



Staff Reports
Item #: 10

Meeting Date: July 21, 2023

To: Board of Directors
From: Accounting Manager, Garth Gregson
Approved by: General Manager, Felipe Melchor

Subject: June 2023 Financial Review

Financial & Operations Review June 2023

	June	Month Budget	B/(W) Budget	Year to Date	YTD Budget	B/(W) Budget
* Operating Revenues *						
Tipping Fees Revenue	\$ 3,301,863	\$ 2,728,099	\$ 573,765	\$ 36,076,990	\$ 33,191,867	\$ 2,885,123
Other Sales Revenue	1,107,344	1,248,422	(141,078)	13,578,958	15,189,133	(1,610,176)
* Total Operating Revenues *	4,409,207	3,976,521	432,686	49,655,948	48,381,000	1,274,948
* Operating Expenses *						
Employment Expenses	1,413,555	1,353,574	(59,981)	16,813,506	16,468,270	(345,236)
Non-Employment Expenses	2,049,688	1,697,218	(352,470)	22,807,756	20,367,293	(2,440,463)
* Total Operating Expenses *	3,463,242	3,050,791	(412,451)	39,621,262	36,835,562	(2,785,700)
** Operating Income **	945,965	925,729	20,235	10,034,686	11,545,438	(1,510,752)
Non-operating Revenues (Expenses)	(20,476)	(132,823)	112,347	1,371,557	(1,588,470)	2,960,026
*** Change in Net Position ***	\$ 925,488	\$ 792,906	\$ 132,583	\$ 11,406,242	\$ 9,956,968	\$ 1,449,275

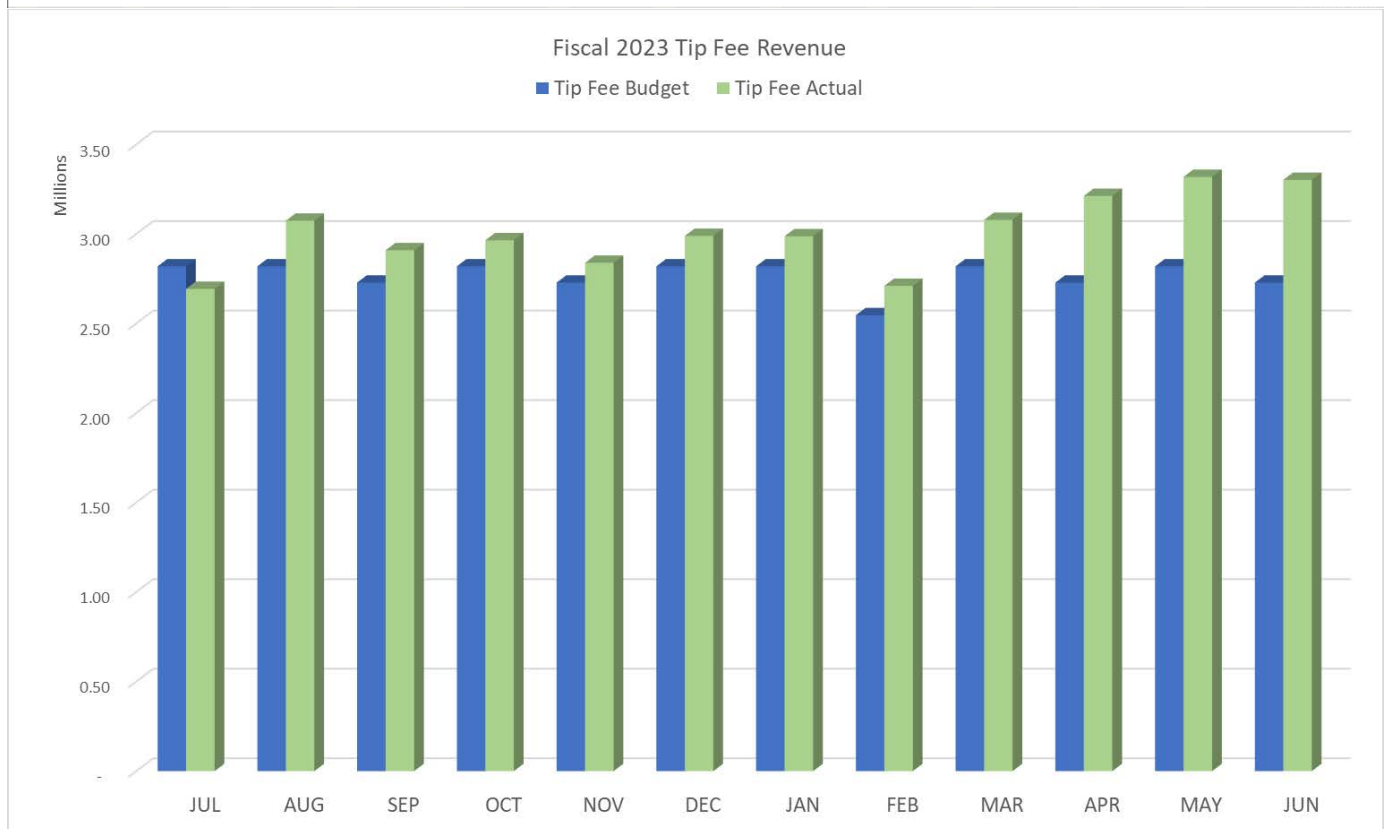
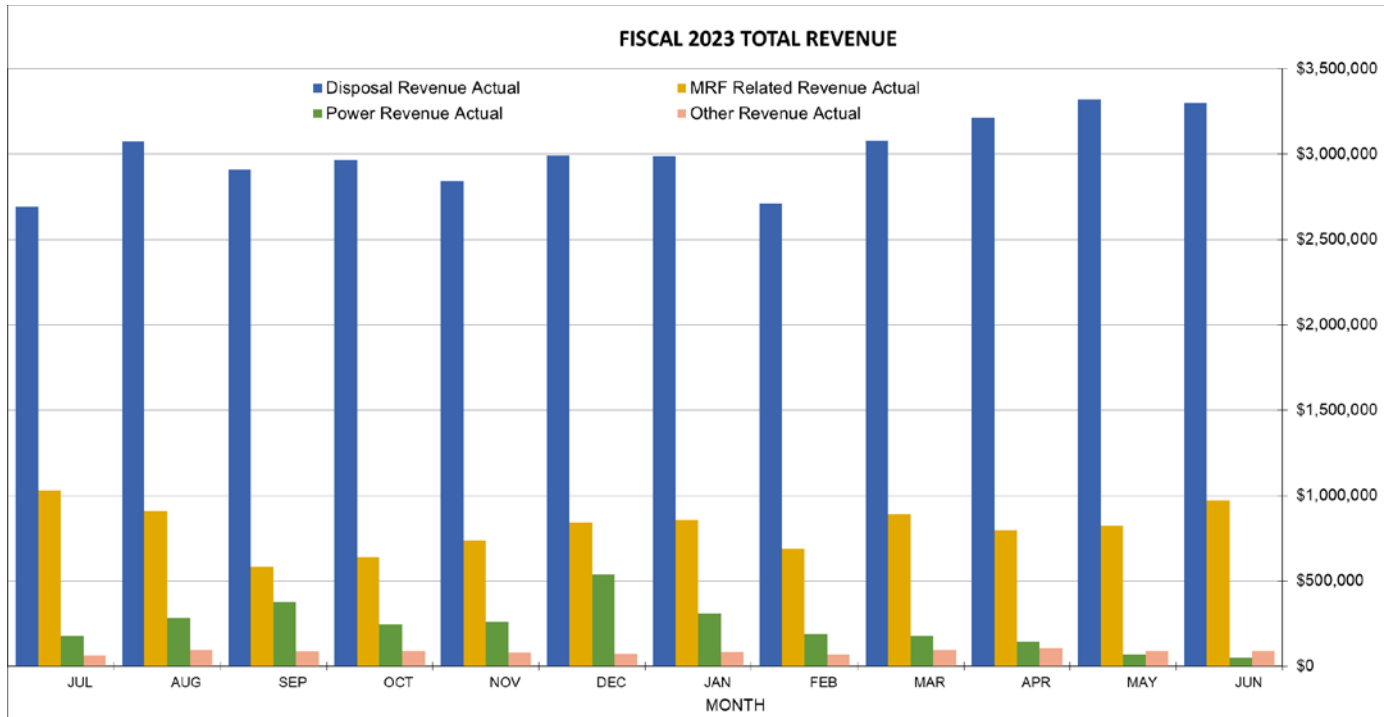
Revenue

