Annual Financial Report
JUNE 30, 2021 AND 2020

Monterey Regional Waste Management District

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT
ANNUAL FINANCIAL REPORT

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JUNE 30, 2021

BOARD OF DIRECTORS

FOR THE YEAR ENDED JUNE 30, 2021

Member	Office	Representing	Term Expires
Carrie Theis	Director	Carmel-By-The-Sea	December 2022
Jason Campbell	Chair	Seaside	December 2024
Bruce Delgado	Director	Marina	December 2022
Luke Coletti	Director	Pacific Grove	December 2022
Leo Laska	Director	Pebble Beach Community Services District	December 2023
Dan Albert	Director	Monterey	November 2022
Wendy Root Askew	Director	Monterey County	December 2024
Kim Shirley	Director	Del Rey Oaks	December 2024
Jerry Blackwelder	Vice Chair	Sand City	December 2024
Timothy Flanagan	General Manager/ Secretary of the Board		

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the Monterey Regional Waste Management District (District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Monterey Regional Waste Management District, as of June 30, 2021, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Report on Summarized Comparative Information
We have previously audited the 2020 financial statements of the District, and we expressed an unmodified audit opinion on those financial statements in our report dated November 24, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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 on pages 4—14 and 51—53 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board* who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information
Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The combining schedules and the budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Menlo Park, California
November xx, 2021

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEARS ENDED JUNE 30, 2021 and JUNE 30, 2020

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, 2021. 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 2020-21

- Operating revenues increased by 7.1 percent to $42.5 million and operating expenses decreased by 5.1 percent to $34.2 million.
- Capital outlay for buildings, equipment and infrastructure were $7.9 million.
- Operating revenues were above budgeted revenues by $6.0 million. Operating expenses were above budgeted amounts by $1.7 million. Non-operating revenues and expenses were below the budgeted levels by $0.8 million.

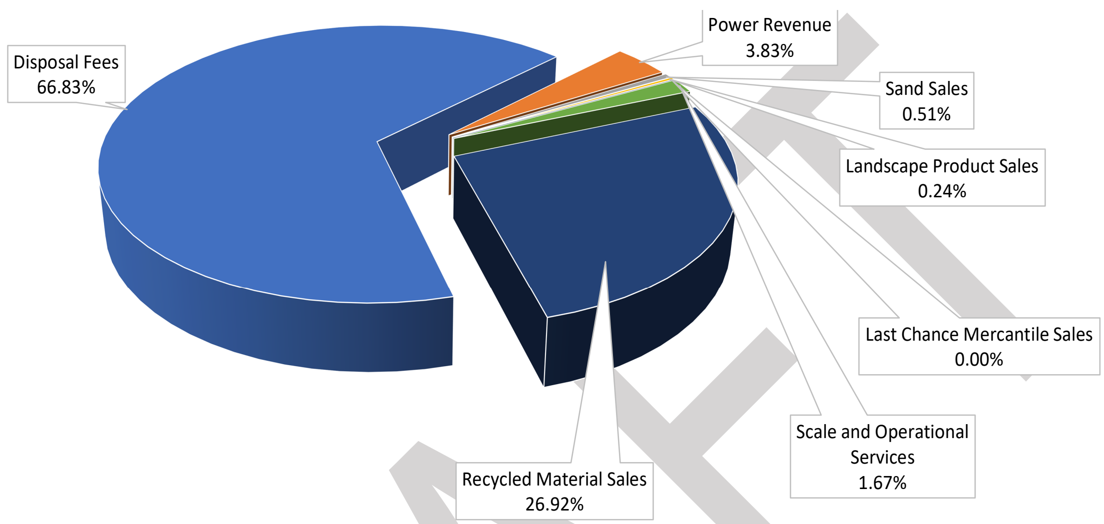
Fiscal year 2019-20

- Operating revenues increased by 5.0 percent to $39.6 million and operating expenses increased by 7.6 percent to $36.0 million.
- Capital outlay for buildings, equipment and infrastructure were $11.2 million.
- Operating revenues were above budgeted revenues by $3.1 million. Operating expenses were above budgeted amounts by $2.4 million. Non-operating revenues/expenses were unfavorable to budgeted levels by $2.0 million.

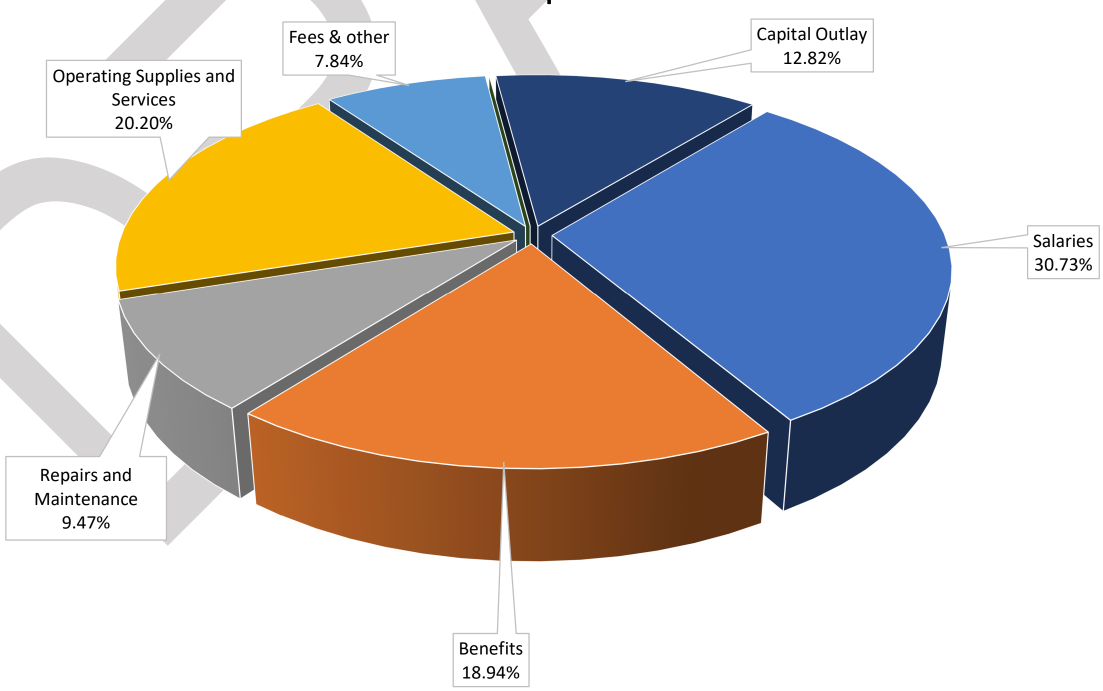
FINANCIAL HIGHLIGHTS (Continued)

The following figures show the District's sources of revenues and areas of expenditures for fiscal year 2021:

Sources of Revenue



Areas of Expense



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 2020-21

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 revenue bond proceeds that are restricted for the acquisition of Materials Recovery Facility Improvement Project and the Franchise Hauler Truck Parking and Maintenance Facility Project.

The District's total net position at June 30, 2021 was $49.3 million, an 18.9 percent increase of $7.8 million over net position at June 30, 2020 (See Table A-1). Much of the increase in total net position is attributable to a 45 percent or $3.6 million increase of recycled material sales and CRV rebates and a 19 percent of $2.4 million decrease of salary expense.

Total assets and deferred outflows increased by 5.2 percent to $127.3 million.

Total liabilities and deferred inflows decreased by 1.9 percent to $78.0 million.

Fiscal year 2019-20

The deficit unrestricted portion of net position is primarily the result of recording the net pension liability in accordance with Governmental Accounting Standards Statement No. 68 of ($13 million) and the total other postemployment benefits liability in accordance with GASB Statement No. 75 of ($3.8 million).

The District's total net position at June 30, 2020, was approximately $41.5 million, a 10.0 percent increase over net position at June 30, 2019 (See Table A-1). Total assets and deferred outflows increased by 1.7 percent to $120.9 million and total liabilities and deferred inflows decreased by 2.2 percent to $79.5 million.

