1,422	(1,009)	-79.3%	-240.9%
Change in Net Position	3,140	10,293	10,323	-69.5%	-0.3%
Total net position - beginning of year	73,353	63,060	52,738	16.3%	19.6%
Total net position - end of year	$ 76,493	$ 73,353	$ 63,061	4.3%	16.3%

Operating Revenue and Expenses by Department

Fiscal Year 2023-2024

- Administration and organization encompass senior management, administrative, accounting, and engineering staff, along with supplies and services used throughout the organization, such as the computer network and telephone systems.
- Household hazardous waste (HHW) revenue is derived from charges to small quantity generators.
- Operating expenses cover all costs associated with the receipt, diversion, and disposal of material from district and regional customers, as well as the landfill gas operation. The District incurs costs for air emission testing and compliance requirements for the landfill gas power operations. The District's operations benefit from electricity generated by the landfill gas power operations and revenue generated from the sale of excess power.
- Revenue for the Materials Recovery Facility (MRF) includes processing fees for single stream material, construction and demolition material, and green waste diverted at the facility, in addition to revenues from sales of recycled materials, scrap metal, and CalRecycle CRV refund claims.
- Disposal fees consist of the revenue generated at the Scales.

Fiscal Year 2022-2023

- Administration/organization includes senior management, administrative, accounting and engineering staff, along with organization-wide supplies and services, such as the computer network and telephone systems.
- Household hazardous waste (HHW) revenue is from charges for small quantity generators.
- Operating expenses includes all expenses related to the receipt, diversion and disposal of material from district and regional customers and the landfill gas operation. The District continues to incur expenses for air emission testing and compliance requirements for the landfill gas power operations. The District operations benefit from "free electricity" and the revenue from the sale of excess power generated by the landfill gas power operations.
- The revenue for the Materials Recovery Facility (MRF) includes the processing fees for single stream material, construction and demolition material, and green waste diverted at the facility, along with the revenues for sales of recycled materials, scrap metal and the revenue from CalRecycle CRV refund claims.
- Disposal fees are comprised of the revenue generated at the Scales.

Budget Highlights

Fiscal Year 2023-2024

The District's operating revenues of $51.8 million were $0.6 million above budget and non-operating revenue was $0.3 million above budget amounts. The operating revenue increase resulted primarily from 6% percent increase in disposal fees rate. Power sales were 47.0-percent below budget due to lower runtime for the power generating machinery.

- Operating expenses of $48.9 million were $1.8 million above budget. Salary expenses and benefits are $0.8 above budget due to the rise in health insurance costs and benefits costs. Recycling costs were $1.5 million above budget due to increased volume of wood waste processing and higher wood waste processing fees. Repairs and maintenance costs are $1.0 million over budget due to higher maintenance costs in the LFG facility. There were several items under budget: professional services - $0.08 million; Taxes, licenses and permits - $0.1 million; public awareness - $0.3 million depreciation and amortization - $0.3 million; fuel costs - $0.3 million; environmental services - $0.4 million. Other categories over budget were environmental services - $1.7 million; outside services - $0.3 million.

Fiscal Year 2022-2023

The District's operating revenues of $49.6 million were $1.3 million above budget and non-operating revenue was $3.0 million above budget amounts. The revenue increase resulted primarily from 7 percent increase in disposal fees rate. Power sales were 56.0 percent above budget due to higher runtime for the power generating machinery.

Operating expenses of $40.7 million were $3.9 million above budget. Salary expenses and benefits are $1 million above budget due to the rise in health insurance costs and benefits costs. Recycling costs were $1.2 million above budget due to increased volume of wood waste processing. Revised closure/post closure maintenance plans have been being submitted as part of the 5-year permit review process. The plans have not been approved and the higher of the previous approved or submitted costs were used to calculate the closure/post closure costs. (see Note 6). There were several items under budget: professional services - $0.08 million; Taxes, licenses and permits - $0.1 million; repairs & maintenance – 0.1 million; public awareness - $0.4 million. Other categories over budget were; depreciation and amortization - $0.7 million; fuel costs - $0.4 million; environmental services - $0.4 million.

Capital Assets and Debt Administration

Capital Assets

On June 30, 2024, the District's capital assets totaled $94.89 million, net of accumulated depreciation. (See Table A-3). The increase of $10.19 million is mostly due to capital acquisitions for the site recycling facility.

Table A–3
Capital Assets
(net of depreciation, in thousands of dollars)

	2024	2023	2022	Change 2024-23	Change 2023-22
Land	$ 578	$ 578	$ 578	0.0%	0.0%
Facilities and Infrastructure	21,372	19,693	20,440	8.5%	-3.7%
Right-to-use lease, Equipment	-	2	6	-100.0%	-66.7%
Equipment	38,011	36,734	35,596	3.5%	3.2%
Power Project	10,879	11,011	11,016	-1.2%	0.0%
Module Development	24,023	16,638	15,355	44.4%	8.4%
Intangible Assets	25	41	57	-39.0%	-28.1%
Construction in Progress	-	-	-	0.0%	0.0%
	$ 94,888	$ 84,697	$ 83,048	12.0%	2.0%

Fiscal year 2023-2024 major capital asset additions include:

- $2,085,117 for Caterpillar dozer.
- $588,348 for Caterpillar loader.
- $1,059,191 for Caterpillar ejector truck.
- $1,573,854 for MRF tip floor resurfacing.
- $5,633,233 for Module 7 development.

Fiscal year 2022-2023 major capital asset additions include:

- $849,273 for Ejector Truck.
- $420,225 for Wheel Loader.
- $574,996 for MRF Loader.
- $369,357 for CNG Water Truck.

Debt Administration

On November 7, 2018, through the bond underwriter, the District issued $22,970,000 in 2018 Series A and Series B Integrated Waste Management Revenue Bonds to fund the design, acquisition, and construction of improvements to the Monterey Peninsula Landfill and paying costs of issuance related to the sale and delivery of the Series 2018 Bonds. Through the bond trustee, the District continues to make its regularly scheduled payments on the 2018 Series A and B Integrated Waste Management Revenue Bonds. During 2024, principal payments of $905,000 were made, leaving a balance of $18,595,000. The District was in compliance with the bond covenants at June 30, 2024 and 2023.

Bond Rating - In November 2021, Standard and Poor's assigned the Series 2021 Bonds the rating of AA - and view the outlook as stable.

On December 14, 2021, through the bond underwriter, the District issued $24,910,000 in 2021 Integrated Waste Management Authority Refunding Revenue Bonds to refund the Authority's Integrated Waste Management System Revenue Bonds Series 2015A (Non-AMT) and Integrated Waste Management System Revenue Bonds Series 2015B (AMT) and pay the costs of issuance related to the issuance and sales of the Series 2021 Bonds. Through the bond trustee, the District made regularly scheduled payments on the 2021 Integrated Waste Management Refunding Revenue Bonds. During 2024, principal payments of $1,805,000 were made, leaving a balance of $19,715,000. The District was in compliance with the bond covenants at June 30, 2024 and 2023.

Bond Rating – In December 2021, Standard and Poor's assigned the Series 2021 Bonds the rating of AA+ and view the outlook as stable.

Economic Factors and Next Year's Budget and Rates

Estimates of revenues are $51.15 million. This is an increase of $2.77 million (5.7%) compared to the FY2022/23 Budget and is due to the following factors:

- $6.41 million increase (19.3%) in disposal fees, due to a 5% increase in disposal fees and increase in material volumes originating from within and outside of Monterey County.
- $4.73 million decrease (38.1%) in MRF revenues, including commodities sales, processing fees and CRV revenue due to lower commodity prices.
- $1.1 million increase (60.0%) in projected power revenue resulting from a recalibration of estimates to align more accurately with recent experiences.

Operating Expenses for FY2023/24 are projected to be $42.1 million. This is an increase of $5.3 million (14.4%) from the FY2022/23 Budget. Personnel expenses increase by $2.5M (15.5%). Non-personnel expenses are projected to increase $2.75 million or 13.5% compared to the FY2022/23 Budget.

Non-Operating Revenues/Expenses for FY2023/24 equals $0.46 million, which includes interest expense on the 2018 and 2021 Revenue Bonds at $1.27 million, and income from leases, investments, and other charges equal to $0.8 million.

Capital Spend requests for FY2023/24 equals $22.14 million, a decrease of $0.55 million from the FY2022/23 Budget. Mobile Equipment investments for the year include the replacement of a 2001 Cat 627G T2 scraper ($1.2 million), replacement of a 2002 John Deere T3 loader ($0.35 million). Capital Improvement projects include M1W-AWPF power connection ($3.5 million), development work on landfill Module 7 ($4.2 million) and roadway paving and improvements ($2.25 million), Scale house additions including modifications to meet ADA standards ($1.0 million), MRWMD-M1W joint agency microgrid ($0.9 million), improvements to the compost site ($1.0 million), equipment additions at the MRF ($0.85 million), improvements to the LFG management system ($0.75 million).

