

MEMO



Staff Reports

Item #: 10

Meeting Date: March 24, 2023

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

Subject: February 2023 Financial Review

Financial & Operations Review February 2023

	February	Month Budget	B/(W) Budget	Year to Date	YTD Budget	B/(W) Budget
* Operating Revenues *						
Tip Fee Revenue	\$2,710,097	\$2,546,225	\$163,871	\$23,165,872	\$22,097,599	\$1,068,273
Other Sales Revenue:	942,508	1,165,194	(222,686)	9,284,099	10,112,218	(828,118)
* Total Operating Revenues *	3,652,605	3,711,419	(58,815)	32,449,971	32,209,816	240,155
* Operating Expenses *						
Employment Expenses	1,331,339	1,263,419	(67,920)	11,162,680	10,963,821	198,859
Non-Employment Expenses:	1,761,551	1,696,947	(64,605)	14,083,513	13,578,150	505,364
* Total Operating Expenses *	3,092,890	2,960,365	(132,525)	25,246,193	24,541,971	704,223
** Operating Income (Loss) **	559,714	751,054	(191,340)	7,203,778	7,667,846	(464,068)
Non-operating Revenues (Expenses)	(41,394)	(134,988)	93,594	(362,718)	(1,059,341)	696,623
*** Change in Net Position ***	\$518,321	\$616,066	(\$97,745)	\$6,841,060	\$6,608,505	\$232,555

Revenue

- February tip fee revenue is \$2.7 million and is \$164K or 6.4% over budget and is \$510K higher than February of 2022.
- Tonnage received in February is 79.8K tons which is 3.8K tons or 4.6% lower than the prior month.
- Other revenue in February is \$943K and is \$223K or 19.1% under budget. February other revenue is under budget due to lower MRF related revenue. MRF related revenue in February is \$686K and is \$268K below budget for the month. MRF product sales are \$291K compared to budget of \$568K and CRV revenue is \$356K compared to budget of \$324K for the month.
- February total revenue is \$3.7 million which is \$59K under budget and \$383K higher than February 2022.

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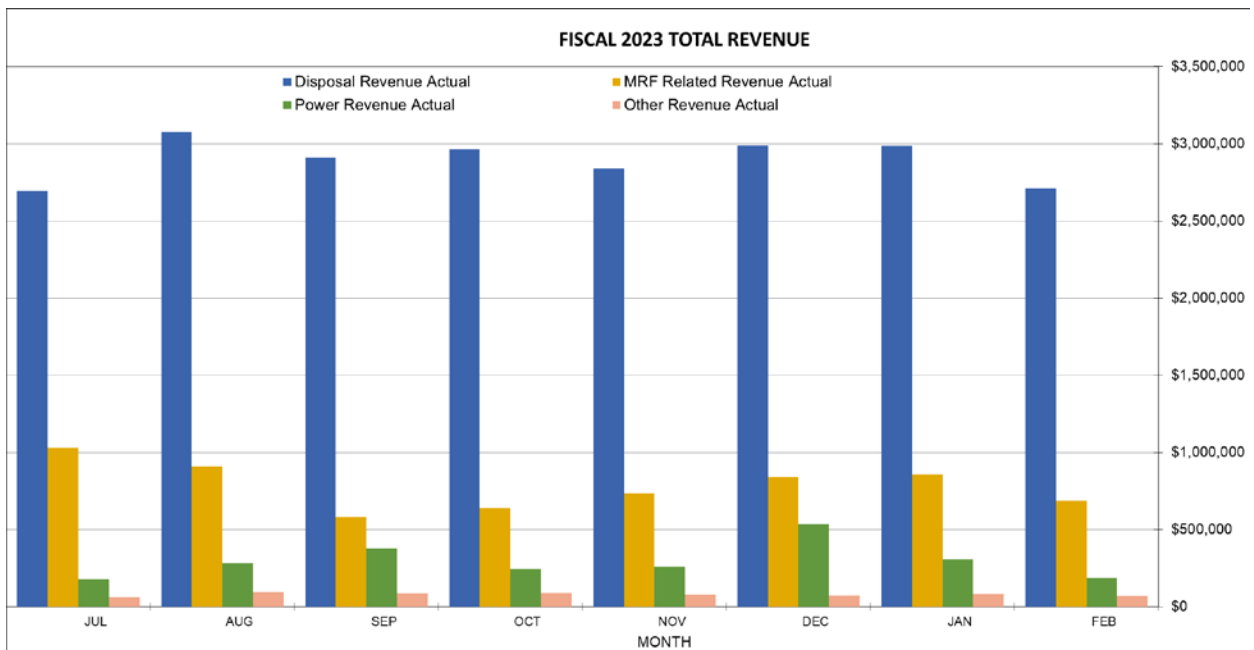
Let's not waste this.