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

	2021	2020	2019	Change 2021 to 2020	Change 2020 to 2019
Current Assets	$ 35,628	$ 32,788	$ 38,380	8.7%	-14.6%
Restricted Assets	4,850	4,850	4,850	0.0%	0.0%
Deposits	155	155	155	0.0%	0.0%
Capital Assets–Net	82,782	78,937	71,885	4.9%	9.8%
Intangible Assets–Net	73	89	105	-18.0%	-15.2%
Total Assets	123,488	116,819	115,375	5.7%	1.3%
Deferred Outflows	3,801	4,165	3,635	-8.7%	14.6%
Total Assets and Deferred Outflows	$ 127,289	$ 120,984	$ 119,010	5.2%	1.7%
Current Liabilities	$ 5,373	$ 5,323	$ 7,035	0.9%	-24.3%
Non–Current Liabilities	19,284	18,642	16,841	3.4%	10.7%
Revenue Bonds Payable	46,814	49,179	51,411	-4.8%	-4.3%
Estimated Closure/Post Closure Costs	6,413	6,057	5,702	5.9%	6.2%
Total Liabilities	77,884	79,201	80,989	-1.7%	-2.2%
Deferred Inflows	94	317	312	-70.3%	1.6%
Total Liabilities and Deferred Inflows	$ 77,978	$ 79,518	$ 81,301	-1.9%	-2.2%
Net Position:					
Invested in Capital Assets–Net of Debt	44,257	41,209	41,809	7.4%	-1.4%
Restricted	4,850	4,850	4,850	0.0%	0.0%
Unrestricted	205	(4,593)	(8,950)	-104.5%	-48.7%
Total Net Position	49,312	41,466	37,709	18.9%	10.0%
Total Liabilities, Deferred Inflows, and Net Position	$ 127,290	$ 120,984	$ 119,010	5.2%	1.7%

Revenues, Expenses and Changes in Net Position

Fiscal year 2020-21

Operating revenues increased by 7.1 percent to $42.5 million (See Table A-2). Some of the major impacts on District revenues are from:

- Revenues from disposal fees remained consistent with prior year with a decrease of 1.6 percent.
- Power revenue increased by 22.8 percent due to the increase of the surplus power sold in the grid.
- Recycled material sales increased by 45.5 percent due the fast-growing activity of the Material Recovery Facility (MRF) CRV values assigned to diverted products by CalRecycle. CRV values represent 36.9 percent of total MRF revenue.
- Mulch, compost, and woodchip sales (landscape products) decreased by 26.5 percent due to the business slow-down resulted from the COVID-19 Worldwide Pandemic and the transfer of the sales of landscape products to a third-party business during the year.
- Sand sales increased 27.8 percent compared to the prior year mainly due to the increase in demand.
- Last chance mercantile sales decreased by 100 percent due to the store being shuttered for the entire fiscal year.

Operating expenses decreased by 5.1 percent to $34.2 million. Salaries decreased by 19.5 percent, due to the prior year early retirement program which of many employees had utilized and accepted an early retirement package from the District. Benefits decreased by 12.4 percent due to the decrease in the number of employees. Generally, the operations related expenditures have decreased compared to the prior year due to the worldwide COVID-19 pandemic. Repairs and maintenance decreased by 4.0 percent due to the limited repairs performed. Contracted services decreased by 12.4 percent. Recycling expenses decreased by 10.6 percent while the operating supplies increased by 45.0% due to buying COVID-19 related cleaning and disinfecting supplies. The environmental services increased by 388.9 percent due to costs incurred to repair and maintain the landfill gas collection system.

Fiscal year 2019-20

Operating revenues increased by 5.0 percent to $39.6 million (See Table A-2). Some of the major impacts on District revenues are from:

- Revenues from disposal fees remained consistent with prior year with an increase of 0.3 percent.
- Power revenue remained consistent with prior year with a decrease of 0.8 percent.
- Recycled material sales increased by 36.3 percent due the fast-growing activity of the Material Recovery Facility (MRF) CRV values assigned to diverted products by CalRecycle which started in full capacity in 2019. CRV values represent over 60 percent of total MRF revenue.
- Mulch, compost, and woodchip sales decreased by 17.3 percent primarily due to product availability.
- Sand sales decreased 7.7 percent compared to the prior year.
- Last chance mercantile sales decreased by 25.6 percent due to the impact of the COVID-19 Worldwide Pandemic and the store closure during the last quarter of the fiscal year.

Operating expenses increased by 7.6 percent to $36 million. Salaries increased by 18.0 percent, primarily due to employees accepting a voluntary early retirement package from the District. Benefits increased by 27.9 percent due to the increase in the unfunded pension liability partially offset by a decrease in the number of employees. Repairs and maintenance remained consistent with prior year. Contracted services decreased by 29.7 percent due to the business slow-down in the last fiscal year quarter. Recycling expenses decreased by 17.7 percent while the office supplies increased by 267.9% due to buying COVID-19 related cleaning and disinfecting supplies. The closure/post-closure costs decreased by 3.0 percent resulting from the submission of revised plans as part of the 5-year permit review process. The revised plans have not been approved and the regulating body has determined that the higher of the approved or revised plans should be used to calculate the current year's costs.

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

	2021	2020	2019	Change 2021 to 2020	Change 2020 to 2019
Operating Revenues					
Disposal Fees	$ 28,374	$ 28,828	$ 28,747	-1.6%	0.3%
Power Sales	1,625	1,323	1,334	22.8%	-0.8%
Last Chance Mercantile Sales	-	593	797	-100.0%	-25.6%
Recycled Material Sales	11,432	7,858	5,763	45.5%	36.4%
Landscape Product Sales	101	150	180	-32.7%	-16.7%
Scale and Operational Services	711	708	742	0.4%	-4.6%
Sand Sales	216	169	183	27.8%	-7.7%
Total Operating Revenues	42,459	39,629	37,746	7.1%	5.0%
Operating Expenses					
Salaries	9,858	12,244	10,374	-19.5%	18.0%
Employee Benefits	6,076	6,933	5,419	-12.4%	27.9%
Depreciation and Amortization	4,113	4,080	3,972	0.8%	2.7%
Recycling	2,076	2,322	2,723	-10.6%	-14.7%
Repairs and Maintenance	3,039	3,165	2,719	-4.0%	16.4%
Operating Supplies, Services and Other Expenses	6,481	4,718	4,295	37.4%	9.8%
Taxes, Licenses and Permits	1,322	1,393	2,370	-5.1%	-41.2%
Professional services	836	793	1,231	5.4%	-35.6%
Closure/Post Closure Costs	356	355	366	0.3%	-3.0%
Total Operating Expenses	34,157	36,003	33,469	-5.1%	7.6%
Operating Income	8,302	3,626	4,277	129.0%	-15.2%
Non-Operating Revenues (Expenses)					
Interest Income	120	753	381	-84.1%	97.6%
Other Revenue (Expenses)	327	372	377	-12.1%	-1.3%
Interest Expense-Revenue Bonds and Capital Leases	(904)	(994)	(834)	-9.1%	19.2%
Total Non-Operating Revenues (Expenses)	(457)	131	(76)	-448.9%	-272.4%
Change in Net Position	7,845	3,757	4,201	108.8%	-10.6%
Total Net Position - Beginning of Year	41,467	37,709	33,508	10.0%	12.5%
Total Net Position - End of Year	$ 49,312	$ 41,466	$ 37,709	18.9%	10.0%

Operating Revenue and Expenses by Department

Fiscal year 2020-21

- 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 refuse and green waste diverted at the facility, along with the revenues for sales of recycled materials, scrap metal and landscape materials and the revenue from CalRecycle CRV refund claims.
- Disposal fees make up the Scale's revenue.

Fiscal year 2019-20

- 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.
- Last chance mercantile (LCM) revenue is from the sale of items received from the public and recovered from the Materials Recovery Facility. The LCM was closed during the fourth quarter of Fiscal 2020 due to the pandemic.
- 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 refuse and green waste diverted at the facility, along with the revenues for sales of recycled materials, scrap metal and landscape materials and the revenue from CalRecycle CRV refund claims.
- Disposal fees make up the Scale's revenue.

Budget Highlights

Fiscal year 2020-21

The District's operating revenues of $42.5 million were $6.0 million above budget and non-operating revenue was $0.8 million below budget amounts. The revenue increase resulted primarily from increased revenue from sales of MRF products and CalRecycle CRV claims partially offset by lower Last Chance Mercantile and landscaping product revenue. Power sales remained stable to budget.