Net Income is projected at $8.56 million.

Cash provided by operations for FY2023/24 is estimated at $14.08 million (Net Income less Depreciation and Amortization and Closure/Post Closure Costs). Unrestricted Cash Reserves are projected to total $15.28 million, which is made up a Cash Operating Expense Reserve of $7.32 million, and an additional, undesignated balance of $8.0 million. The District will meet the 20% operating expense reserve in FY2023/24 that has been established by the District.

The Bond Debt Service

The debt service Ratio calculated for FY2023/24 is 3.46, which is above the Bond Covenant of 1.25.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, customers, bondholders, and other interested parties with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact Helen Rodriguez, Director of Finance and Administration, at (831) 264–6906.

	2024	2023
Assets and Deferred Outflows		
Current Assets		
Cash and investments (Note 3)	$ 36,689,865	$ 42,485,419
Accounts receivable, net	5,042,732	4,698,959
Accrued interest receivable	247,234	150,813
Other receivables	526,950	273,023
Lease receivables	257,404	239,847
Prepaid expenses	2,134,228	1,956,732
Total current assets	44,898,413	49,804,793
Noncurrent Assets		
Restricted cash and investments (Note 3)	6,013,000	6,013,000
Lease receivables	1,642,243	1,899,648
Deposits	155,000	155,000
Capital assets, net (Note 4)	94,888,080	84,697,265
Total noncurrent assets	102,698,323	92,764,913
Total assets	147,596,736	142,569,706
Deferred Outflows of Resources		
Unamortized loss on refunding of debt	1,155,205	1,270,725
Pension related amounts (Note 6)	6,151,707	6,209,098
OPEB related amounts (Note 7)	583,334	650,558
Total deferred outflows of resources	7,890,246	8,130,381
Total assets and deferred outflows of resources	$ 155,486,982	$ 150,700,087

	2024	2023
Liabilities Deferred Inflows and Net Position		
Current Liabilities		
Accounts payable	$ 7,755,849	$ 4,008,067
Security deposits	50,267	50,564
Lease payable	-	2,885
Compensated absences	460,112	335,644
Accrued State/County waste management fees	204,095	298,278
Payroll and payroll liabilities	-	400,160
Interest payable	324,421	348,888
Current portion of the total OPEB liability (Note 7)	244,273	213,476
Current portion of revenue bonds payable (Note 8)	2,770,000	2,789,773
Current portion of installment sale obligation (Note 9)	-	252,342
Total current liabilities	11,809,017	8,700,077
Noncurrent Liabilities		
Compensated absences	655,582	655,582
Net pension liability (Note 6)	18,487,113	17,413,477
Total OPEB liability (Note 7)	2,778,589	3,354,722
Revenue bonds payable, net (Note 8)	37,745,723	40,537,116
Landfill closure and post closure care (Note 5)	4,748,819	4,180,022
Total noncurrent liabilities	64,415,826	66,140,919
Total liabilities	76,224,843	74,840,996
Deferred Inflows of Resources		
Pension related amounts (Note 6)	73,092	102,328
OPEB related amounts (Note 7)	1,015,530	450,612
Leases related amounts	1,680,197	1,952,662
Total deferred inflows of resources	2,768,819	2,505,602
Total liabilities and deferred inflows of resources	78,993,662	77,346,598
Net Position		
Net investment in capital assets	54,372,357	41,115,149
Restricted for		
Capital reserve	3,513,000	3,513,000
Landfill closure	2,500,000	2,500,000
Unrestricted net position	16,107,963	26,225,340
Total net position	$ 76,493,320	$ 73,353,489

Monterey Regional Waste Management District

Statement of Revenues, Expenses and Changes in Net Position

Years Ended June 30, 2024 and 2023

	2024	2023
Operating Revenues		
Disposal fees	$ 38,093,456	$ 36,076,916
Power sales	1,491,999	2,808,825
Recycled material sales	11,025,661	9,751,080
Scale and operational services	823,637	775,222
Sand sales	322,394	236,059
Landscape product sales	308	56
Total operating revenues	51,757,455	49,648,158
Operating Expenses		
Salaries	12,659,876	11,322,501
Employee benefits	7,143,017	6,096,471
Depreciation and amortization	5,666,636	5,199,161
Recycling	4,706,096	3,411,848
Taxes, licenses and permits	1,445,116	1,303,370
Repairs & Maintenance	4,463,240	3,340,832
Professional services	1,097,816	1,042,955
Fuel	2,084,141	1,598,759
Contractual services	1,126,107	1,392,451
Operating supplies	1,744,375	1,441,305
Landfill closure and post closure care costs	568,797	651,826
Insurance	1,454,566	1,133,886
Public awareness	163,240	69,455
Office	653,090	498,226
Safety equipment and supplies	302,313	248,070
Education, meetings and travel	150,228	201,907
Hazardous waste program	370,770	300,719
Environmental services	2,852,171	1,301,033
Utilities	195,666	173,528
Miscellaneous	63,809	48,590
Total operating expenses	48,911,070	40,776,893
Operating income	2,846,385	8,871,265

	2024	2023
Operating Income	2,846,385	8,871,265
Nonoperating Revenues (Expenses)		
Interest income	$ 940,653	$ 598,282
Rents and leases	325,334	324,059
Gain on sale of capital assets - net	265,930	-
Interest expense - revenue bonds and financed purchase	(1,244,938)	(1,332,164)
Other income (expense)	6,467	1,831,982
Total non-operating revenues (expenses)	293,446	1,422,159
Change in Net Position	3,139,831	10,293,424
Net Position, Beginning of Year	73,353,489	63,060,065
Net Position, End of Year	$ 76,493,320	$ 73,353,489

	2024	2023
Cash Flows from Operating Activities		
Cash received from customers	$ 51,159,755	$ 50,305,630
Cash payments to employees for services	(18,889,988)	(16,644,991)
Cash payments to suppliers of goods or services	(19,432,440)	(16,783,748)
Cash received from rents and leases	325,334	324,059
Other operaing cash inflows	6,467	1,831,982
Net cash provided by operating activities	13,169,128	19,032,932
Cash Flows from Capital and Related Financing Activities		
Payments for capital acquisitions	(15,741,931)	(6,735,879)
Principal payments for financed purchase of capital assets	(252,342)	(244,281)
Proceeds from disposition of capital assets	265,930	-
Principal paid on revenue bonds	(2,811,166)	(2,726,433)
Interest and other fees paid on revenue bonds and financed purchase	(1,269,405)	(1,353,230)
Net cash used for capital and related financing activities	(19,808,914)	(11,059,823)
Cash Flows from Investing Activities		
Investment income	844,232	464,905
Net cash provided by investing activities	844,232	464,905
Net change in cash and cash equivalents	(5,795,554)	8,438,014
Cash and cash equivalents, beginning of year	48,498,419	40,060,405
Cash and cash equivalents, end of year	$ 42,702,865	$ 48,498,419

	2024	2023
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating Income	$ 2,846,385	$ 8,871,265
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation and amortization	5,666,636	5,199,161
Differences between operating income	331,801	2,156,041
Landfill closure and post closure care	568,797	651,826
Changes in assets, liabilities, deferred inflows and outflows		
Accounts payable	3,747,782	975,727
Accounts receivable	(343,773)	567,668
Lease receivables	239,848	223,441
Accrued compensated absences	124,468	103,905
Accrued payroll and payroll liabilities	(400,160)	64,611
Accrued State/County waste management fees	(94,183)	24,823
Deferred outflows - OPEB	67,224	67,224
Deferred outflows - pension	57,391	(3,310,156)
Net pension liability	1,073,636	7,723,448
Other receivables	(253,927)	89,804
Prepaid expenses	(177,496)	(225,775)
Security deposits	(297)	(1,608)
Lease payable	(2,885)	(957)
Deferred inflow-Pension	(29,236)	(3,969,419)
Deferred inflow-OPEB	564,918	(18,194)
Deferred inflow-Leases	(272,465)	(272,465)
Total other postemployment benefits liability	(545,336)	112,562
Total reconciling adjustments	10,322,743	10,161,667
Net cash provided by operating activities	$ 13,169,128	$ 19,032,932
Reconciliation of Cash and Cash Equivalents to The Statement of Net		
Demand Deposits with Financial Institutions	$ 19,316,698	$ 25,971,237
Investments Treated like Demand Deposits	23,386,167	22,527,182
Total cash and cash equivalents, end of year	42,702,865	48,498,419
The amounts are classified as follows		
Cash and Investments - Classified as Unrestricted	$ 36,689,865	$ 42,485,419
Cash and Investments - Classified as Restricted	6,013,000	6,013,000
Total deposits and investments, Statement of Net Position	$ 42,702,865	$ 48,498,419
Supplemental Disclosures		
Noncash investing and financing activities		
Change in fair market value of investments	(341,771)	(285,084)

Note 1 - Description of Entity

Reporting Entity – The Monterey Regional Waste Management District (District), was formed in 1951 under the California Health and Safety Code. The primary purpose of the District is to dispose of solid waste in the Monterey Peninsula area. The District's role has expanded to include the recovery of recyclable materials in the waste stream (cardboard, newspaper, glass, wood waste, plastic, metals, concrete, asphalt, reusable building materials and resale items) and to receive nonhazardous liquid wastes. In addition, the District operates a landfill gas to electrical energy system which generates more than 5,000 kilowatts of continuous power. The accompanying financial statements conform to generally accepted accounting principles as applicable to governments.