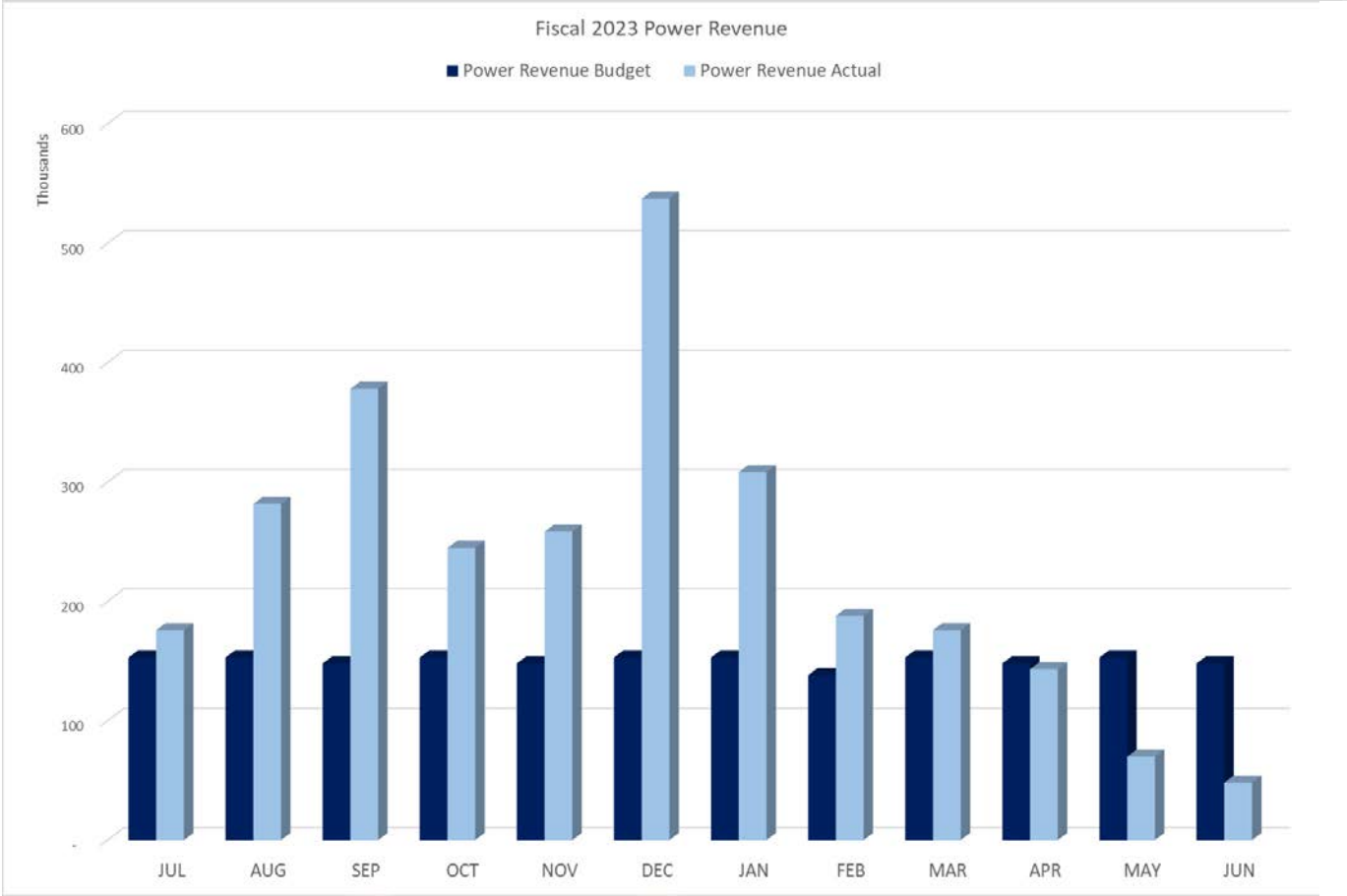
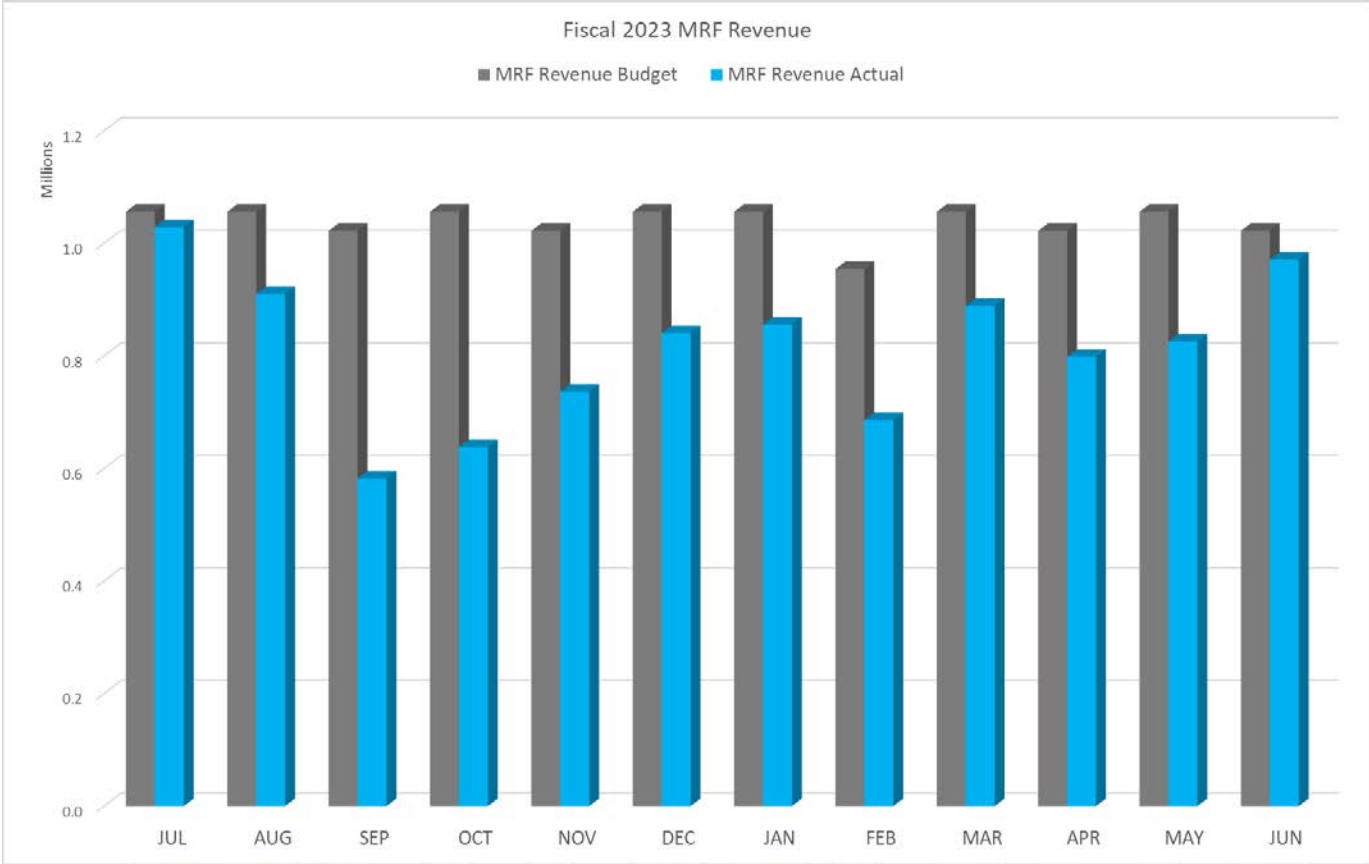
- June tip fee revenue is \$3.3 million and is \$574K or 21.0% over budget and is \$704K or 21.1% higher than June of 2022.
- Tonnage received in June is 86.4K tons which is 7.6K tons or 8.1% lower than the prior month.
- Other revenue in June is \$1.1 million and is \$141K or 11.3% under budget. MRF related revenue in June is \$971K and is \$51K or 5.0% below budget for the month. MRF product sales are \$419K compared to budget of \$550K. CRV revenue is \$358K compared to budget of \$313K for the month. Processing fees are \$195K compared to budget of \$158K.
- Power revenue for June is \$48K compared to budget of \$148K. June power revenue is below budget due to equipment that was out of service for routine maintenance and other repairs.
- June total revenue is \$4.4 million which is \$433K over budget and \$612K higher than the same month last year.
- Year to date tip fee revenue is \$36.1 million and is \$2.9 million or 8.7% over budget and \$6.7 million or 23.0% higher than last year. Tip fee revenue for the year is 72.7% of total revenue compared to 64.2% in fiscal 2022.