Operating expenses of $34.2 million were $1.7 million above budget. Salary expenses and benefits are $1.1 million above budget due to the pension expense recognizing the differences between actuarial assumptions and projected and actual plan investment earnings. Recycling costs were $0.2 million above budget due to increased volume of wood waste processing. Professional services costs were $0.4 million below budget due in part to lower engineering services related costs. Revised closure/post closure maintenance plans have been 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). The outside services were below budget due to less temporary workers in the MRF than was budgeted. There were several items under budget: outside services - $22,876; professional services - $350,897; fuel - $118,505; taxes and fees - $119,663; depreciation and amortization – $27,096; public awareness - $67,034; education, meetings and travel – $32,160; safety equipment and supplies – $10,882; closure and post closure care costs – $20,854, and office expenses – $51,894. Other categories over budget were hazardous waste program – $12,090; environmental services – $1,094,361; operating supplies - $116,939; recycling services - $200,489.

Fiscal year 2019-20

The District's operating revenues of $39.6 million were $3.1 million above budget and non-operating revenue was $0.7 million above budget amounts. The increase resulted primarily from increased disposal fee revenue and increased revenue from sales of MRF products and CalRecycle CRV claims partially offset by lower Last Chance Mercantile, landscaping product revenue and power sales.

Operating expenses of $36.0 million were $2.4 million above budget. Salary expenses and benefits are $3.2 million above budget due to employees accepting an early retirement package from the District and the pension expense recognizing the differences between actuarial assumptions and projected and actual plan investment earnings. Recycling costs were $0.5 million above budget due to increased volume of wood waste processing.

Professional services costs were $0.6 million below budget due in part to lower engineering services related costs. Revised closure/post closure maintenance plans 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). The outside services were below budget due to less temporary workers in the MRF than was budgeted. There were several items under budget: outside services - $134,704 ; professional services - $588,592 ; fuel - $342,372; taxes and fees - $43,361 ; depreciation and amortization – $19,852; public awareness - $92,519 landfill; education, meetings and travel – $158,244; office expenses – $70,880. Other categories over budget were; hazardous waste program – $36,316; safety equipment and supplies – $85,998 ; environmental services – $66,294; utilities – $68,542; operating supplies - $66,989; recycling services - $510,739.

Capital Assets and Debt Administration

Capital Assets

On June 30, 2021, the District's capital assets totaled $82.9 million, net of accumulated depreciation. (See Table A-3). The increase of $3.8 million is mostly due to capital acquisitions for the materials recycling facility.

				Change	
	2021	2020	2019	2021-20	2020-19
Land	$ 578	$ 578	$ 578	0.0%	0.0%
Facilities and Infrastructure	20,234	20,414	21,230	-0.9%	-3.8%
Equipment	33,179	29,932	30,575	10.8%	-2.1%
Power Project	9,919	6,080	6,982	63.1%	-12.9%
Module Development	13,550	10,352	8,392	30.9%	23.4%
Intangible Assets	73	89	105	-18.0%	-15.2%
Construction in Progress	5,322	11,581	4,128	-54.0%	180.5%
	$ 82,855	$ 79,026	$ 71,990	4.8%	9.8%

Fiscal year 2020-21 major capital asset additions include:

- $568,395 for BioGas Transformation to Renewable Natural Gas (RNG) project.
- $3,423,144 for MRF expansion.
- $1,275,575 for Caterpillar 836K Landfill Compactor.
- $285,262 for Caterpillar 323 Hydraulic Excavator.

Fiscal year 2019-20 major capital asset additions include:

- $ 4,137,000 for module development.
- $2,029,000 for MRF expansion.
- $1,392,000 for LFG field improvements.
- $908,000 for 2-wheel loaders.

Debt Administration

On May 28, 2015, through the bond underwriter, the District issued $31,145,000 in 2015 Series A and Series B Integrated Waste Management Revenue Bonds to fund the acquisition of the Materials Recovery Facility Improvement Project and the Franchise Hauler Truck Parking and Maintenance Facility Project. Through the bond trustee, the District continues to make its regularly scheduled payments on the 2015 Series A and B Integrated Waste Management Revenue Bonds. During 2021, principal payments of $1,250,000 were made, leaving a balance of $24,450,000. The District was in compliance with the bond covenants at June 30, 2021 and 2020.

Bond Rating – In May 2015, Standard and Poor's assigned the Series 2015 Bonds the rating of AA- and view the outlook as stable.

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 2021, principal payments of $780,000 were made, leaving a balance of $21,180,000. The District was in compliance with the bond covenants at June 30, 2021 and 2020.

Bond Rating – In November 2018, Standard and Poor's assigned the Series 2018 Bonds the rating of AA- and view the outlook as stable.

Economic Factors and Next Year's Budget and Rates

Operating revenues are projected to decrease $3.8 million in Fiscal 2022 primarily due to lower disposal fee revenue and lower MRF related revenue. Disposal fee revenue will decrease due to less material being received from certain regional waste customers. MRF related revenue is expected to decrease due to the unpredictable prices of MRF related product sales in Fiscal 2022. Other sales revenue is expected to decrease due to the District no longer selling landscaping products. There are no disposal fee increases in Fiscal 2022 for district customers. Contracts with certain regional customers were amended in Fiscal 2021 with disposal fee increases effective at the beginning of the fiscal year. Operating expenses are projected to increase $1.2 million due to higher cost of employment, higher insurance costs higher professional service costs. State legislation will cause public communication costs due to the costs of implementing new processes to comply with the new regulations. The District will be sharing cost of complying with the new state regulations with the franchise cities. The capital spend plan in Fiscal 2022 is $14.8 million.

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 Garth Gregson, Accounting Manager, at (831) 264–5526.

BASIC FINANCIAL STATEMENTS

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

STATEMENT OF NET POSITION
JUNE 30, 2021 AND COMPARATIVE 2020

	2021	2020
ASSETS AND DEFERRED OUTFLOWS		
Current assets		
Cash and investments (Note 3)	$ 29,400,795	$ 28,614,648
Accounts receivable, net	4,377,481	3,657,661
Accrued interest receivable	24,097	87,576
Other receivables	348,603	346,199
Prepaid expenses	1,477,359	83,410
Total current assets	35,628,335	32,789,494
Non-current assets		
Restricted cash and investments (Note 3)	4,849,925	4,849,925
Deposits	155,000	155,000
Capital assets, net (Note 4)	82,855,486	79,025,732
Total noncurrent assets	87,860,411	84,030,657
Total assets	123,488,746	116,820,151
Deferred outflows of resources		
Pension related amounts (Note 6)	3,016,110	3,324,325
OPEB related amounts (Note 7)	785,006	840,752
Total deferred outflows of resources	3,801,116	4,165,077
Total assets and deferred outflows of resources	$ 127,289,862	$ 120,985,228

The accompanying notes are an integral part of these financial statements.

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

STATEMENT OF NET POSITION (Continued)
JUNE 30, 2021 AND COMPARATIVE 2020

LIABILITIES, DEFERRED INFLOWS AND NET POSITION	2021	2020
Current liabilities		
Accounts payable	$ 1,289,020	$ 1,460,361
Security deposits	52,112	52,045
Compensated absences	218,527	270,139
State/County waste management fees	257,916	261,027
Payroll and payroll liabilities	275,956	106,528
Revenue bonds and equipment lease interest payable	455,164	482,869
Current portion of revenue bonds payable (Note 8)	2,365,226	2,231,681
Current portion of installment sale obligation (Note 9)	458,783	458,783
Total current liabilities	5,372,704	5,323,433
Non-current liabilities		
Compensated absences	655,582	810,419
Long-term portion of installment sale obligation (Note 9)	515,814	980,343
Net pension liability (Note 6)	14,231,847	13,041,310
Total OPEB liability (Note 7)	3,880,481	3,809,546
Revenue bonds payable, net (Note 8)	46,813,664	49,178,889
Landfill closure and post closure care (Note 5)	6,413,578	6,057,277
Total noncurrent liabilities	72,510,966	73,877,784
Total liabilities	77,883,670	79,201,217
Deferred inflows of resources		
Pension related amounts (Note 6)	93,951	317,248
Total liabilities and deferred inflows of resources	77,977,621	79,518,465
Net position		
Net investment in capital assets	44,256,999	41,209,453
Restricted for		
Debt service	2,349,925	2,349,925
Landfill closure	1,500,000	1,500,000
Environmental impairment	1,000,000	1,000,000
Unrestricted net position (deficit)	205,317	(4,592,615)
Total net position	$ 49,312,241	$ 41,466,763

The accompanying notes are an integral part of these financial statements.