The District is governed by a nine-member board made up of representatives from the following entities: City of Carmel-by-the-Sea, City of Del Rey Oaks, City of Marina, City of Monterey, City of Pacific Grove, City of Sand City, City of Seaside, Pebble Beach Community Services District, and the unincorporated area representing the western portion of Monterey County.

The Monterey Regional Waste Management Authority (component unit of the District) was formed pursuant to the provisions of the Government Code of the State of California and a Joint Powers Agreement, dated April 1, 1993, by and between the City of Carmel-by-the-Sea, City of Del Rey Oaks, City of Marina, City of Monterey, City of Pacific Grove, City of Sand City and City of Seaside. During the fiscal year ended June 30, 1996, the Pebble Beach Community Services District also became a member of the Authority. The Authority was formed to assist in the financing and public capital improvements, such as the design, acquisition and construction of additions, betterments, and improvements to the District's facilities.

The Authority has issued revenue bonds to finance the capital improvements and will maintain the debt from the revenue bonds on its books. The District has received ownership of the constructed assets and will maintain these assets on its books. In consideration for these assets, the District has pledged its revenue to the Authority, in sufficient amounts to pay the principal and interest payments of the revenue bonds. The Bank of New York Mellon Trust Company (Trustee) is described in the Integrated Waste Management Improvement Agreement and the Trust Agreement by and between the Authority, the District, and the Trustee.

The accompanying financial statements present the activities of the District and its component unit, the Authority, a legally separate organization for which the District is financially accountable. The governing board of the District serves as the governing board of the Authority. The Authority exists solely to finance the acquisition and construction of equipment and facilities for the District. The Authority is so intertwined with the District that it is, in substance, the same as the District and, therefore, is reported as a blended component unit of the District.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation and Accounting – Enterprise funds are financed in whole or in part by fees charged to external parties and are accounted for in an enterprise fund. Enterprise funds maintain their records using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the related liability is incurred, regardless of the timing of the cash flows.

The statement of net position and the statement of revenues, expenses, and changes in net position displays information about the primary government (District) and its component unit (Authority). Eliminations have been made to minimize the double counting of activities between the entities.

Operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the District. Exchange transactions are those in which each party receives and gives up essentially equal values.

Net Position – The District's net position is required to be classified for accounting and reporting purposes into the following categories:

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

Restricted – This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation, that restrict the use of net position.

Unrestricted – This component of net position consists of assets that do not meet the definition of “restricted” or “net investment in capital assets.”

Cash and Cash Equivalents – The District’s cash and cash equivalents are considered to be cash on hand, demand deposits, and the Local Agency Investment Fund (LAIF).

Investments – The District records its investments at fair market value. Changes in fair market value are reported as revenue in the statement of revenues, expenses, and changes in net position. Fair market value of the LAIF is determined by the sponsoring government based on quoted market prices. The District’s investments in LAIF are valued based on the relative fair value of the entire pool to the pool’s amortized cost.

Accounts Receivable – Accounts receivable are composed of amounts due from customers for tipping fees. At June 30, 2024 and 2023, the balances are shown net of the allowance for uncollectible accounts of $10,892 and $10,892, respectively. The District used the allowance method to account for uncollectible accounts receivable. The allowance is based on prior experience and management's analysis of bad debts.

Capital Assets – Purchased capital assets are accounted for at cost, or contributed assets are recorded at estimated acquisition value on the date received. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The estimated useful lives used to depreciate assets, by asset class, are as follows:

Administrative and scale	5–40 Years
Disposal and recycling	3–60 Years
Power project	5–40 Years
Module development	5–80 Years

The District records the value of intangible right-to-use assets based on the underlying leased asset in accordance with GASB Statement No. 87, *Leases*. The right-to-use intangible asset is amortized each year for the term of the contract.

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements which significantly increase values, change capacities, or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

Compensated Absences – The District allows employees to accrue vacation and compensation time. The accrued liability is based on the employee's hourly rate at year end. All accumulated vacation and compensation time is recorded as an expense and a liability in the proprietary fund at the time the liability is incurred and depending on classification, as a current or long-term liability. Upon termination of an employee, the District is required to pay accrued vacation and compensation time. Sick leave is recorded as an expense when it is paid, and it is not required to be paid upon termination of an employee.

The changes of the compensated absences were as follows during the years ending June 30, 2024 and 2023:

	July 1,	Additions	Reductions	June 30,	Due Within One Year
2024	$ 991,226	$ 339,980	$ 215,512	$ 1,115,694	$ 460,112
2023	$ 874,109	$ 343,042	$ 225,925	$ 991,226	$ 335,644

Bond Premiums – Bond premiums are amortized over the life of the bond as a component of interest expense.

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

Accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. The following timeframes are used:

Year Ended June 30, 2023	
Valuation Date (VD)	June 30, 2022
Measurement Date (MD)	June 30, 2023
Measurement Period (MP)	July 1, 2022 to June 30, 2023

Year Ended June 30, 2022	
Valuation Date (VD)	June 30, 2021
Measurement Date (MD)	June 30, 2022
Measurement Period (MP)	July 1, 2021 to June 30, 2022

Postemployment Benefits Other Than Pensions (OPEB) – For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense and additions to/deductions from the District Plan. For this purpose, the District Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

Deferred Outflows and Inflows of Resources – In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to future period(s) and so will not be recognized as an outflow of resources (expense) until then.

In addition to liabilities, the statement of net position will report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Leases – The District is a lessee for a noncancellable equipment leases. The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in its financial statement.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The District uses its estimated bond borrowing rate as the discount rate for leases with adjustment for the applicable lease terms. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with noncurrent capital assets and lease liabilities are reported with long-term debt as current and noncurrent liabilities on the statement of net position.

The District is a lessor of a parking facility. Accordingly, the District recognizes a lease receivable and a deferred inflow of resources.

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflows of resources are initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the District determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The District uses the U.S. Treasury state and local government securities (SLGS) rates as the discount rate for leases with adjustment for applicable lease terms.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Revenues and Expenses – Revenue is recognized when earned. Operating revenues and expenses consist of those revenues and expenses that result from the ongoing principal operations of the District. Operating revenues consist primarily of user charges for disposal fees. Non-operating revenues and expenses consist of those revenues and expenses that are related to financing and investing types of activities and result from non-exchange transactions.

Concentration in Sales to Customers – In 2024, the District's three largest customers accounted for approximately 22 percent, 12 percent, and 9 percent of sales. In 2023, the largest customers accounted for 26 percent, 12 percent and 10 percent of sales.

Spending Order Policy – When an expense is incurred for which there are both restricted and unrestricted net position is available, it is the District's policy to apply these expenses to restricted net position to the extent that such are available and then to unrestricted net position.

Budget Policy – The District's Board of Directors annually adopts the budget for the District. Board of Directors' actions are required for the approval of budget revisions.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the District to make estimates and assumptions that affect the reported amounts at the date of the financial statements. Actual results could differ from those estimates.

Note 3 - Deposits and Investments

At June 30, deposits and investments are comprised of the following:

	2024	2023
Deposits with financial institutions	$ 19,316,698	$ 25,971,237
Investments, Local Agency Investment Fund (LAIF)	23,386,167	22,527,182
Total deposits and investments	$ 42,702,865	$ 48,498,419

Deposits and investments are classified in the financial statements as of June 30 as follows:

	2024	2023
Unrestricted	$ 36,689,865	$ 42,485,419
Restricted		
Infastructure reserve	1,731,000	1,731,000
Equipment reserve	1,782,000	1,782,000
Landfill closure and post closure care costs	1,500,000	1,500,000
Environmental impairment fund	1,000,000	1,000,000
Total restricted	6,013,000	6,013,000
Total cash and investments	$ 42,702,865	$ 48,498,419

Authorized Investments

The District participates in the Local Agency Investment Fund (LAIF) which, under the oversight of the Treasury of the State of California, is regulated by California Government Code Section 16429. The District's investment policy does not contain any specific provisions intended to limit the District's exposure to interest rate risk, credit risk and concentration of credit risk, other than as contained in California Government Code.