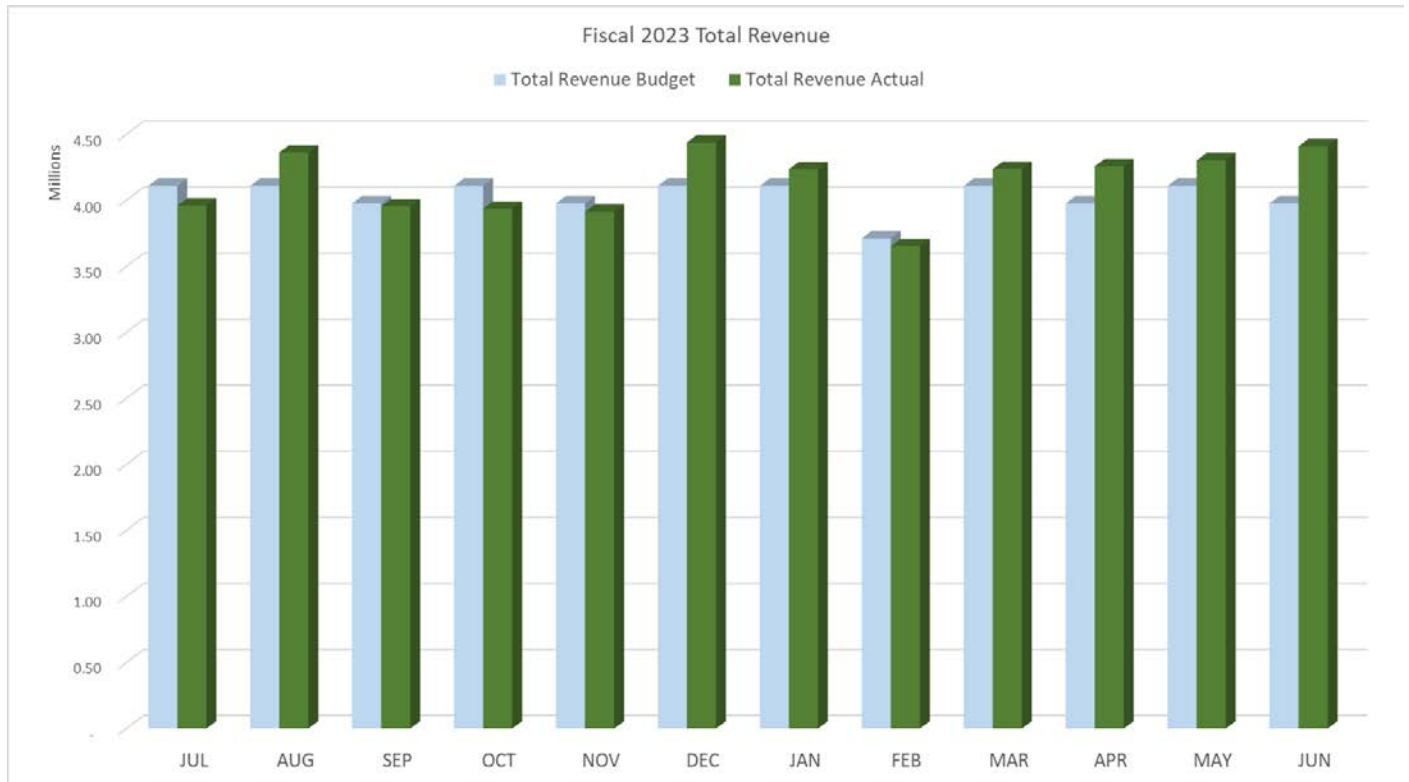
- Tonnage received in Fiscal 2023 is 1.0 million tons to date is 1.0M tons and this is 135K tons higher than fiscal 2022. MSW tonnage received is 42K tons higher than last year and green waste tonnage is 31K tons higher than last year.
- Year to date other revenue is \$13.6 million and is \$1.6 million or 10.6% under budget. MRF related YTD revenue is \$9.8 million and is \$2.7 million or 21.5% under budget and is \$3.5 million or 26.2% lower than fiscal 2022.
- A summary of the MRF revenue and direct expenses are below.