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2021 AND COMPARATIVE 2020

	2021	2020
Operating revenues		
Disposal fees	$ 28,374,166	$ 28,828,155
Power sales	1,625,164	1,323,808
Recycled material sales	11,432,861	7,858,213
Last chance mercantile sales	-	593,666
Scale and operational services	710,529	708,019
Sand sales	216,303	169,458
Landscape product sales	100,574	149,722
Total operating revenues	42,459,597	39,631,041
Operating expenses		
Salaries	9,857,148	12,244,176
Employee benefits	6,076,471	6,933,397
Depreciation and amortization	4,112,538	4,080,148
Recycling	2,075,866	2,322,351
Taxes, licenses and permits	1,322,032	1,393,089
Repairs & Maintenance	3,039,219	3,165,163
Professional services	836,267	793,208
Fuel	958,901	917,628
Contractual services	635,035	725,295
Operating supplies	1,561,552	1,076,990
Landfill closure and post closure care costs	356,300	354,908
Insurance	572,351	465,941
Public awareness	74,607	162,484
Office	276,579	266,621
Safety equipment and supplies	229,765	257,750
Education, meetings and travel	42,406	76,753
Hazardous waste program	357,843	305,316
Environmental services	1,619,822	331,294
Utilities	122,550	108,544
Miscellaneous	29,600	23,053
Total operating expenses	34,156,852	36,004,109
Operating income	$ 8,302,745	$ 3,626,932

The accompanying notes are an integral part of these financial statements.

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (Continued)
FOR THE YEARS ENDED JUNE 30, 2021 AND COMPARATIVE 2020

	2021	2020
Operating income	8,302,745	3,626,932
Non–operating revenues (expenses):		
Interest income	$ 119,827	$ 753,311
Rents and leases	323,559	343,337
Gain on sale of capital assets – net	-	28,610
Interest expense – revenue bonds and installment sales	(904,347)	(994,494)
Other income (expense)	3,694	99
Total non-operating revenues (expenses)	(457,267)	130,863
Change in net position	7,845,478	3,757,795
Net position, beginning of year	41,466,763	37,708,968
Net position, end of year	$ 49,312,241	$ 41,466,763

The accompanying notes are an integral part of these financial statements.

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND COMPARATIVE 2020

	2021	2020
Cash flows from operating activities		
Cash received from customers	$ 41,737,373	$ 39,167,638
Cash payments to employees for services	(14,568,504)	(17,493,221)
Cash payments to suppliers of goods or services	(15,322,728)	(13,681,240)
Net cash provided by operating activities	11,846,141	7,993,177
Cash flows from noncapital financing		
Other non-operating revenues	327,253	343,166
Net cash provided by noncapital financing activities	327,253	343,166
Cash flows from capital and related financing activities		
Payments for capital acquisitions	(7,942,292)	(11,116,074)
Principal payments for capital leases	(464,529)	(451,470)
Proceeds from disposition of capital assets	-	28,610
Principal paid on revenue bonds	(2,231,680)	(2,091,744)
Interest paid on revenue bonds and capital leases	(932,052)	(1,022,383)
Net cash used for capital and related financing activities	(11,570,553)	(14,653,061)
Cash flows from investing activities		
Investment income	183,306	722,735
Proceeds from investments sales	8,339,301	18,830,728
Payments to acquire investment instruments	(3,171,648)	(3,821,381)
Net cash provided by capital and related financing activities	5,350,959	15,732,082
Net change in cash and cash equivalents	5,953,800	9,415,364
Cash and cash equivalents, beginning of year	28,296,920	18,881,556
Cash and cash equivalents, end of year	$ 34,250,720	$ 28,296,920

The accompanying notes are an integral part of these financial statements.

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

STATEMENT OF CASH FLOWS (Continued)
FOR THE YEARS ENDED JUNE 30, 2021 AND COMPARATIVE 2020

	2021	2020
Reconciliation of operating income to net cash provided by operating activities		
Operating income	$ 8,302,745	$ 3,626,932
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	4,112,538	4,080,148
Landfill closure and post closure care	356,300	354,908
Changes in assets, liabilities, deferred inflows and outflows		
Accounts payable	(171,341)	(1,713,271)
Accounts receivable	(719,820)	(680,228)
Accrued compensated absences	(206,448)	(137,646)
Accrued payroll and payroll liabilities	169,428	5,663
Accrued State/County waste management fees	(3,111)	(66,683)
Deferred outflows - OPEB	55,746	(780,486)
Deferred outflows - pension	308,215	250,524
Net pension liability	1,190,537	1,063,817
Other receivables	(2,404)	216,825
Prepaid expenses	(1,393,949)	490,679
Security deposits	67	(756)
Deferred inflow-Pension	(223,297)	5,407
Total other postemployment benefits liability	70,935	1,277,074
Total reconciling adjustments	3,543,396	4,365,975
Net cash provided by operating activities	$ 11,846,141	$ 7,992,907
Reconciliation of cash and cash equivalents to the statement of net position		
Demand deposits with financial institutions	$ 12,169,232	$ 9,387,080
Investments treated like demand deposits	22,081,488	18,909,840
Total cash and cash equivalents, end of year	34,250,720	28,296,920
Investments	-	5,167,653
Total cash and investments on the statement of net position	$ 34,250,720	$ 33,464,573
Cash and investments - classified as unrestricted	$ 29,400,795	$ 28,614,648
Cash and investments - classified as restricted	4,849,925	4,849,925
Total deposits and investments	$ 34,250,720	$ 33,464,573
Supplemental Disclosures		
Noncash investing and financing activities		
Change in fair market value of investments	$ 1,832	$ 92,900

The accompanying notes are an integral part of these financial statements.

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, 2021 and 2020, 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

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, 2021 and 2020:

	July 1,	Additions	Reductions	June 30,	Due Within One Year
2021	$ 1,080,558	$ 76,293	$ 282,742	$ 874,109	$ 218,527
2020	$ 1,218,205	$ 732,960	$ 870,607	$ 1,080,558	$ 270,139

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, 2021	
Valuation Date (VD)	June 30, 2019
Measurement Date (MD)	June 30, 2020
Measurement Period (MP)	July 1, 2019 to June 30, 2020
Year Ended June 30, 2020	
Valuation Date (VD)	June 30, 2018
Measurement Date (MD)	June 30, 2019
Measurement Period (MP)	July 1, 2018 to June 30, 2019

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

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 2021, the District's three largest customers accounted for approximately 33 percent, 14 percent, and 12 percent of sales. In 2020, the largest customers accounted for 35 percent and 12 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.

New Accounting Principles from the Governmental Accounting Standards Board (GASB)

GASB Statement No. 84 – In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The provisions of this Statement have been implemented as of June 30, 2021 and did not have a material impact on the financial statements.

GASB Statement No. 90 – In September 2018, the GASB issued Statement No. 90, *Majority Equity Interests, An Amendment of GASB Statements No. 14 and No. 61.* The objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The provisions of this Statement have been implemented as of June 30, 2021 and did not have a material impact on the financial statements.

New Accounting Pronouncements – Effective in Future Fiscal Years

GASB Statement No. 87 – In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases; enhancing the comparability of financial statements between governments; and also enhancing the relevance, reliability (representational faithfulness), and consistency of information about the leasing activities of governments. This Statement is effective for reporting periods beginning after June 15, 2021, or fiscal year 2021-22. The District is evaluating the impact of this Statement on the financial statements.

GASB Statement No. 89 – In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period.* The objectives of this Statement are (a) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (b) to simplify accounting for certain interest costs. This Statement is effective for reporting periods beginning after December 15, 2020, or fiscal year 2021-22. The District is evaluating the impact of this Statement on the financial statements.

GASB Statement No. 91 – In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The objective of this Statement is to provide a single method of reporting conduit debt obligations by issues and eliminate diversity in practice. The Statement is effective for reporting periods beginning after December 15, 2021, or fiscal year 2022-23. The District is evaluating the impact of this Statement on the financial statements.

GASB Statement No. 92 – In January 2020, the GASB issued Statement No. 92, *Omnibus 2020.* The objectives of this Statement are to enhance comparability in accounting and financial reporting to improve the consistency of authoritative literature by addressing practices issues that have been identified during implementation and application of certain GASB Statements. The Statement is effective for reporting periods beginning after June 15, 2021, or fiscal year 2021-22. The District is evaluating the impact of this Statement on the financial statements.