The District is authorized under California Government Code to make direct investments in the following:

Investment Type	Maximum Remaining Maturity	Maximum Specified % Of Portfolio	Minimum Quality Requirements	Government Code Sections
Local Agency Bonds	5 Years	None	None	53601(a)
U.S. Treasury Obligations	5 Years	None	None	53601(b)
State Obligations: CA and Others	5 Years	None	None	53601(d)
CA Local Agency Obligations	5 Years	None	None	53601(e)
U.S. Agency Obligations	5 Years	None	None	53601(f)
Bankers' Acceptances	180 days	40%	None	53601(g)
Commercial Paper: Non-pooled Funds	270 days or less	25% of the agency's money	(1)	53601(h)(2)(C)
Commercial Paper: Pooled Funds	270 days or less	40% of the agency's money	(1)	53635(a)(1)
Negotiable Certificates of Deposit	5 Years	30%	None	53601(i)
Non-negotiable Certificates of Deposit	5 Years	None	None	53630 et seq.
Placement Service Deposits	5 Years	30%	None	53601.8 and 53635.8
Placement Service Certificates of Deposit	5 Years	30%	None	53601.8 and 53635.8
Repurchase Agreements	1 year	None	None	53601(j)
Reverse Repurchase Agreements and Securities Lending Agreements	92 days [L]	20% of the base value of the portfolio	None	53601(j)
Medium-term Notes	5 years or less	30%	(2)	53601(k)
Mutual Funds and Money Market Mutual Funds	N/A	20%	Multiple	53601(l) and 53601.6(b)
Collateralized Bank Deposits	5 years	None	None	53630 et seq. and 53601(n)
Mortgage Pass–through and Asset Backed Securities	5 years or less	20%	(2)	53601(o)
County Pooled Investment Funds	N/A	None	None	27133
Joint Powers Authority Pool	N/A	None	Multiple	53601(p)
Local Agency Investment Fund (LAIF)	N/A	None	None	16429.1
Voluntary Investment Program Fund	N/A	None	None	16340
Supranational Obligations	5 years or less	30%	(2)	53601(q)

(1) Highest letter and number rating by a NRSRO

(2) "A" rating category or its equivalent or better

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits.

As of June 30, 2024 and June 30, 2023, the District's bank balance of $20,1 million and $27.3 million, respectively, was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the District.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Local Agency Investment Fund does not have a rating provided by a nationally recognized statistical rating organization as of June 30, 2024 and June 30, 2023.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the Local Agency Investment Fund. The sensitivity of the fair values of the District's investments to market interest rate fluctuation is measured as the weighted average maturity of the investment portfolio, which was less than one year as of June 30, 2024, and June 30, 2023.

Fair Value Measurements

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset’s fair value.

The following provides a summary of the hierarchy used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets that the District has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.

Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the District’s own data.

Deposits and withdrawals in the Local Agency Investment Fund are made on the basis of $1 and not fair value. Accordingly, the District’s proportionate share of investments on June 30, 2024 and June 30, 2023 is an uncategorized input not defined as a Level 1, Level 2, or Level 3 input.

Note 4 - Capital Assets

Capital asset activity for the year ended June 30, 2024 was as follows:

	Capital Assets at June 30, 2023	Additions and Transfers	Dispositions and Transfers	Capital Assets at June 30, 2024
Business-Type Activities				
Capital Assets, nondepreciable				
Land and improvements	$ 578,210	$ -	$ -	$ 578,210
Total capital assets not being depreciated	578,210	-	-	578,210
Other Capital Assets				
Administrative and scale				
Right-to-use lease, equipment	13,749	-	-	13,749
Equipment	1,371,485	2,193	-	1,373,678
Facilities	17,556,301	407,715	-	17,964,016
Disposal and recycling				
Equipment	58,204,982	5,080,144	(2,645,128)	60,639,998
Facilities	19,982,014	2,605,074	-	22,587,088
Power project	24,859,609	690,155	-	25,549,764
Module development	21,259,715	7,597,531	-	28,857,246
Intangible site master plan	738,557	-	-	738,557
Total other capital assets at historical cost	143,986,412	16,382,812	(2,645,128)	157,724,096
Less accumulated depreciation and amortization for				
Right-to-use lease, equipment	(11,384)	(2,360)	-	(13,744)
Administrative and scale	(5,734,382)	(725,483)	-	(6,459,865)
Disposal and recycling	(53,424,431)	(5,448,129)	2,645,128	(56,227,432)
Intangible site master plan	(697,160)	(16,025)	-	(713,185)
Total accumulated depreciation	(59,867,357)	(6,191,997)	2,645,128	(63,414,226)
Other Capital Assets, Net	84,119,055	10,190,815	-	94,309,870
Business-type Activities Capital Assets, Net	$ 84,697,265	$ 10,190,815	$ -	$ 94,888,080

Capital asset activity for the year ended June 30, 2023 was as follows:

	Restated Capital Assets at June 30, 2021	Additions and Transfers	Dispositions and Transfers	Capital Assets at June 30, 2022
Business-Type Activities				
Capital Assets, nondepreciable				
Land and improvements	$ 578,210	$ -	$ -	$ 578,210
Construction in progress	-	-	-	-
Total capital assets not being depreciated	578,210	-	-	578,210
Other Capital Assets				
Administrative and scale				
Right-to-use lease, equipment	13,749	-	-	13,749
Equipment	1,328,600	42,885	-	1,371,485
Facilities	17,453,485	141,078	(38,262)	17,556,301
Disposal and recycling				
Equipment	54,428,389	3,776,593	-	58,204,982
Facilities	19,666,804	315,210	-	19,982,014
Power project	23,745,064	1,114,545	-	24,859,609
Module development	19,878,770	1,380,945	-	21,259,715
Intangible site master plan	738,557	-	-	738,557
Total other capital assets at historical cost	137,253,418	6,771,256	(38,262)	143,986,412
Less accumulated depreciation and amortization for				
Right-to-use lease, equipment	(7,589)	(3,795)	-	(11,384)
Administrative and scale	(5,029,451)	(704,931)	-	(5,734,382)
Disposal and recycling	(49,065,541)	(4,358,890)	-	(53,424,431)
Intangible site master plan	(681,135)	(16,025)	-	(697,160)
Total accumulated depreciation	(54,783,716)	(5,083,641)	-	(59,867,357)
Other Capital Assets, Net	82,469,702	1,687,615	(38,262)	84,119,055
Business-type Activities Capital Assets, Net	$ 83,047,912	$ 1,687,615	$ (38,262)	$ 84,697,265

Note 5 - Landfill Closure and Post Closure Care Costs

State and federal laws and regulations require that the Monterey Regional Waste Management District place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are being recognized based on the estimated future closure and post closure care costs that will be incurred near or after the date the landfill no longer accepts waste. The District's updated Site Master Plan and Closure and Post Closure Plan were approved by state regulatory agencies during the fiscal year ended June 30, 2006. The District completed an Updated Preliminary Closure and Post Closure Maintenance Plan and a Joint Technical Document for Landfill Development in April 2010. In December 2016, revised Closure and Post Closure Maintenance Plans were submitted as part of the 5-Year Permit Review. These plans have not received official approval.

The liability recognized for the estimated landfill closure and post closure care cost estimates were $4,748,819 and $4,180,022 as of June 30, 2024 and 2023, respectively which was based on 14.7 percent and 13.4 percent usage (filled) of the landfill at that date. It is estimated that an additional $27,492,678 will be recognized as landfill closure and post closure care expenses between June 30, 2024, and the date the landfill is expected to be filled to capacity (in the year 2176). The current estimated total cost of the landfill closure and post closure care of $32,241,497 is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were required as of June 30, 2024.

However, the actual cost of the landfill closure and post closure care may be higher due to inflation, changes in technology or changes in landfill laws and regulations.

The District is required by state and federal laws and regulations to make annual contributions to finance closure and post closure care. The District is in compliance with these requirements. At June 30, 2024 and 2023, investments of $2,500,000 were held to meet the state requirements. These investments are presented on the District's statements of net position as restricted assets. It is anticipated that future inflation costs will be financed in part from earnings on investments. The District meets the financial assurance test for federal purposes. The remaining portion of anticipated future inflation costs (including inadequate earnings on investments, if any) and additional costs that might arise from changes in post closure requirements (due to changes in technology or more rigorous environmental regulations, for example) may need to be covered by charges to future landfill users.

Note 6 - Net Pension Liabilities

Plan Description

The District participates in an agent multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). A full description of the pension plan regarding number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the June 30, 2022, Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the actuarial valuation report. This report and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

All permanent District employees are eligible to participate in the Public Employees' Retirement (Fund) of California's Public Employees' Retirement System (CalPERS). The Fund is an agent multiple-employer defined benefit plan that acts as a common investment and administrative agent for various local and state government agencies with the State of California. The Fund provides retirement, disability, and death benefits based on employees' age, years of service, and the highest year's compensation. Employees vest after five years of service and may receive retirement benefits commencing at age 50. These benefit provisions and all other requirements are established be state statute. CalPERS' annual financial report can be found on their website: www.calpers.ca.gov.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on yeas of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non–duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefits, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are as specified by the California Public Employees' Retirement law.