	YTD Jun 2023	YTD Budget	YTD B/(W) Budget	YTD Jun 2022	B/(W) YTD F22
<u>MRF Revenue</u>					
Product revenue	\$ 3,326,920	\$ 6,689,405	\$ (3,362,485)	\$ 6,643,034	\$ (3,316,114)
Processing Fees	2,303,497	1,927,149	376,348	2,560,334	(256,837)
CRV Rebates	4,128,379	3,817,580	310,799	4,027,918	100,461
	<u>9,758,796</u>	<u>12,434,133</u>	<u>(2,675,337)</u>	<u>13,231,286</u>	<u>(3,472,490)</u>
<u>MRF Direct Expenses</u>					
MRF Operations	\$ 7,182,108	\$ 7,370,498	\$ 188,390	\$ 7,008,847	\$ (173,261)
MRF Maintenance	1,187,863	1,633,873	446,011	1,390,751	202,888
	<u>8,369,971</u>	<u>9,004,372</u>	<u>634,401</u>	<u>8,399,598</u>	<u>29,628</u>
MRF Contribution Margin	<u>\$ 1,388,826</u>	<u>\$ 3,429,762</u>	<u>\$ (2,040,936)</u>	<u>\$ 4,831,688</u>	<u>\$ (3,442,862)</u>