GASB Statement No. 93– In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address the accounting and financial reporting implications that result from the replacement of an IBOR. The Statement is effective for reporting periods beginning after June 15, 2021, or fiscal year 2021-22. The District is evaluating the impact of this Statement on the financial statements.

GASB Statement No. 94– In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objective of this Statement is improving financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The Statement is effective for reporting periods beginning after June 15, 2022, or fiscal year 2022-23. The District is evaluating the impact of this Statement on the financial statements.

GASB Statement No. 96– In May 2020, the GASB issued Statement No. 96, *Subscription-based Information Technology Arrangements*. The objective of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The Statement is effective for reporting periods beginning after June 15, 2022, or fiscal year 2022-23. The District is evaluating the impact of this Statement on the financial statements.

GASB Statement No. 97– In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting For Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statement No.14 and No.84 and A Supersession of GASB Statement No.32*. The objective of this Statement is (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The Statement is effective for reporting periods beginning after June 15, 2021, fiscal year 2021-22. The District is evaluating the impact of this Statement on the financial statements.

NOTE 3. DEPOSITS AND INVESTMENTS

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

	2021	2020
Unrestricted	$ 29,400,795	$ 28,614,648
Restricted		
Held by trustee for bond reserve account	2,349,925	2,349,925
For landfill closure and post closure care costs	1,500,000	1,500,000
For environmental impairment fund	1,000,000	1,000,000
Total restricted	4,849,925	4,849,925
Total cash and investments	$ 34,250,720	$ 33,464,573

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

	2021	2020
Deposits with financial institutions	$ 12,169,232	$ 9,387,080
Investments		
U.S. Agency medium term notes	-	5,167,653
Local Agency Investment Fund (LAIF)	22,081,488	18,909,840
Total investments	22,081,488	24,077,493
Total deposits and investments	$ 34,250,720	$ 33,464,573

Authorized Investments

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

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, 2021 and June 30, 2020, the District's bank balance of $12,757,221 and $10,141,408, 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. As of June 30, 2021 and June 30, 2020, $0 and $5,167,653, respectively of the District's investment portfolio was exposed to custodial credit risk by not being insured or collateralized 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 following is a summary of the credit quality of the District's investment portfolio at June 30:

Investment on June 30, 2020	Rating	2021	2020
Federal National Mortgage Association	Aaa	$ -	$ 5,167,653
Local Agency Investment Fund (LAIF)	Not Rated	22,081,488	18,909,840
Total investments		$ 22,081,488	$ 24,077,493

Concentration of Credit Risk

Investments in any one issuer that represent five percent or more of the total investment portfolio as of June 30, are as follows:

Investment on June 30, 2021	Value	% of Portfolio
Federal National Mortgage Association	$ -	0%

Investment on June 30, 2020	Value	% of Portfolio
Federal National Mortgage Association	5,167,653	21%

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. Information about the sensitivity of the fair value of the District's investments to market interest rate fluctuations is provided in the following table that shows the distribution of the investment portfolio by maturity.

Investment on June 30, 2021	Value	Maturity Less than 1 year
Local Agency Investment Fund (LAIF)	$ 22,081,488	$ 22,081,488

Investment on June 30, 2020	Value	Maturity Less than 1 year
Federal National Mortgage Association	$ 5,167,653	$ 5,167,653
Local Agency Investment Fund (LAIF)	18,909,840	18,909,840
	24,077,493	$ 24,077,493

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.

The District's fair value measurements are as follows at June 30, 2021:

	Fair Value Measurement Using	
Investment on June 30, 2021	**Level 1**	**Uncategorized**
Local Agency Investment Fund (LAIF)	$ -	$ 22,081,488

	Fair Value Measurement Using	
Investment on June 30, 2020	**Level 1**	**Uncategorized**
Federal National Mortgage Association	$ 5,167,653	$ -
Local Agency Investment Fund (LAIF)	-	18,909,840
Total	$ 5,167,653	$ 18,909,840

Local Agency Investment Fund – 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. LAIF management calculates the fair value and cost of the entire LAIF pool. The Authority adjusts its cost basis invested in LAIF to fair value based on this ratio. The fair value of the Authority's position in the pool is the same as the value of the pool share. The balance available for withdrawal on demand is based on accounting records maintained by LAIF, which are recorded on an amortized cost basis. At June 30, 2020 and June 30, 2019, LAIF had a weighted average maturity of 191 days and 173 days, respectively.

NOTE 4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021 was as follows:

	Capital Assets at June 30, 2020	Additions and Transfers	Dispositions and Transfers	Capital Assets at June 30, 2021
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land and improvements	$ 578,210	$ -	$ -	$ 578,210
Construction in progress	15,382,165	5,850,570	(15,911,266)	5,321,469
Total capital assets not being depreciated	15,960,375	5,850,570	(15,911,266)	5,899,679
Other capital assets				
Administrative and scale:				
Equipment	907,307	319,596	-	1,226,903
Facilities	17,016,677	164,351	-	17,181,028
Disposal and recycling:				
Equipment	46,382,237	5,019,284	-	51,401,521
Facilities	17,915,650	711,301	-	18,626,951
Power project	16,930,094	4,691,456	-	21,621,550
Module development	10,879,348	7,097,000	-	17,976,348
Intangible site master plan	738,557	-	-	738,557
Total other capital assets at historical cost	110,769,870	18,002,988	-	128,772,858
Less accumulated depreciation for				
Administrative and scale	(3,701,266)	(643,011)	-	(4,344,277)
Disposal and recycling	(43,354,162)	(3,453,504)	-	(46,807,666)
Intangible site master plan	(649,085)	(16,023)	-	(665,108)
Total accumulated depreciation	(47,704,513)	(4,112,538)	-	(51,817,051)
Other capital assets, net	63,065,357	13,890,450	-	76,955,807
Business-type activities capital assets, net	$ 79,025,732	$ 19,741,020	$ (15,911,266)	$ 82,855,486

Capital asset activity for the year ended June 30, 2020 was as follows:

	Capital Assets at June 30, 2019	Additions and Transfers	Dispositions and Transfers	Capital Assets at June 30, 2020
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land and improvements	$ 578,210	$ -	$ -	$ 578,210
Construction in progress	5,870,957	9,551,575	(40,367)	15,382,165
Total capital assets not being depreciated	6,449,167	9,551,575	(40,367)	15,960,375
Other capital assets				
Administrative and scale:				
Equipment	806,329	100,978	-	907,307
Facilities	17,010,137	6,540	-	17,016,677
Disposal and recycling:				
Equipment	46,101,991	1,264,596	(984,350)	46,382,237
Facilities	17,632,990	282,660	-	17,915,650
Power project	16,982,400		(52,306)	16,930,094
Module development	10,879,348		-	10,879,348
Intangible site master plan	738,557	-	-	738,557
Total other capital assets at historical cost	110,151,752	1,654,774	(1,036,656)	110,769,870
Less accumulated depreciation for				
Administrative and scale	(3,071,895)	(629,371)	-	(3,701,266)
Disposal and recycling	(40,906,157)	(3,434,753)	986,748	(43,354,162)
Intangible site master plan	(633,061)	(16,024)	-	(649,085)
Total accumulated depreciation	(44,611,113)	(4,080,148)	986,748	(47,704,513)
Other capital assets, net	65,540,639	(2,425,374)	(49,908)	63,065,357
Business-type activities capital assets, net	$ 71,989,806	$ 7,126,201	$ (90,275)	$ 79,025,732

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 used the greater cost estimates and are $6,413,578 and $6,057,277 as of June 30, 2021 and 2020, respectively which was based on 23.3 percent and 22.2 percent usage (filled) of the landfill at that date. It is estimated that an additional $21,566,000 will be recognized as landfill closure and post closure care expenses between June 30, 2021, 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 $27,889,401 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, 2021.