The Plans' provisions and benefits in effect at June 30, 2024 are summarized as follows:

	Miscellaneous	
Hire Date	Prior to January 1, 2013	On or after to January 1, 2013
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefits payments	monthly for life	monthly for life
Retirement age	50 – 63	52 – 67
Monthly benefits, as a percent of eligible compensation	1.426% to 2.418%	1.0% to 2.5%
Required employee contribution rates	7.90%	7.50%
Required employer contribution rates	9.41%	9.41%

Employees Covered

At June 30, 2022 and June 30, 2021 valuation dates, the following employees were covered by the benefit terms for each Plan:

	2023	2022
Inactive employees or beneficiaries currently receiving benefits	98	89
Inactive employees entitled to but not receiving benefits	85	84
Active employees	120	112
Total	303	285

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 effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan is determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the years ended June 30, 2024 and 2023, the District paid the employer's share and the employee' paid the employees' share of the contributions. The contributions were as follows:

	2024	2023
Employer normal contributions	$ 1,016,131	$ 854,752
Annual UAL prepayment	1,253,972	1,236,468
Total employer contributions	2,270,103	2,091,220
Employee contributions	792,637	690,384
Total contributions	$ 3,062,740	$ 2,781,604

Net Pension Liability

The District's net pension liability is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability as of June 30, 2024, for the Plan is measured as of June 30, 2023, using an actuarial valuation as of June 30, 2022, rolled forward to June 30, 2023, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions

The total pension liabilities in the June 30, 2022, actuarial valuation rolled forward to June 30, 2023, using standard update procedures, were determined using the following actuarial assumptions:

	Miscellaneous
Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions	
Discount Rate	6.90%
Inflation	2.30%
Payroll Growth	2.75%
Projected Salary Increase	Varies by entry age and service
Investment Rate of Return	7.00%
Mortality	Based on CalPERS Experience Study using Scale BB

The total pension liabilities in the June 30, 2021, actuarial valuation rolled forward to June 30, 2022, using standard update procedures, were determined using the following actuarial assumptions:

	Miscellaneous
Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions	
Discount Rate	6.90%
Inflation	2.50%
Payroll Growth	2.75%
Projected Salary Increase	Varies by entry age and service
Investment Rate of Return	7.00%
Mortality	Based on CalPERS Experience Study using Scale BB

The mortality table used for Miscellaneous Plan was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of Scale MP 2016. For more details on this table, please refer to the December 2017 Experience Study report (based on CalPERS demographic data from 1997 to 2015) available on CalPERS website under Forms and Publications.

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

For the years ended June 30, 2024 and 2023, the District recognized pension expense of $3,371,894 and $2,535,091, respectively. On June 30, 2024 and 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2024		2023	
	Deferred Outflow of Resources	Deferred Inflow of Resources	Deferred Outflow of Resources	Deferred Inflow of Resources
Pension contributions subsequent to measurement date	$ 2,270,103	$ -	$ 2,091,220	$ -
Difference between actual and expected experience	941,120	(73,092)	653,154	(102,328)
Changes in assumptions	1,096,082	-	1,534,515	-
Net differences between projected and actual earnings on plan investments	1,844,402	-	1,930,209	-
Total	$ 6,151,707	$ (73,092)	$ 6,209,098	$ (102,328)

$2,270,103 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, 2025. Other amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period Ended June 30:	Deferred Outflows/(Inflows) of Resources
2025	$ 1,098,313
2026	906,244
2027	1,665,280
2028	138,675
	$ 3,808,512

Discount Rate

The discount rate used to measure the total pension liability was 6.9 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing of the plans, the tests revealed the assets would not run out. Therefore, the current 6.9 percent discount rate is appropriate, and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 6.9 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ 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 rounded 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 equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expense.

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

Asset Class[1]	Assumed Asset Allocation	Real Return[1]
Global Equity - Cap-weighted	30.0%	4.54%
Global Equity - Non-Cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	27.00%
Mortgage-backed Securities	5.0%	50.00%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
Total	100.0%	

(1) An expected inflation of 2.30% used for this period.

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

The following presents the net pension liability of the Plan, calculated using the discount rate, as well as what 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:

	2024	2023
1% Decrease	5.90%	5.90%
Net Pension Liability	$ 26,643,051	$ 25,154,383
Current Discount Rate	6.90%	6.90%
Net Pension Liability	$ 18,487,113	$ 17,413,477
1% Increase	7.90%	7.90%
Net Pension Liability	$ 11,753,614	$ 11,030,573

Changes in the Net Pension Liability

The changes in the net pension liability for the plan during the year ended June 30, 2024 are as follows:

	Increase (Decrease) Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c) = (a) - (b)
Balance at June 30, 2022 measurement date	$ 56,504,497	$ 39,091,020	$ 17,413,477
Changes Recognized for the Measurement Period			
Service Cost	1,511,127	-	1,511,127
Interest on the Total Pension Liability	3,911,320	-	3,911,320
Differences between Expected and Actual Experience	780,780	-	780,780
Changes of Assumptions	58,602	-	58,602
Contributions from the Employer	-	2,091,361	(2,091,361)
Contributions from Employees	-	690,501	(690,501)
Net Investment Income	-	2,435,077	(2,435,077)
Benefit Payments, Including Refunds of Employee Contributions	(2,827,299)	(2,827,299)	-
Administrative Expense	-	(28,746)	28,746
Net Changes	3,434,530	2,360,894	1,073,636
Balance at June 30, 2023 measurement date	$ 59,939,027	$ 41,451,914	$ 18,487,113

The changes in the net pension liability for the plan during the year ended June 30, 2023 follows:

	Increase (Decrease) Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c) = (a) - (b)
Balance at: June 30, 2021 measurement date	$ 52,179,528	$ 42,489,499	$ 9,690,029
Changes Recognized for the Measurement Period			
Service Cost	1,353,470	-	1,353,470
Interest on the Total Pension Liability	3,685,960	-	3,685,960
Differences between Expected and Actual Experience	(131,564)	-	(131,564)
Changes of Assumptions	1,972,948	-	1,972,948
Contributions from the Employer	-	1,843,746	(1,843,746)
Contributions from Employees	-	589,682	(589,682)
Net Investment Income	-	(3,249,594)	3,249,594
Benefit Payments, Including Refunds of Employee Contributions	(2,555,845)	(2,555,845)	-
Administrative Expense	-	(26,468)	26,468
Net Changes	4,324,969	(3,398,479)	7,723,448
Balance at June 30, 2022 measurement date	$ 56,504,497	$ 39,091,020	$ 17,413,477

Pension Plan Fiduciary Net Position

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

Note 7 - Postemployment Benefits Other Than Pensions (OPEB)

As of June 30, 2024, the District reported the following amounts for total OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense:

Total OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
$ 3,022,862	$ 583,334	$ 1,015,530	$ 300,282

As of June 30, 2023, the District reported the following amounts for total OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense:

Total OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
$ 3,568,198	$ 650,558	$ 450,612	$ 348,154

General Information about the OPEB Plan

Plan Description and Benefits Provided

The District maintains a single-employer, defined benefit healthcare plan (administered by the District). The District is obligated by a memorandum of understanding to contribute toward health insurance premiums for certain employees retired from the District at the age of 55 or older with at least five years of continuous employment with the District. Payments are made until the retiree reaches the age of 65. Retirees that accepted an early retirement offer from the District are currently reimbursed at the rate of $59.36 for each year of District service. Other retirees are currently reimbursed at the rate of $29.95 a month for each year of District service. Beginning in 2006, the monthly rate is increased by 2 percent each calendar year. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. Plan terms may be amended by the District and its bargaining units.

Employees Covered by Benefit Terms

As of the June 30 measurement dates, the following employees were covered by the benefit terms:

	2024	2023
Participating Active Employees	118	113
Inactive Employees Entitled to But Not Yet Receiving Benefit Payments	-	-
Inactive Employees Currently Receiving Benefit Payments	9	11
Total	127	124

Total OPEB Liability

The District's total OPEB liability for June 30, 2024, was $3,022,862, based on an actuarial valuation of the same date. For the fiscal year ending June 30, 2023, the liability was $3,568,198, measured as of June 30, 2023, and based on a June 30, 2022 valuation.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50	percent
Salary increases	2.75	percent, average, including inflation
Discount rate	3.93	percent, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	4.00	percent per year

The discount rate estimates investment earnings for assets earmarked to cover retiree health benefit liabilities. The discount rate depends on the nature of underlying assets for funded plans. The discount rate used for an unfunded plan is based on an index of 20-year general obligation municipal bonds. A discount rate of 3.65% was used in the June 30, 2023 actuarial valuation.

The mortality assumptions are based on the 2017 CalPERS Active Mortality for Miscellaneous Employees table created by CalPERS. CalPERS periodically studies mortality for participating agencies and establishes mortality tables that are modified versions of commonly used tables. This table incorporates mortality projection as deemed appropriate based on CalPERS analysis.