- Total revenue for the year is \$49.7 million which is \$1.3 million or 2.6% over budget and \$4.0 million or 8.7% higher than fiscal 2022. Tip fees are \$6.7 million and power revenue is \$699K higher than last year partially offset by lower MRF related revenue which is \$3.5 million lower than fiscal 2022.







Operating Expenses & Net Income

June

- Employment expense is \$1.4 million and is \$60K or 4.4% over budget.
- Environmental services are \$251K and are \$176K over budget due to land fill gas related expenditures.
- Repair and maintenance costs are \$470K and are \$179K over budget primarily due to transmission rebuild costs on landfill equipment.
- Total operating expense for the month is \$3.5 million and is \$412K or 13.5% above budget. June operating expenses are \$633K higher than the same month last year.
- Net income for the month is \$925K and is \$133K over budget and is \$462K higher than the same month last year.

Fiscal 2023 YTD

- Employment expense for the year to date is \$16.8 million and is \$345K or 2.1% over budget.
- Environmental services are \$1.4 million and are \$623K over budget primarily due to repairs to the LFG collection system and regulatory compliance costs.
- Outside services are \$1.4 million and are \$623K over budget primarily due to road maintenance costs incurred in May.
- Fuel costs of \$1.6 million are \$401K or 33.4% over budget.
- Recycling services of \$3.3 million are \$1.1 million over budget due to a higher volume of material processed.
- Total operating expense for the year to date are \$39.6 million and is \$2.8 million or 7.6% over budget.

- Net income for the year is \$11.4 million and is \$1.5 million above budget and \$124K lower than F2022.

Operating Expense by Department

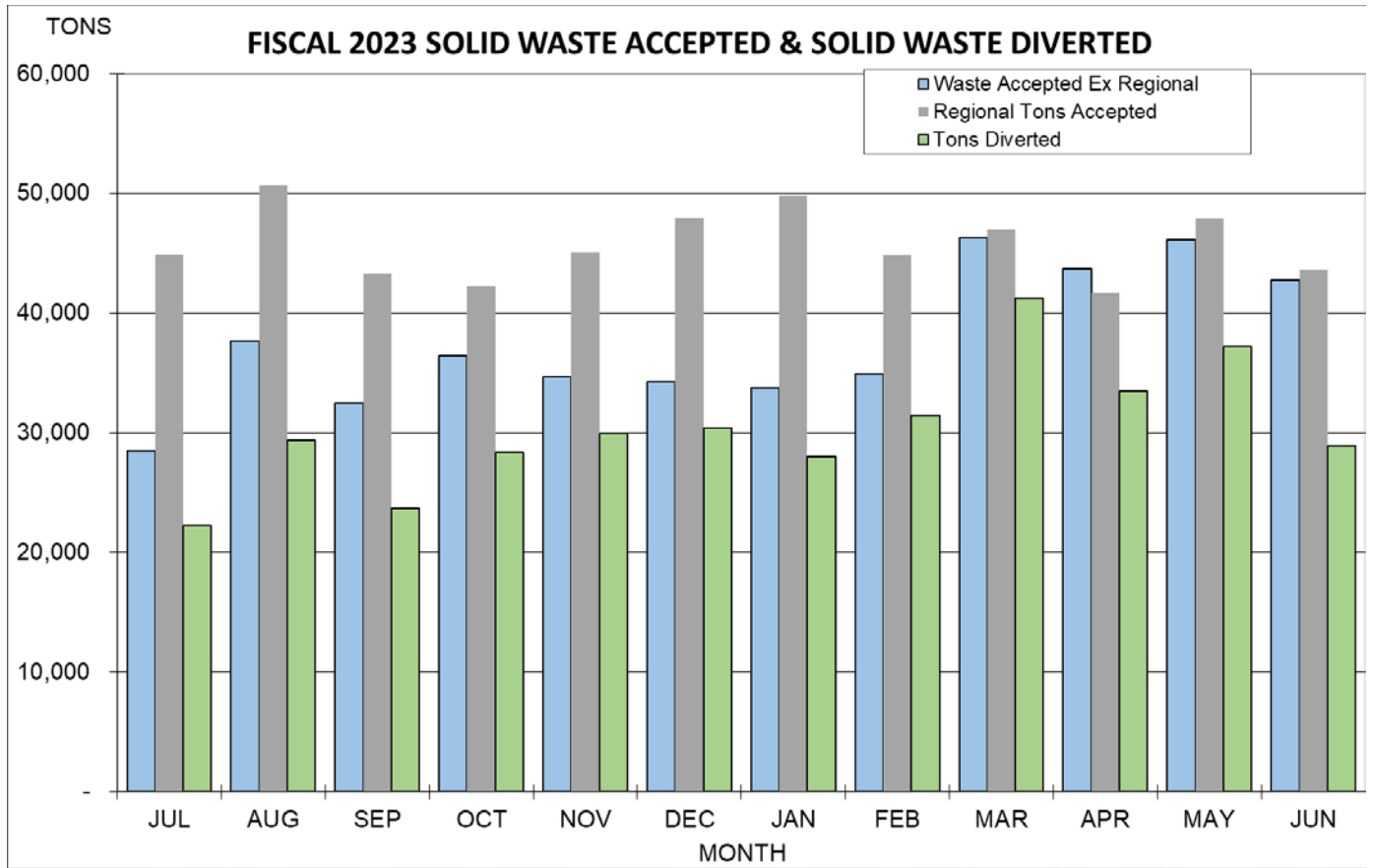
<u>Department</u>	<u>Year to Date-Jun23</u>	<u>YTD Budget-Jun23</u>	<u>B/(W) Budget YTD</u>
Administration	\$ 8,476,329	\$ 7,540,547	\$ (935,782)
Human Resources	662,714	773,965	111,251
Accounting	907,558	885,905	(21,653)
Engineering	1,242,204	1,544,462	302,259
Safety & Risk Management	407,248	454,693	47,445
Public Education	747,714	1,146,059	398,345
Board	18,601	32,233	13,631
Household Hazardous Waste	1,041,982	1,056,306	14,324
Last Chance Mercantile	47,377	165,000	117,623
Landfill Gas	3,507,708	2,403,987	(1,103,721)
Organics	2,716,777	1,700,000	(1,016,777)
Maintenance Shop	3,156,586	3,088,740	(67,846)
MRF Operations	7,182,108	7,370,498	188,390
MRF Maintenance	1,187,863	1,633,873	446,011
Scales	928,316	869,360	(58,956)
Site & Facilities	3,163,645	2,941,037	(222,607)
Landfill Operations	4,226,533	3,228,898	(997,635)
Total	\$ 39,621,262	\$ 36,835,562	\$ (2,785,700)