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 Monterey Regional Waste Management 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, 2021 and 2020, investments of $1,500,000 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, 2018, 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, 2021 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	7.000%	6.750%
Required employer contribution rates	9.61%	9.61%

Employees Covered

At June 30, 2019 and June 30, 2018 valuation dates, the following employees were covered by the benefit terms for each Plan:

	2019	**2018**
Inactive employees or beneficiaries currently receiving benefits	68	63
Inactive employees entitled to but not receiving benefits	65	58
Active employees	137	127
Total	**270**	**248**

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, 2021 and 2020, the District paid the employer's share and the employee' paid the employees' share of the contributions. The contributions were as follows:

	2021	2020
Employer normal contributions	$ 793,556	$ 837,043
Annual UAL prepayment	864,024	727,373
Total employer contributions	1,657,580	1,564,416
Employee contributions	566,189	632,451
Total contributions	$ 2,223,769	$ 2,196,867

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, 2021, for the Plan is measured as of June 30, 2020, using an actuarial valuation as of June 30, 2019, rolled forward to June 30, 2020, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown on the following page.

Actuarial Assumptions

The total pension liabilities in the June 30, 2019, actuarial valuation rolled forward to June 30, 2020, using standard update procedures, were determined using the following actuarial assumptions:

	Miscellaneous
Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	2.75%
Projected Salary Increase	Varies by entry age and service
Investment Rate of Return	7.15%
Mortality	Based on CalPERS Experience Study using Scale BB

The total pension liabilities in the June 30, 2018, actuarial valuation rolled forward to June 30, 2019, using standard update procedures, were determined using the following actuarial assumptions:

	Miscellaneous
Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	2.75%
Projected Salary Increase	Varies by entry age and service
Investment Rate of Return	7.50%
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. All other actuarial assumptions used in the June 30, 2019 valuation were based on the results of this report, including updates to salary increase, mortality and retirement rates.

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

For the years ended June 30, 2021 and 2020, the District recognized pension expense of $4,590,683 and $4,448,191, respectively. At June 30, 2021 and 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2021		2020	
	Deferred Outflow of Resources	Deferred Inflow of Resources	Deferred Outflow of Resources	Deferred Inflow of Resources
Pension contributions subsequent to measurement date	$ 1,657,580	$ -	$ 1,564,416	$ -
Difference between actual and expected experience	841,737	-	961,277	-
Changes in assumptions	299,487	(93,951)	798,632	(146,146)
Net differences between projected and actual earnings on plan investments	217,306	-	-	(171,102)
Total	$ 3,016,110	$ (93,951)	$ 3,324,325	$ (317,248)

$1,657,580 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, 2022. 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
2022	$	426,574
2023		304,709
2024		341,223
2025		192,073
	$	1,264,579

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing of the plans, the tests revealed the assets would not run out. Therefore, the current 7.15 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 7.15 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, staff took into account both short-term and long-term market return expectations as well as the expected pension fund (Public Employees’ Retirement Fund) cash flows. Such cash flows were developed assuming that both members and employers will make their required contribution on time and as scheduled in all future years. Using historical returns of all the funds’ asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for each cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The following table reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the Board effective on July 1, 2016.

Asset Class[1]	New Strategic Allocation	Real Return Years 1 - 10[2]	Real Return Years 11+[3]
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
Total	100.0%		

(1) In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Equity Securities and Global Debt Securities.

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

(3) An expected inflation of 2.92% 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:

	2021	2020
1% Decrease	6.15%	6.15%
Net Pension Liability	$ 20,959,480	$ 19,439,269
Current Discount Rate	7.15%	7.15%
Net Pension Liability	$ 14,231,847	$ 13,041,310
1% Increase	8.15%	8.15%
Net Pension Liability	$ 8,663,620	$ 7,754,377

Changes in the Net Pension Liability

The changes in the net pension liability for the plan during the year ended June 30, 2021 are as follows:

	Increase (Decrease) Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c) = (a) - (b)
Balance at: June 30, 2019 measurement date	$ 45,901,184	$ 32,859,874	$ 13,041,310
Changes Recognized for the Measurement Period:			
Service Cost	1,448,004	-	1,448,004
Interest on the Total Pension Liability	3,288,683	-	3,288,683
Differences between Expected and Actual Experience	357,277	-	357,277
Contributions from the Employer	-	1,564,484	(1,564,484)
Contributions from Employees	-	633,184	(633,184)
Net Investment Income	-	1,752,083	(1,752,083)
Benefit Payments, Including Refunds of Employee Contributions	(1,973,785)	(1,973,785)	-
Administrative Expense	-	(46,324)	46,324
Net Changes	3,120,179	1,929,642	1,190,537
Balance at: June 30, 2020 measurement date	$ 49,021,363	$ 34,789,516	$ 14,231,847

The changes in the net pension liability for the plan during the year ended June 30, 2020 follows:

	Increase (Decrease) Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c) = (a) - (b)
Balance at: June 30, 2018 measurement date	$ 42,453,518	$ 30,476,025	$ 11,977,493
Changes Recognized for the Measurement Period:			
Service Cost	1,343,425	-	1,343,425
Interest on the Total Pension Liability	3,069,788	-	3,069,788
Differences between Expected and Actual Experience	583,289	-	583,289
Contributions from the Employer	-	1,331,131	(1,331,131)
Contributions from Employees	-	595,223	(595,223)
Net Investment Income	-	2,028,008	(2,028,008)
Benefit Payments, Including Refunds of Employee Contributions	(1,548,836)	(1,548,836)	-
Administrative Expense	-	(21,748)	21,748
Other Miscellaneous Income/(Expense)[1]		71	(71)
Net Changes	3,447,666	2,383,849	1,063,817
Balance at: June 30, 2019 measurement date	$ 45,901,184	$ 32,859,874	$ 13,041,310

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, 2021, 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
$ 3,880,481	$ 785,006	$ -	$ 373,843

As of June 30, 2020, 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
$ 3,809,546	$ 840,752	$ -	$ 573,330

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. Plan terms may be amended by the District and its bargaining units. Retirees are reimbursed at the rate of $20 a month for each year of District service. Payments are made until the retiree reaches the age of 65. 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 Statement 75.

Employees Covered by Benefit Terms

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

	2021	2020
Participating Active Employees	117	117
Inactive Employees Entitled to But Not Yet Receiving Benefit Payments	-	-
Inactive Employees Currently Receiving Benefit Payments	19	19
Total	136	136

Total OPEB Liability

The District's total OPEB liability of $3,880,481 for the fiscal year ended June 30, 2021 was measured as of June 30, 2021. The District's total OPEB liability of $3,809,546 for the fiscal year ended June 30, 2020 was measured as of June 30, 2020.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75	percent
Salary increases	2.75	percent, average, including inflation
Discount rate	2.16	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 2.16% was used in the June 30, 2021 actuarial valuation. The interest rate used in the prior valuation was 2.20%.

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, 2021:

	Total OPEB Liability
Balance at July 1, 2020	$ 3,809,546
Changes for the year:	
Service cost	223,074
Interest on the TPL	83,545
Assumption changes	11,478
Benefit payments	(247,162)
Net changes	70,935
Balance at June 30, 2021	$ 3,880,481

For the year ended June 30, 2020:

	Total OPEB Liability
Balance at July 1, 2020	$ 2,532,472
Changes for the year:	
Service cost	176,317
Interest on the TPL	90,379
Changes of Benefit Terms	240,242
Differences between Expected and Actual Experience	384,106
Assumption changes	462,772
Benefit payments	(76,742)
Net changes	1,277,074
Balance at June 30, 2020	$ 3,809,546

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:

Discount Rate	2021 Total OPEB Liability	2020 Total OPEB Liability
1% decrease	$ 4,140,143	$ 4,066,592
Current discount rate (2.16% for 2021 and 2.20% for 2020)	3,880,481	3,809,546
1% increase	3,631,311	3,565,419

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	2021 Total OPEB Liability	2020 Total OPEB Liability
1% decrease (3%)	$ 3,456,863	$ 3,430,078
Current healthcare cost trend rate (4%)	3,880,481	3,809,546
1% increase (5%)	4,381,852	4,255,802

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

For the years ended June 30, 2021 and 2020, the District recognized OPEB expense of $573,330 and $250,933 respectively. On June 30 the District reported deferred outflows of resources related to OPEB for the following items:

	2021	2020
Differences between expected and actual experience	$ 328,438	$ 356,272
Change in assumptions	456,568	484,480
Total	$ 785,006	$ 840,752

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

Measurement Period Ended June 30:	Amount
2022	$ 67,224
2023	67,224
2024	67,224
2025	67,224
2026	67,224
Thereafter	448,886
	$ 785,006

NOTE 8. REVENUE BONDS

The 2015 Series A and B Revenue Bonds (revenue bonds) were sold, executed, and delivered in the aggregate principal amount of $31,145,000 only as fully registered bonds in the denomination of $5,000 or any integral multiples thereof. The revenue bonds are dated and bear interest from May 28, 2015, at the rates per annum set forth below, payable semiannually on October 1 and April 1, commencing October 1, 2015, 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 2015 Series A and Series B Revenue Bonds.