Changes in the Total OPEB Liability

For the year ended June 30, 2024:

	Total OPEB Liability
Balance at July 1, 2023	$ 3,568,198
Changes for the year:	
Service cost	207,837
Interest on the TPL	130,136
Differences between Expected and Actual Experience	(308,044)
Assumption changes	(361,789)
Benefit payments	(213,476)
Net changes	(545,336)
Balance at June 30, 2024	$ 3,022,862

For the year ended June 30, 2023:

	Total OPEB Liability
Balance at July 1, 2022	$ 3,455,636
Changes for the year:	
Service cost	205,921
Interest on the TPL	122,672
Assumption changes	(29,469)
Benefit payments	(186,562)
Net changes	112,562
Balance at June 30, 2023	$ 3,568,198

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

	2024	2023
Discount Rate	Total OPEB Liability	Total OPEB Liability
1% decrease	$ 3,244,279	$ 2,820,111
Current discount rate (3.93% for 2024 and 3.65% for 2023)	3,022,862	3,568,198
1% increase	2,814,935	3,337,224

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percent lower or higher than the current healthcare costs trend rates:

Healthcare Cost Trend Rate	2024 Total OPEB Liability	2023 Total OPEB Liability
1% decrease (3%)	$ 2,703,251	$ 3,182,407
Current healthcare cost trend rate (4%)	3,022,862	3,568,198
1% increase (5%)	3,399,908	4,020,824

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

For the years ended June 30, 2024 and 2023, the District recognized OPEB expense of $300,282 and $348,154 respectively. On June 30 the District reported deferred outflows of resources related to OPEB for the following items:

	2024		2023	
	Deferred Outflow of Resources	Deferred Inflow of Resources	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between actual and expected experience	$ 244,936	$ (411,308)	$ 272,770	$ (145,021)
Changes in assumptions	338,398	(604,222)	377,788	(305,591)
Total	$ 583,334	$ (1,015,530)	$ 650,558	$ (450,612)

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

Measurement Period Ended June 30:	Deferred Inflows of Resources
2025	$ (37,690)
2026	(37,690)
2027	(37,690)
2028	(37,690)
2029	(37,690)
Thereafter	(243,748)
	$ (432,196)

Note 8 - Long Term Debt

On December 14, 2021, the District issued $24,910,000 in revenue bonds with an interest rate range of 0.65 percent to 2.61 percent to advance refund $24,450,000 of Series 2015 A and Series 2015 B revenue bonds with an interest rate range of 2.00 percent to 5.00 percent. The net proceeds of $26,670,287 (including costs of issuance $295 thousand) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds. As a result, the 2015 series bonds are considered to be defeased and the liability for the defeased bonds is not reported on the statement of net position.

The 2018 Series A and B Revenue Bonds (revenue bonds) were sold, executed, and delivered in the aggregate principal amount of $22,970,000 as fully registered bonds in the denomination of $5,000 or any integral multiples thereof. The revenue bonds are dated and bear interest from November 21, 2018, at the rates per annum set forth below, payable semiannually on October 1 and April 1, commencing April 1, 2019, and will mature April 1 in the years and in the principal amounts set forth below. The Bank of New York Mellon Trust Company, Los Angeles, California, acts as trustee and Cede & Co, as the nominee of The Depository Trust Company, New York, New York, as registrar and paying agent for the 2018 Series A and Series B Revenue Bonds.

The 2021 Series Revenue Bonds (refunding revenue bonds) were sold, executed, and delivered in the aggregate principal amount of $24,910,000 as fully registered bonds in the denomination of $5,000 or any integral multiples thereof. The revenue bonds are dated and bear interest from December 14, 2021, at the rates per annum set forth below, payable semiannually on October 1 and April 1, commencing April 1, 2022, and will mature April 1 in the years and in the principal amounts set forth below. The Bank of New York Mellon Trust Company, Los Angeles, California, acts as trustee and Cede & Co, as the nominee of The Depository Trust Company, New York, New York, as registrar and paying agent for the 2021 Series Refunding Revenue Bonds.

	June 30, 2023	Additions	Reductions	June 30, 2024	Amounts Due within One Year
Revenue Bonds					
Series 2018A	$ 11,555,000	$ -	$ -	$ 11,555,000	$ -
Series 2018B	7,945,000	-	905,000	7,040,000	950,000
Series 2021	21,520,000	-	1,805,000	19,715,000	1,820,000
Total Revenue Bonds	41,020,000	-	2,710,000	38,310,000	2,770,000
Bond premiums	2,306,889	-	101,166	2,205,723	
	$ 43,326,889	$ -	$ 2,811,166	$ 40,515,723	$ 2,770,000

	June 30, 2022	Additions	Reductions	June 30, 2023	Amounts Due within One Year
Revenue Bonds					
Series 2018A	11,555,000	-	-	11,555,000	-
Series 2018B	8,805,000	-	860,000	7,945,000	905,000
Series 2021	23,305,000	-	1,785,000	21,520,000	1,805,000
Total Revenue Bonds	43,665,000	-	2,645,000	41,020,000	2,710,000
Bond premiums	2,388,322	-	81,433	2,306,889	
	$ 46,053,322	$ -	$ 2,726,433	$ 43,326,889	$ 2,710,000

The Trust Agreement provides that the 2018 Series A and Series B and 2021 Revenue Bonds and the interest thereon are payable from, and are secured by a first pledge of and charge and lien upon the revenues derived by the Authority from the District under the Improvement Agreement, the Reserve Fund held under the Trust Agreement, and certain interest, profit and other income derived from certain funds held under the Trust Agreement, all under the terms and conditions set forth in the Trust Agreement.

The debt service requirements of the bonds for the remaining term are as follows:

Fiscal Year	Principal	Interest
2025	$ 2,770,000	1,362,245
2026	2,845,000	1,297,681
2027	2,920,000	1,225,429
2028	3,005,000	1,147,570
2029	3,095,000	1,064,007
2030-35	17,040,000	3,858,972
2036-38	6,635,000	1,201,876
	$ 38,310,000	$ 11,157,780

Note 9 - Leases

Leases receivable – The District has accrued a receivable on a parking facility on District owned property. The remaining receivable for these leases was $1,899,647 on June 30, 2024 and $2,139,495 on June 30, 2023 and was calculated with a discount rate of 3%. Deferred inflows related to these leases were $1,680,199 on June 30, 2024 and $1,952,662 on June 30, 2023. Interest revenue recognized on these leases was $60,502 for the year ended June 30, 2024 and $67,307 for the year ended June 30, 2023. Principal receipts of $239,848, and $223,441 were recognized as revenue during the fiscal years ended June 30, 2024 and June 30, 2023. Final receipt is expected in fiscal year 2031.

Leases payable – The District has accrued liabilities for equipment leases. The discount rate used in the calculation of the lease liability was 3%. The remaining liability for the leases are $0 as of June 30, 2024, and $2,885 as of June 30, 2023. Right to-use-assets, net of amortization, for the leases are $0 as of June 30, 2024, and $2,365 as of June 30, 2023. The District is required to make monthly principal and interest payments of $444. Interest expense recognized on these leases was $27 for the fiscal year ended June 30, 2024 and $139 for the year ended June 30, 2023. Principal payments of $2,885, and $3,842 were recognized in the years ended June 30, 2024 and 2023. Final payment on these leases are paid in 2024.

	Balance July 1, 2023	Additions	Retirements/ Adjustments	Balance June 30, 2024	Due in One Year
Leases payable	$ 2,885	$ -	$ (2,885)	$ -	$ -

	Balance July 1, 2022	Additions	Retirements/ Adjustments	Balance June 30, 2023	Due in One Year
Leases payable	$ 6,727	$ -	$ (3,842)	$ 2,885	$ 2,885

Note 10 - Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The District mitigates some of this risk through its participation in a joint powers agreement with the Special District Risk Management Authority (SDRMA), which provides a range of insurance coverage including general liability, property, and workers' compensation. The District's share of any potential liability, beyond standard deductibles, is not anticipated to be material.

The District participates in a joint powers agreement (JPA) with the Special District Risk Management Authority (SDRMA). The relationship between the District and the SDRMA is such that the JPA is not a component unit of the District for financial reporting purposes.

SDRMA was formed under a joint powers agreement pursuant to California Government Code Section 6500 et seq. effective August 1, 1986, to provide general liability, comprehensive/collision liability, property damage and errors and omissions risk financing for the member districts. SDRMA merged with Special District Workers' Compensation Authority (SWCA) on July 1, 2003, and now provides its members with workers' compensation coverage. SDRMA is administered by a board of directors, consisting of one member appointed by the California Special Districts Association and five members elected by the participating districts.

The JPA board controls the operations of the JPA, including selection of management and approval of operating budgets, independent of any influence by member districts beyond their representation on the board. Each member district pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation in the JPA. The District's share of year-end assets, liabilities and risk margin has not been calculated by the SDRMA.