Fiscal 2023 Capital Spending Through June 2023

Facilities	\$ 1,519,620
Module development	1,168,681
Equipment	3,450,120
	<u>\$ 6,138,421</u>

Cash Position

	<u>Jul 1, 2022</u>	<u>Jun 30, 2023</u>	<u>Change</u>
Cash in bank	\$ 17,917,265	\$ 25,972,520	\$ 8,055,254
Temporary investments	19,643,148	16,514,182	(3,128,966)
Restricted funds	2,500,000	6,013,000	3,513,000
	<u>\$ 40,060,413</u>	<u>\$ 48,499,702</u>	<u>\$ 8,439,288</u>



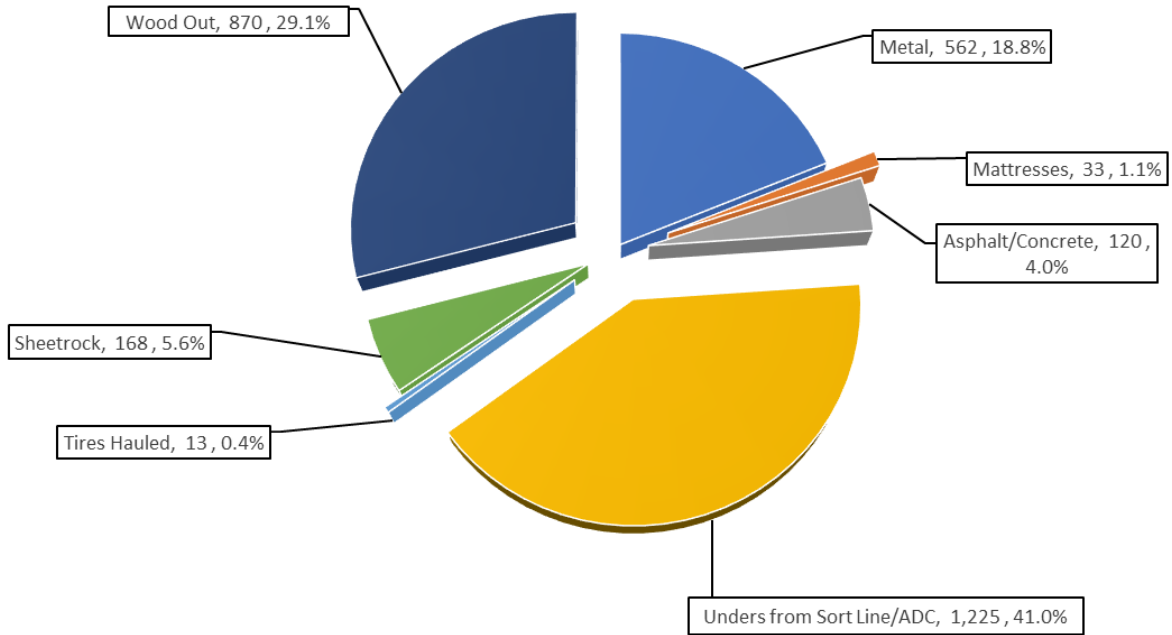
Summary of Landfill & MRF Tonnage

SITE Tonnage	Jun 2023	Jun FY23 YTD	Jun FY22 YTD	More/(Less) Prior Year
Site Accepted Materials				
MSW - Landfill	11,867	128,017	127,930	86
MSW - Landfill - Regional Waste	32,781	398,865	356,648	42,217
All Other Site Accepted Material	41,801	474,236	381,605	92,630
Total Accepted Materials	86,449	1,001,118	866,184	134,933
Total Diverted Materials	28,931	365,209	292,978	72,230
Landfilled	<u>57,518</u>	<u>635,909</u>	<u>573,206</u>	<u>62,703</u>
MRF - Accepted Materials				
MRF C&D Accepted	5,254	58,875	46,067	12,808
MRF SSR Accepted	5,601	64,560	65,194	(634)
Total MRF Accepted Materials	<u>10,855</u>	<u>123,435</u>	<u>111,261</u>	<u>12,174</u>
MRF - Diverted Materials				
C&D				
Metal	562	6,607	5,727	880
Mattresses	33	338	366	(27)
Asphalt/Concrete	120	2,037	1,746	291
Unders from Sort Line/ADC	1,225	16,182	12,418	3,763
Tires Hauled	13	201	177	24
Sheetrock	168	1,319	1,555	(236)
Wood Out	870	5,997	5,057	941
Total C&D Diverted	<u>2,991</u>	<u>32,681</u>	<u>27,046</u>	<u>5,636</u>
SSR				
Mixed Plastic	109	850	693	157
OCC/Cardboard	1,781	18,871	19,930	(1,059)
Mixed Glass	687	8,994	9,256	(262)
PET	127	1,269	1,022	246
Aluminum UBC	19	273	277	(4)
Poly Prop #5	41	334	362	(28)
HDPE - Color	44	637	538	99
HDPE - Natural	80	415	427	(12)
Mixed Paper	748	8,382	8,956	(574)
Aluminum scrap	-	41	41	(0)
Tin Lined Steel Cans	41	503	545	(42)
Shredded Paper	22	213	147	65
Themoform	-	125	394	(269)
Clear Film/Hoop House Plastics	64	433	952	(519)
Total SSR Diverted	<u>3,761</u>	<u>41,338</u>	<u>43,540</u>	<u>(2,203)</u>
Total MRF Diverted Materials	<u>6,752</u>	<u>74,019</u>	<u>70,586</u>	<u>3,433</u>

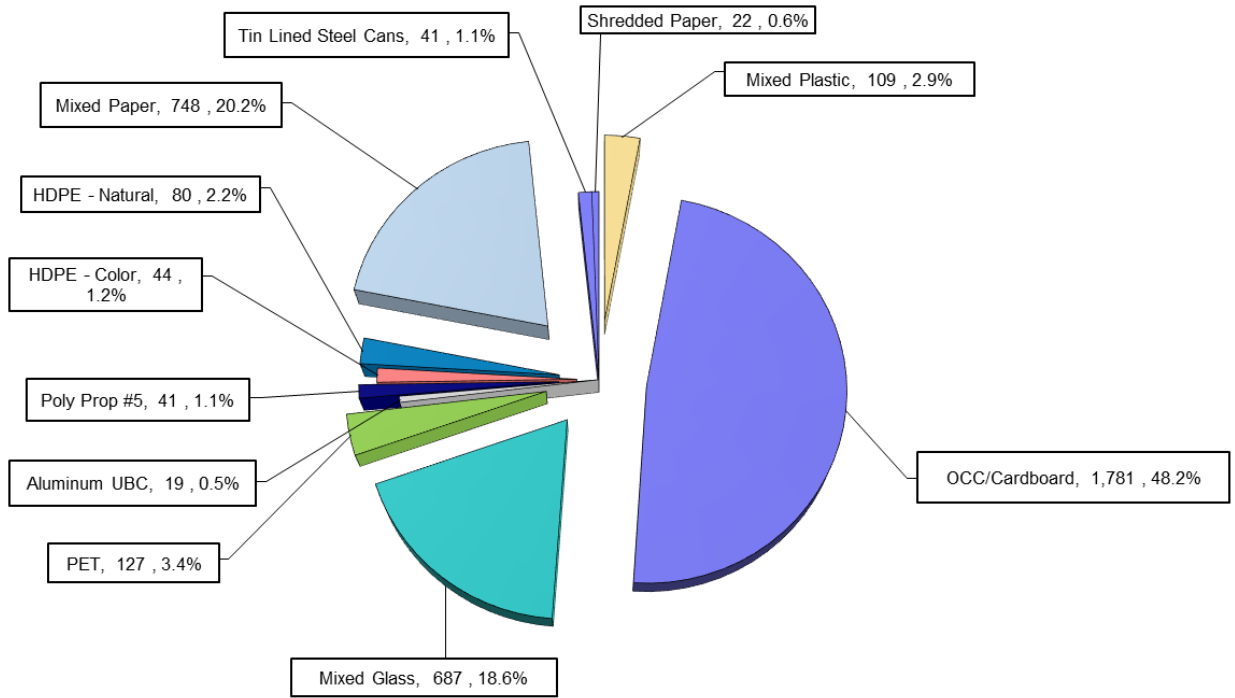
12 Month Rolling Average Diversion Rate

C&D Diversion	55.5%	58.7%
Single Stream Recycling Diversion	64.0%	66.8%
Diversion - Entire MRF	60.0%	63.4%

C&D Diverted Materials Fiscal 2023 - June 2023



SSR Diverted Materials Fiscal 2023 - June 2023



MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT
Statement of Revenue, Expenses, and Changes in Net Position for the Period Ending
June 30, 2023