The 2018 Series A and B Revenue Bonds (revenue bonds) were sold, executed, and delivered in the aggregate principal amount of $22,970,000 only 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.

	June 30, 2020	Additions	Reductions	June 30, 2021	Amounts Due within One Year
BUSINESS-TYPE ACTIVITIES					
Revenue Bonds:					
Series 2015A	$ 15,170,000	$ -	$ 730,000	$ 14,440,000	$ 770,000
Series 2015B	10,530,000	-	520,000	10,010,000	540,000
Series 2018A	11,555,000	-	-	11,555,000	-
Series 2018B	10,405,000	-	780,000	9,625,000	820,000
Total Revenue Bonds	47,660,000	-	2,030,000	45,630,000	2,130,000
Bond premiums	3,750,570	-	201,680	3,548,890	235,226
	$ 51,410,570	$ -	$ 2,231,680	$ 49,178,890	$ 2,365,226

The Trust Agreement provides that the 2015 Series A and Series B and 2018 Series A and Series B 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 is as follows:

Fiscal Year	Principal	Interest
2022	$ 2,130,000	$ 2,068,181
2023	2,230,000	1,967,081
2024	2,340,000	1,861,181
2025	2,440,000	1,755,881
2026	2,565,000	1,633,881
2026-31	14,605,000	6,393,506
2032-36	15,845,000	2,800,113
2037-38	3,475,000	227,150
	$ 45,630,000	$ 18,706,974

NOTE 9. INSTALLMENT SALE AGREEMENT OBLIGATIONS

In March 2017, the District entered into an installment sale agreement (capital lease) for the purchase of disposal and recycling equipment. The installment sale agreement expires in 2022. In August 2018, the District entered into an installment sale agreement (capital lease) for the purchase of disposal and recycling equipment. The installment sale agreement expires in 2023. The assets and liabilities under these agreements are recorded at the present value of the installment payments. The assets are depreciated over its estimated productive lives as title transfers at the end of the agreements. Depreciation of assets under the installment agreements are included in depreciation expense.

Following is a summary of property held under capital leases at June 30, 2021:

	Beginning Balance	Additions	Payments	Ending Balance
Disposal/recycling equipment	$ 1,439,126	$ -	$ (464,529)	$ 974,597
Accumulated depreciation	(781,570)	(293,372)	-	(1,074,942)
	$ 657,556	$ (293,372)	$ (464,529)	$ (100,345)

Minimum future payments under agreement as of June 30, 2021 for each of the next four years are:

Fiscal Year	**Amount**
2022	$ 508,203
2023	260,670
2024	260,670
Total minimum payments	1,029,543
Less amount representing interest	(54,946)
Present value of future minimum payment	$ 974,597

NOTE 10. RELATED PARTY TRANSACTION

JOINT POWERS AGREEMENT

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 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. For the year ended June 30, 2021, The District made payments of $1,176,391 to SDRMA for Insurance premiums.

NOTE 11. CONTINGENCIES

Litigation - 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, 2021.

REQUIRED SUPPLEMENTARY INFORMATION

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

SCHEDULE OF CHANGES IN PENSION LIABILITY AND RELATED RATIOS FOR THE LAST TEN FISCAL YEARS

Fiscal Year	2021	2020	2019	2018	2017	2016	2015
Measurement Period	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Discount Rate	7.15%	7.15%	7.15%	7.15%	7.65%	7.65%	7.50%
Total Pension Liability							
Service Cost	$ 1,448,004	$ 1,343,425	$ 1,203,629	$ 1,095,795	$ 961,817	$ 911,692	$ 911,220
Interest	3,288,683	3,069,788	2,840,989	2,649,437	2,472,105	2,229,562	2,042,432
Difference Between Expected and Actual Experience	357,277	583,289	496,410	151,713	1,022,612	417,131	-
Changes of Assumptions	-	-	(250,536)	2,296,067	-	(567,504)	-
Benefit Payments, Including Refunds of Employee Contributions	(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	3,120,179	3,447,666	2,843,719	4,907,827	3,324,262	2,086,295	2,075,567
Total Pension Liability – Beginning	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)	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	$ 1,564,484	$ 1,331,131	$ 1,106,722	$ 1,029,394	$ 882,891	$ 800,476	$ 722,039
Contributions – Employee	633,184	595,223	538,059	492,056	454,237	458,764	411,403
Net Investment Income	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	(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	(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	1,929,642	2,383,849	2,462,585	3,029,108	343,891	877,979	3,778,301
Plan Fiduciary Net Position – Beginning	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)	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)	$ 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	70.97%	71.59%	71.79%	70.72%	72.00%	78.53%	81.12%
Covered Payroll	$ 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	131.32%	152.21%	123.39%	125.58%	148.87%	111.05%	94.84%

Note to schedule:

Historical information is required only for measurement periods for which GASB 68 is applicable. Future years' information will be displayed up to ten years as information becomes available.

Change of Assumptions

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.

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

SCHEDULE OF PENSION PLAN CONTRIBUTIONS
FOR THE LAST TEN FISCAL YEARS

Fiscal Year	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	$ 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	(1,657,580)	(1,564,416)	(1,331,520)	(1,106,332)	(1,029,394)	(882,891)	(800,476)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 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(2)	20.08%	14.44%	15.54%	11.40%	11.15%	13.53%	13.19%

Note to schedule:
Historical information is required only for measurement periods for which GASB 68 is applicable. Future years' information will be displayed up to ten years as information becomes available.

2 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 FOR THE LAST TEN FISCAL YEARS

	2021	2020	2019	2018
Total OPEB Liability				
Service cost	$ 223,074	$ 176,317	$ 164,304	$ 159,907
Interest	83,545	90,379	81,606	81,366
Changes of benefit terms	-	240,242	-	-
Difference between expected and actual experience	-	384,106	-	-
Changes of assumptions	11,478	462,772	65,289	-
Benefit payments	(247,162)	(76,742)	(56,366)	(54,198)
Net change in total OPEB liability	70,935	1,277,074	254,833	187,075
Total OPEB liability - beginning	3,809,546	2,532,472	2,277,639	2,090,564
Total OPEB liability - ending	$ 3,880,481	$ 3,809,546	$ 2,532,472	$ 2,277,639
Covered-employee payroll	N/A*	N/A*	N/A*	N/A*
Total OPEB liability as a percentage of covered-employee payroll	N/A*	N/A*	N/A*	N/A*

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.

OTHER SUPPLEMENTARY INFORMATION

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

COMBINING SCHEDULE OF NET POSITION
JUNE 30, 2021

	DISTRICT	AUTHORITY	TOTALS	CONSOLIDATING ENTRIES	TOTALS
CURRENT ASSETS:					
Cash and investments	$ 29,400,795	$ -	$ 29,400,795	$ -	$ 29,400,795
Accounts receivable, net	4,377,481	-	4,377,481	-	4,377,481
Accrued interest receivable	24,097	-	24,097	-	24,097
Other receivables	348,603	-	348,603	-	348,603
Prepaid expenses	1,477,359	-	1,477,359	-	1,477,359
Total current assets	35,628,335	-	35,628,335	-	35,628,335
RESTRICTED CASH AND CASH EQUIVALENTS:					
Cash and cash equivalents held by Trustee for reserve account	-	2,349,925	2,349,925	-	2,349,925
Investments held by LAIF – reserved for landfill closure and post closure care costs	1,500,000	-	1,500,000	-	1,500,000
Investments held by LAIF – reserved for environmental impairment fund	1,000,000	-	1,000,000	-	1,000,000
Total restricted cash and investments	2,500,000	2,349,925	4,849,925	-	4,849,925
DEPOSIT	155,000	-	155,000	-	155,000
DUE FROM DISTRICT	-	47,260,077	47,260,077	(47,260,077)	-
CAPITAL ASSETS, NET	82,855,486	-	82,855,486	-	82,855,486
Total Assets	121,138,821	49,610,002	170,748,823	(47,260,077)	123,488,746
DEFERRED OUTFLOWS	3,801,116	-	3,801,116	-	3,801,116
TOTAL ASSETS AND DEFERRED OUTFLOWS	$124,939,937	$ 49,610,002	$174,549,939	$ (47,260,077)	$ 127,289,862