Note 11 - Contingencies

The District is involved in various litigation arising from the normal course of business. In the opinion of management, the disposition of all litigation pending is not expected to have a material effect on the overall financial position of the District at June 30, 2024.

Required Supplementary Information
June 30, 2024

Monterey Regional Waste Management District

Monterey Regional Waste Management District

Schedule of Changes in Pension Liability and related Ratios

Year Ended June 30, 2024

Fiscal Year	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Measurement Period	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Discount Rate	6.90%	6.90%	7.15%	7.15%	7.15%	7.15%	7.15%	7.65%	7.65%	7.50%
Total Pension Liability										
Service Cost	$ 1,511,127	$ 1,353,470	$ 1,427,982	$ 1,448,004	$ 1,343,425	$ 1,203,629	$ 1,095,795	$ 961,817	$ 911,692	$ 911,220
Interest	3,911,320	3,685,960	3,515,696	3,288,683	3,069,788	2,840,989	2,649,437	2,472,105	2,229,562	2,042,432
Changes of Benefit Terms	58,602						-	-	-	-
Difference Between Expected and Actual Experience	780,780	(131,564)	655,977	357,277	583,289	496,410	151,713	1,022,612	417,131	-
Changes of Assumptions	-	1,972,948	-	-	-	(250,536)	2,296,067	-	(567,504)	-
Benefit Payments, Including Refunds of Employee Contributions	(2,827,299)	(2,555,845)	(2,441,490)	(1,973,785)	(1,548,836)	(1,446,773)	(1,285,185)	(1,132,272)	(904,586)	(878,085)
Net Change in Total Pension Liability	3,434,530	4,324,969	3,158,165	3,120,179	3,447,666	2,843,719	4,907,827	3,324,262	2,086,295	2,075,567
Total Pension Liability – Beginning	56,504,497	52,179,528	49,021,363	45,901,184	42,453,518	39,609,799	34,701,972	31,377,710	29,291,415	27,215,848
Total Pension Liability – Ending (a)	59,939,027	56,504,497	52,179,528	49,021,363	45,901,184	42,453,518	39,609,799	34,701,972	31,377,710	29,291,415
Plan Fiduciary Net Position:										
Contributions – Employer	$ 2,091,361	$ 1,843,746	$ 1,657,511	$ 1,564,484	$ 1,331,131	$ 1,106,722	$ 1,029,394	$ 882,891	$ 800,476	$ 722,039
Contributions – Employee	690,501	589,682	566,164	633,184	595,223	538,059	492,056	454,237	458,764	411,403
Net Investment Income	2,435,077	(3,249,594)	7,952,551	1,752,083	2,028,008	2,391,198	2,829,731	154,052	557,377	3,522,944
Benefit Payments, Including Refunds of Employee Contributions	(2,827,299)	(2,555,845)	(2,441,490)	(1,973,785)	(1,548,836)	(1,446,773)	(1,285,185)	(1,132,272)	(904,586)	(878,085)
Plan to Plan Resource Movement	-	-	-	-	-	(71)	-	-	181	-
Administrative Expense	(28,746)	(26,468)	(34,753)	(46,324)	(21,748)	(43,653)	(36,888)	(15,017)	(34,233)	-
Other Miscellaneous Income(Expense)	-	-	-	-	71	(82,897)	-	-	-	-
Net Change in Fiduciary Net Position	2,360,894	(3,398,479)	7,699,983	1,929,642	2,383,849	2,462,585	3,029,108	343,891	877,979	3,778,301
Plan Fiduciary Net Position – Beginning	39,091,020	42,489,499	34,789,516	32,859,874	30,476,025	28,013,440	24,984,332	24,640,441	23,762,462	19,984,161
Plan Fiduciary Net Position – Ending (b)	41,451,914	39,091,020	42,489,499	34,789,516	32,859,874	30,476,025	28,013,440	24,984,332	24,640,441	23,762,462
Plan Net Pension Liability – Ending (a) – (b)	$ 18,487,113	$ 17,413,477	$ 9,690,029	$ 14,231,847	$ 13,041,310	$ 11,977,493	$ 11,596,359	$ 9,717,640	$ 6,737,269	$ 5,528,953
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.16%	69.18%	81.43%	70.97%	71.59%	71.79%	70.72%	72.00%	78.53%	81.12%
Covered Payroll	$ 9,444,773	$ 8,607,164	$ 8,256,744	$ 10,837,304	$ 8,568,241	$ 9,707,403	$ 9,234,169	$ 6,527,433	$ 6,066,619	$ 5,829,943
Plan Net Pension Liability as a Percentage of Covered Payroll	195.74%	202.31%	117.36%	131.32%	152.21%	123.39%	125.58%	148.87%	111.05%	94.84%

Note to schedule:

The discount rate changed from 7.50 percent used for the June 30, 2014 measurement date to 7.65 percent used for the June 30, 2015 measurement date. The discount rate changed from 7.65 percent used for the June 30, 2016 measurement date to 7.15 percent used for the June 30, 2017 measurement date. The discount rate changed from 7.15 percent used for the June 30, 2021 measurement date to 6.90 percent used for the June 30, 2022 measurement date.

Monterey Regional Waste Management District
Schedule of Pension Plan Contributions
For the Last Ten Years

Fiscal Year	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	$ 2,270,393	$ 2,091,220	$ 1,843,746	$ 1,657,580	$ 1,564,416	$ 1,331,520	$ 1,106,332	$ 1,029,394	$ 882,891	$ 800,476
Contributions in Relation to the Actuarially Determined Contribution	(2,270,393)	(2,091,220)	(1,843,746)	(1,657,580)	(1,564,416)	(1,331,520)	(1,106,332)	(1,029,394)	(882,891)	(800,476)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$11,231,167	$ 9,444,773	$ 8,607,164	$ 8,256,744	$10,837,304	$ 8,568,241	$ 9,707,403	$ 9,234,169	$ 6,527,433	$ 6,066,619
Contributions as a Percentage of Covered Payroll[(1)]	20.22%	22.14%	21.42%	20.08%	14.44%	15.54%	11.40%	11.15%	13.53%	13.19%

Note to schedule:

[1] Includes one year's pay roll growth using 2.75 percent payroll assumption for fiscal year ended June 30, 2018; 3.00 percent payroll assumption for fiscal years ended June 30, 2014-17.

Monterey Regional Waste Management District

Schedule of Changes in the District's Total OPEB Liability and Related Ratios

Year Ended June 30, 2024

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service cost	$ 207,837	$ 205,921	$ 230,679	$ 223,074	$ 176,317	$ 164,304	$ 159,907
Interest	130,136	122,672	83,874	83,545	90,379	81,606	81,366
Changes of benefit terms	-	-	-	-	240,242	-	-
Difference between expected and actual experience	(308,044)	-	(175,877)	-	384,106	-	-
Changes of assumptions	(361,789)	(29,469)	(338,007)	11,478	462,772	65,289	-
Benefit payments	(213,476)	(186,562)	(225,514)	(247,162)	(76,742)	(56,366)	(54,198)
Net change in total OPEB liability	(545,336)	112,562	(424,845)	70,935	1,277,074	254,833	187,075
Total OPEB liability - beginning	3,568,198	3,455,636	3,880,481	3,809,546	2,532,472	2,277,639	2,090,564
Total OPEB liability - ending	$ 3,022,862	$ 3,568,198	$ 3,455,636	$ 3,880,481	$ 3,809,546	$ 2,532,472	$ 2,277,639
Covered-employee payroll	$11,231,167	$ 9,444,773	$ 8,607,164	$ 8,256,744	$10,837,304	$ 8,568,241	$ 9,707,403
Total OPEB liability as a percentage of covered-employee payroll	27%	38%	40%	47%	35%	30%	23%

Note to schedule:

Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to ten years as information becomes available.

* The OPEB Plan is not administered through a trust and contributions are not made based on a measure of pay. Therefore, no measure of payroll is presented.