	June	Month Budget	B/(W) Budget Month	Year to Date	YTD Budget	B/(W) Budget YTD
* Operating Revenues *						
Tipping Fees Revenue	\$ 3,301,863	\$ 2,728,099	\$ 573,765	\$ 36,076,990	\$ 33,191,867	\$ 2,885,123
Other Sales Revenue:						
Power Sales	48,104	147,945	(99,841)	2,808,825	1,800,000	1,008,825
MRF Sales & CRV Revenue	971,284	1,021,984	(50,699)	9,758,796	12,434,133	(2,675,337)
Other Sales	87,955	78,493	9,462	1,011,337	955,000	56,337
Total Other Sales Revenue	1,107,344	1,248,422	(141,078)	13,578,958	15,189,133	(1,610,176)
* Total Operating Revenues *	4,409,207	3,976,521	432,686	49,655,948	48,381,000	1,274,948
* Operating Expenses *						
Employment Expenses	1,413,555	1,353,574	(59,981)	16,813,506	16,468,270	(345,236)
Non-Employment Expenses:						
Amortization & Depreciation	425,233	362,500	(62,733)	5,066,775	4,350,000	(716,775)
Closure/Post Closure Costs	35,133	33,333	(1,800)	398,866	400,000	1,134
Outside Services	69,049	64,125	(4,924)	1,392,450	769,500	(622,950)
Environmental Services	250,917	75,000	(175,917)	1,301,033	900,000	(401,033)
Gasoline, Oil & Fuel	123,349	99,850	(23,499)	1,598,759	1,198,200	(400,559)
Hazardous Waste Disposal	58,203	33,750	(24,453)	300,489	405,000	104,512
Insurance	93,898	85,417	(8,481)	1,133,886	1,025,000	(108,886)
Office Expense	57,013	35,279	(21,733)	495,479	423,351	(72,128)
Operating Supplies	47,565	113,937	66,373	1,445,108	1,367,250	(77,858)
Other Expense	1,615	4,129	2,514	48,493	49,550	1,057
Professional Services	51,309	97,528	46,219	1,025,960	1,171,012	145,053
Public Awareness	6,207	36,792	30,585	115,469	441,500	326,031
Recycling Services	182,170	185,417	3,247	3,279,246	2,225,000	(1,054,246)
Repairs & Maintenance	469,726	290,250	(179,476)	3,340,107	3,483,000	142,893
Safety Equip/Supplies/Training	28,338	29,542	1,204	245,740	354,500	108,760
Taxes & Surcharges	127,879	115,542	(12,337)	1,252,056	1,386,500	134,444
Training/Meetings/Education	12,246	18,752	6,507	194,313	225,030	30,717
Utilities	9,839	16,075	6,237	173,528	192,900	19,372
Total Non-Employment Expenses:	2,049,688	1,697,218	(352,470)	22,807,756	20,367,293	(2,440,463)
* Total Operating Expenses *	3,463,242	3,050,791	412,451	39,621,262	36,835,562	2,785,700
** Operating Income (Loss) **	945,965	925,729	20,235	10,034,686	11,545,438	(1,510,752)
Nonoperating Revenues (Expenses)	(20,476)	(132,823)	112,347	1,371,557	(1,588,470)	2,960,026
*** Change in Net Position ***	\$ 925,488	\$ 792,906	\$ 132,583	\$ 11,406,242	\$ 9,956,968	\$ 1,449,275

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT
Statement of Net Position
as at June 30, 2023

Assets

Current Assets:

Cash and Short Term Investments	\$ 42,486,701
Accounts Receivable, net	4,698,958
Accrued Interest Receivable	150,813
Other Receivable	2,596,245
Prepaid Expenses	1,956,731
Total Current Assets	51,889,449

Non-Current Assets	3,838,948
--------------------	-----------

Restricted Assets:

Capital Reserve	3,513,000
Site Closure Fund	1,500,000
Environmental Impairment Fund	1,000,000
Total Restricted Assets	6,013,000

Fixed Assets:

Land	578,210
Facilities	37,536,125
Equipment	59,207,109
Module Development	21,047,451
Power Project	24,848,817
Less Total Accumulated Depreciation	(59,145,711)
Total Fixed Assets	84,072,001

Intangible Assets	41,398
-------------------	--------

*** Total Assets ***	\$ 145,854,797
-----------------------------	-----------------------

Liabilities and Net Assets

Current Liabilities:

Accounts Payable	\$ 3,724,945
Accrued State/County Disposal Fee	161,964
Interest Payable Revenue Bonds	236,800
Interest Payable Equipment Leasing	8,011
Accrued Vacation / Compensation Payable	335,644
Deferred Revenue	10,000
Lease Payable - Current	252,342
Sales/Use Tax Payable	238
Security Deposits/Gift Cert	52,459

Total Current Liabilities	4,782,404
----------------------------------	------------------

Non-Current Liabilities	17,872,994
-------------------------	------------

Long Term Debt	28,966,548
----------------	------------

*** Total Liabilities ***	51,621,946
----------------------------------	-------------------

Total Net Position	94,232,851
---------------------------	-------------------

*** Total Liabilities and Net Position ***	\$ 145,854,797
---	-----------------------

Monterey Regional Waste Management District
Summary of Investments as at June 30, 2023

Depository	Description of Security	Maturity	Interest Rate/Yield	Dollar Amount	Market Value
State of California	Local Agency Investment Fund (LAIF)	Immediate	3.167%	<u>\$ 22,527,181.77</u>	<u>\$ 22,527,181.77</u>