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

COMBINING SCHEDULE OF NET POSITION (Continued)
JUNE 30, 2021

	DISTRICT	AUTHORITY	TOTALS	CONSOLIDATING ENTRIES	TOTALS
CURRENT LIABILITIES:					
Accounts payable	$ 1,289,020	$ -	$ 1,289,020	$ -	$ 1,289,020
Security deposits	52,112	-	52,112	-	52,112
Accrued liabilities:					
Compensated absences	218,527	-	218,527	-	218,527
State/County waste management fees	257,916	-	257,916	-	257,916
Payroll and payroll liabilities	275,956	-	275,956	-	275,956
Revenue bonds and equipment lease interest	24,052	431,112	455,164	-	455,164
Current portion of capital lease payable	458,783	-	458,783	-	458,783
Current portion of revenue bonds payable	-	2,365,226	2,365,226	-	2,365,226
Total current liabilities	2,576,366	2,796,338	5,372,704	-	5,372,704
NONCURRENT LIABILITES:					
Compensated absences	655,582	-	655,582	-	655,582
Capital lease payable	515,814	-	515,814	-	515,814
Total OPEB liability	3,880,481	-	3,880,481	-	3,880,481
Net pension liability	14,231,847	-	14,231,847	-	14,231,847
Due to Authority	47,260,077	-	47,260,077	(47,260,077)	-
Revenue bonds payable - net	-	46,813,664	46,813,664	-	46,813,664
Landfill closure and post closure care	6,413,578	-	6,413,578	-	6,413,578
Total liabilities	75,533,745	49,610,002	125,143,747	(47,260,077)	77,883,670
DEFERRED INFLOWS	93,951	-	93,951	-	93,951
TOTAL LIABILITIES AND DEFERRED INFLOWS	75,627,696	49,610,002	125,237,698	(47,260,077)	77,977,621
NET POSITION:					
Net investment in capital assets	44,256,999	-	44,256,999	-	44,256,999
Restricted	2,500,000	2,349,925	4,849,925	-	4,849,925
Unrestricted	2,555,242	(2,349,925)	205,317	-	205,317
Total net position	49,312,241	-	49,312,241	-	49,312,241
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	$124,939,937	$ 49,610,002	$174,549,939	$ (47,260,077)	$127,289,862

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021

	DISTRICT	AUTHORITY	TOTALS	ELIMINATING ENTRIES	TOTALS
OPERATING REVENUES:					
Disposal fees	$ 28,374,166	$ -	$ 28,374,166	$ -	$ 28,374,166
Power sales	1,625,164	-	1,625,164	-	1,625,164
Recycled material sales	11,432,861	-	11,432,861	-	11,432,861
Last chance mercantile sales	-	-	-	-	-
Scale and operational services	710,529	-	710,529	-	710,529
Sand sales	216,303	-	216,303	-	216,303
Landscape product sales	100,574	-	100,574	-	100,574
Total operating revenues	42,459,597	-	42,459,597	-	42,459,597
OPERATING EXPENSES:			-		
Salaries	9,857,148	-	9,857,148	-	9,857,148
Employee benefits	6,076,471	-	6,076,471	-	6,076,471
Depreciation and amortization	4,112,538	-	4,112,538	-	4,112,538
Recycling	2,075,866	-	2,075,866	-	2,075,866
Taxes, licenses and permits	1,322,032	-	1,322,032	-	1,322,032
Repairs & Maintenance	3,039,219	-	3,039,219	-	3,039,219
Professional services	836,267	-	836,267	-	836,267
Fuel	958,901	-	958,901	-	958,901
Contractual services	635,035	-	635,035	-	635,035
Operating supplies	1,561,552	-	1,561,552	-	1,561,552
Landfill closure and post closure ca	356,300	-	356,300	-	356,300
Insurance	572,351	-	572,351	-	572,351
Public awareness	74,607	-	74,607	-	74,607
Office	276,579	-	276,579	-	276,579
Safety equipment and supplies	229,765	-	229,765	-	229,765
Education, meetings and travel	42,406	-	42,406	-	42,406
Hazardous waste program	357,843	-	357,843	-	357,843
Environmental services	1,619,822	-	1,619,822	-	1,619,822
Utilities	122,550	-	122,550	-	122,550
Miscellaneous	29,600	-	29,600	-	29,600
Total operating expenses	34,156,852	-	34,156,852	-	34,156,852
OPERATING INCOME	$ 8,302,745	$ -	$ 8,302,745	$ -	$ 8,302,745

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (Continued) FOR THE YEAR ENDED JUNE 30, 2021

	DISTRICT	AUTHORITY	TOTALS	ELIMINATING ENTRIES	TOTALS
OPERATING INCOME	$ 8,302,745	$ -	$ 8,302,745	$ -	$ 8,302,745
NON–OPERATING REVENUES (EXPENSES):					
Interest income	119,827	-	119,827	-	119,827
Rents and leases	323,559	-	323,559	-	323,559
Interest expense – revenue bonds and installment sales	(36,794)	(867,553)	(904,347)	-	(904,347)
Interagency reimbursement	(867,553)	867,553	-	-	-
Other income (expense)	3,694	-	3,694	-	3,694
Total non–operating revenues (expenses)	(457,267)	-	(457,267)	-	(457,267)
CHANGE IN NET POSITION	7,845,478	-	7,845,478	-	7,845,478
NET POSITION, BEGINNING OF YEAR	41,466,763	-	41,466,763	-	41,466,763
NET POSITION, END OF YEAR	$ 49,312,241	$ -	$ 49,312,241	$ -	$ 49,312,241

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
ACTUAL TO BUDGET (Unaudited)
FOR THE YEAR ENDED JUNE 30, 2021

	ACTUAL	DISTRICT BUDGET	VARIANCE - POSITIVE (NEGATIVE)
OPERATING REVENUES:			
Disposal fees	$ 28,374,166	$ 26,306,800	$ 2,067,366
Power sales	1,625,164	1,531,000	94,164
Recycled material sales	11,432,861	7,634,000	3,798,861
Other sales	1,027,406	1,033,200	(5,794)
Total operating revenues	42,459,597	36,505,000	5,954,597
OPERATING EXPENSES:			
Salaries	9,857,148	9,794,144	(63,004)
Employee benefits	6,076,471	5,007,736	(1,068,735)
Depreciation and amortization	4,112,538	4,139,634	27,096
Recycling	2,075,866	1,875,377	(200,489)
Taxes, licenses and permits	1,322,032	1,441,695	119,663
Repairs & Maintenance	3,039,219	3,056,800	17,581
Professional services	836,267	1,187,164	350,897
Fuel	958,901	1,077,406	118,505
Contractual services	635,035	657,911	22,876
Operating supplies	1,561,552	1,444,613	(116,939)
Landfill closure and post closure care costs	356,300	377,154	20,854
Insurance	572,351	575,015	2,664
Public awareness	74,607	141,641	67,034
Office	276,579	328,473	51,894
Safety equipment and supplies	229,765	240,647	10,882
Education, meetings and travel	42,406	74,566	32,160
Hazardous waste program	357,843	345,753	(12,090)
Environmental services	1,619,822	525,461	(1,094,361)
Utilities	122,550	124,902	2,352
Miscellaneous	29,600	21,957	(7,643)
Total operating expenses	34,156,852	32,438,049	(1,718,803)
INCOME FROM OPERATIONS	8,302,745	4,066,951	4,235,794

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION ACTUAL TO BUDGET (Unaudited) (Continued) FOR THE YEAR ENDED JUNE 30, 2021

	ACTUAL	DISTRICT BUDGET	VARIANCE
INCOME FROM OPERATIONS	$ 8,302,745	$ 4,066,951	$ 4,235,794
NON–OPERATING REVENUES (EXPENSES)			
Interest income	119,827	450,000	(330,173)
Rents and leases	323,559	435,000	(111,441)
Finance charges	-	9,000	(9,000)
Interest expense – revenue bonds and installment sales	(904,347)	(2,200,283)	1,295,936
Other income (expense)	3,694	100	3,594
Total non-operating revenues (expenses)	(457,267)	(1,306,183)	848,916
INCREASE (DECREASE) IN NET POSITION	$ 7,845,478	$ 2,760,768	$ 5,084,710