Supplementary Information
June 30, 2024

Monterey Regional Waste Management District

Monterey Regional Waste Management District
Combining Schedule of Net Position
June 30, 2024

	DISTRICT	AUTHORITY	TOTALS	CONSOLIDATING ENTRIES	TOTALS
CURRENT ASSETS:					
Cash and investments	$ 36,689,865	$ -	$ 36,689,865	$ -	$ 36,689,865
Accounts receivable, net	5,042,732	-	5,042,732	-	5,042,732
Accrued interest receivable	247,234	-	247,234	-	247,234
Other receivables	526,950	-	526,950	-	526,950
Lease receivables	257,404		257,404	-	257,404
Prepaid expenses	2,134,228	-	2,134,228	-	2,134,228
Total current assets	44,898,413	-	44,898,413	-	44,898,413
RESTRICTED CASH AND CASH EQUIVALENTS:					
Investments held by LAIF – reserved for equipment	1,782,000	-	1,782,000	-	1,782,000
Investments held by LAIF – reserved for infastructure	1,731,000		1,731,000	-	1,731,000
Investments held by LAIF – reserved for environmental impairment fund	1,000,000	-	1,000,000	-	1,000,000
Investments held by LAIF – reserved for landfill closure and post closure care costs	1,500,000	-	1,500,000	-	1,500,000
Total restricted cash and investments	6,013,000	-	6,013,000	-	6,013,000
LEASE RECEIVABLE, long term	1,642,243	-	1,642,243	-	1,642,243
DEPOSIT	155,000	-	155,000	-	155,000
DUE FROM DISTRICT	-	40,840,144	40,840,144	(40,840,144)	-
CAPITAL ASSETS, NET	94,888,080	-	94,888,080	-	94,888,080
Total Assets	147,596,736	40,840,144	188,436,880	(40,840,144)	147,596,736
DEFERRED OUTFLOWS	7,890,246	-	7,890,246	-	7,890,246
TOTAL ASSETS AND DEFERRED OUTFLOWS	$155,486,982	$ 40,840,144	$196,327,126	$ (40,840,144)	$ 155,486,982

	DISTRICT	AUTHORITY	TOTALS	CONSOLIDATING ENTRIES	TOTALS
CURRENT LIABILITIES:					
Accounts payable	$ 7,755,849	$ -	$ 7,755,849	$ -	$ 7,755,849
Security deposits	50,267	-	50,267	-	50,267
Total OPEB liability	244,273	-	244,273	-	244,273
Accrued liabilities:					
Compensated absences	460,112	-	460,112	-	460,112
State/County waste management fees	204,095	-	204,095	-	204,095
Revenue bonds and equipment lease interest	-	324,421	324,421	-	324,421
Current portion of revenue bonds payable	-	2,770,000	2,770,000	-	2,770,000
Total current liabilities	8,714,596	3,094,421	11,809,017	-	11,809,017
NONCURRENT LIABILITES:					
Compensated absences	655,582	-	655,582	-	655,582
Total OPEB liability	2,778,589	-	2,778,589	-	2,778,589
Net pension liability	18,487,113	-	18,487,113	-	18,487,113
Due to Authority	40,840,144	-	40,840,144	(40,840,144)	-
Revenue bonds payable - net	-	37,745,723	37,745,723	-	37,745,723
Landfill closure and post closure care	4,748,819	-	4,748,819	-	4,748,819
Total liabilities	76,224,843	40,840,144	117,064,987	(40,840,144)	76,224,843
DEFERRED INFLOWS	2,768,819	-	2,768,819	-	2,768,819
TOTAL LIABILITIES AND DEFERRED INFLOWS	78,993,662	40,840,144	119,833,806	(40,840,144)	78,993,662
NET POSITION:					
Net investment in capital assets	54,372,357	-	54,372,357	-	54,372,357
Restricted	6,013,000	-	6,013,000	-	6,013,000
Unrestricted	16,107,963	-	16,107,963	-	16,107,963
Total net position	76,493,320	-	76,493,320	-	76,493,320
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	$ 155,486,982	$ 40,840,144	$ 196,327,126	$ (40,840,144)	$ 155,486,982

	DISTRICT	AUTHORITY	TOTALS	ELIMINATING ENTRIES	TOTALS
OPERATING REVENUES:					
Disposal fees	$ 38,093,456	$ -	$ 38,093,456	$ -	$ 38,093,456
Power sales	1,491,999	-	1,491,999	-	1,491,999
Recycled material sales	11,025,661	-	11,025,661	-	11,025,661
Scale and operational services	823,637	-	823,637	-	823,637
Sand sales	322,394	-	322,394	-	322,394
Landscape product sales	308	-	308	-	308
Total operating revenues	51,757,455	-	51,757,455	-	51,757,455
OPERATING EXPENSES:			-		
Salaries	12,659,876	-	12,659,876	-	12,659,876
Employee benefits	7,143,017	-	7,143,017	-	7,143,017
Depreciation and amortization	5,666,636	-	5,666,636	-	5,666,636
Recycling	4,706,096	-	4,706,096	-	4,706,096
Taxes, licenses and permits	1,445,116	-	1,445,116	-	1,445,116
Repairs & Maintenance	4,463,240	-	4,463,240	-	4,463,240
Professional services	1,097,816	-	1,097,816	-	1,097,816
Fuel	2,084,141	-	2,084,141	-	2,084,141
Contractual services	1,126,107	-	1,126,107	-	1,126,107
Operating supplies	1,744,375	-	1,744,375	-	1,744,375
Landfill closure and post closure care costs	568,797	-	568,797	-	568,797
Insurance	1,454,566	-	1,454,566	-	1,454,566
Public awareness	163,240	-	163,240	-	163,240
Office	653,090	-	653,090	-	653,090
Safety equipment and supplies	302,313	-	302,313	-	302,313
Education, meetings and travel	150,228	-	150,228	-	150,228
Hazardous waste program	370,770	-	370,770	-	370,770
Environmental services	2,852,171	-	2,852,171	-	2,852,171
Utilities	195,666	-	195,666	-	195,666
Miscellaneous	63,809	-	63,809	-	63,809
Total operating expenses	48,911,070	-	48,911,070	-	48,911,070
OPERATING INCOME	$ 2,846,385	$ -	$ 2,846,385	$ -	$ 2,846,385

	DISTRICT	AUTHORITY	TOTALS	ELIMINATING ENTRIES	TOTALS
OPERATING INCOME	$ 2,846,385	$ -	$ 2,846,385	$ -	$ 2,846,385
NON–OPERATING REVENUES (EXPENSES):					
Interest income	940,653	-	940,653	-	940,653
Rents and leases	325,334	-	325,334	-	325,334
Gain on sale of capital assets - net	265,930	-	265,930	-	265,930
Interest expense - revenue bonds and financed purchase	-	(1,244,938)	(1,244,938)	-	(1,244,938)
Cost of revenue bonds issuance	-	-	-	-	-
Interagency reimbursement	(1,244,938)	1,244,938	-	-	-
Other income (expense)	6,467	-	6,467	-	6,467
Total non–operating revenues (expenses)	293,446	-	293,446	-	293,446
CHANGE IN NET POSITION	3,139,831	-	3,139,831	-	3,139,831
NET POSITION, BEGINNING OF YEAR	73,353,489	-	73,353,489	-	73,353,489
NET POSITION, END OF YEAR AS RESTATED	$ 76,493,320	$ -	$ 76,493,320	$ -	$ 76,493,320

	ACTUAL	DISTRICT BUDGET	VARIANCE - POSITIVE (NEGATIVE)
OPERATING REVENUES:			
Disposal fees	$ 38,093,456	$ 39,600,000	$ (1,506,544)
Power sales	1,491,999	2,880,000	(1,388,001)
Recycled material sales	11,025,661	7,700,400	3,325,261
Other sales	1,146,339	970,000	176,339
Total operating revenues	51,757,455	51,150,400	607,055
OPERATING EXPENSES:			
Salaries	12,659,876	12,313,530	(346,346)
Employee benefits	7,143,017	6,688,872	(454,145)
Depreciation and amortization	5,666,636	5,100,000	(566,636)
Recycling	4,706,096	3,200,000	(1,506,096)
Taxes, licenses and permits	1,445,116	1,189,400	(255,716)
Repairs & Maintenance	4,463,240	3,467,000	(996,240)
Professional services	1,097,816	1,063,626	(34,190)
Fuel	2,084,141	2,400,000	315,859
Contractual services	1,126,107	768,500	(357,607)
Operating supplies	1,744,375	1,077,300	(667,075)
Landfill closure and post closure care costs	568,797	420,000	(148,797)
Insurance	1,454,566	1,400,000	(54,566)
Public awareness	163,240	417,800	254,560
Office	653,090	546,020	(107,070)
Safety equipment and supplies	302,313	252,200	(50,113)
Education, meetings and travel	150,228	244,400	94,172
Hazardous waste program	370,770	332,000	(38,770)
Environmental services	2,852,171	1,000,000	(1,852,171)
Utilities	195,666	184,100	(11,566)
Miscellaneous	63,809	68,000	4,191
Total operating expenses	48,911,070	42,132,748	(6,778,322)
INCOME FROM OPERATIONS	2,846,385	9,017,652	(6,171,267)

	ACTUAL	DISTRICT BUDGET	VARIANCE
INCOME FROM OPERATIONS	$ 2,846,385	$ 9,017,652	$ (6,171,267)
NON–OPERATING REVENUES (EXPENSES)			
Interest income	940,653	475,000	465,653
Rents and leases	325,334	325,000	334
Finance charges	-	(1,000)	1,000
Gain on sale of capital assets - net	265,930	-	265,930
Interest expense - revenue bonds and financed purchase	(1,244,938)	(1,265,000)	20,062
Other income (expense)	6,467	5,000	1,467
Total non-operating revenues (expenses)	293,446	(461,000)	754,446
INCREASE (DECREASE) IN NET POSITION	$ 3,139,831	$ 8,556,652	$ (5,416,821)