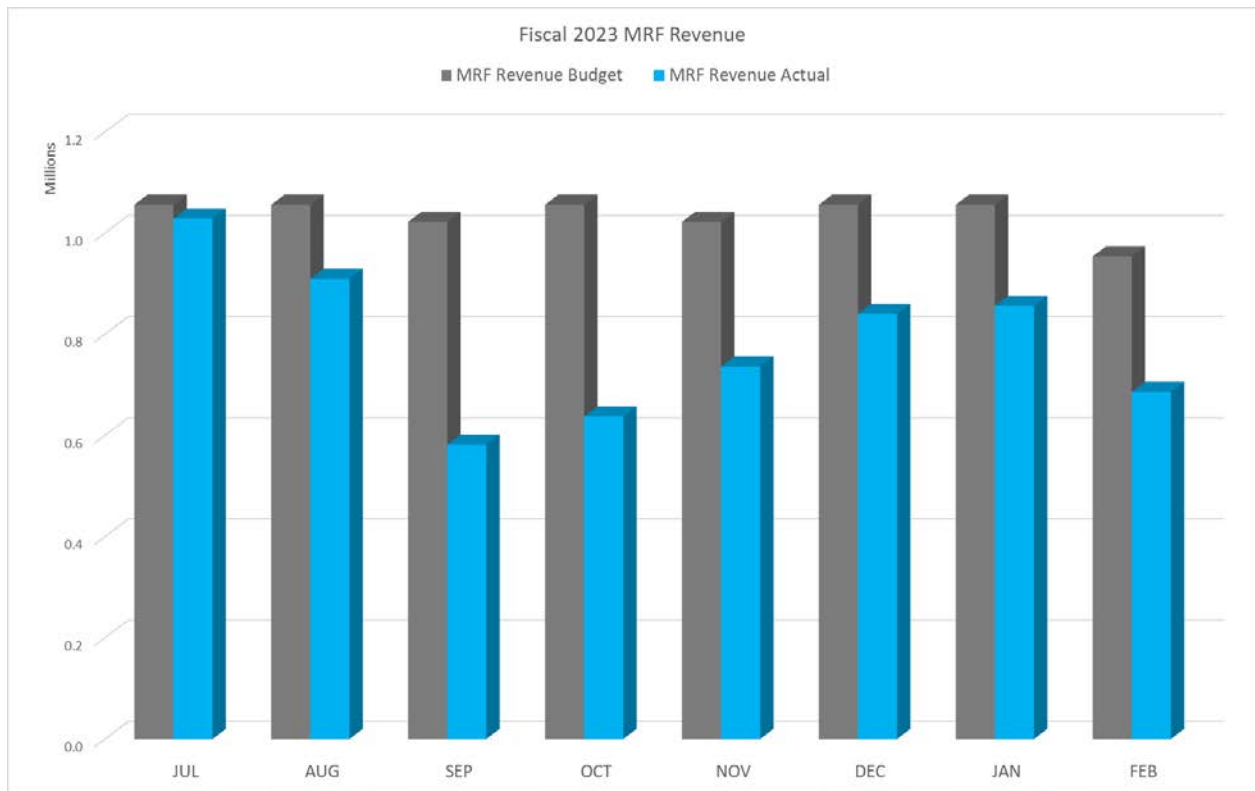
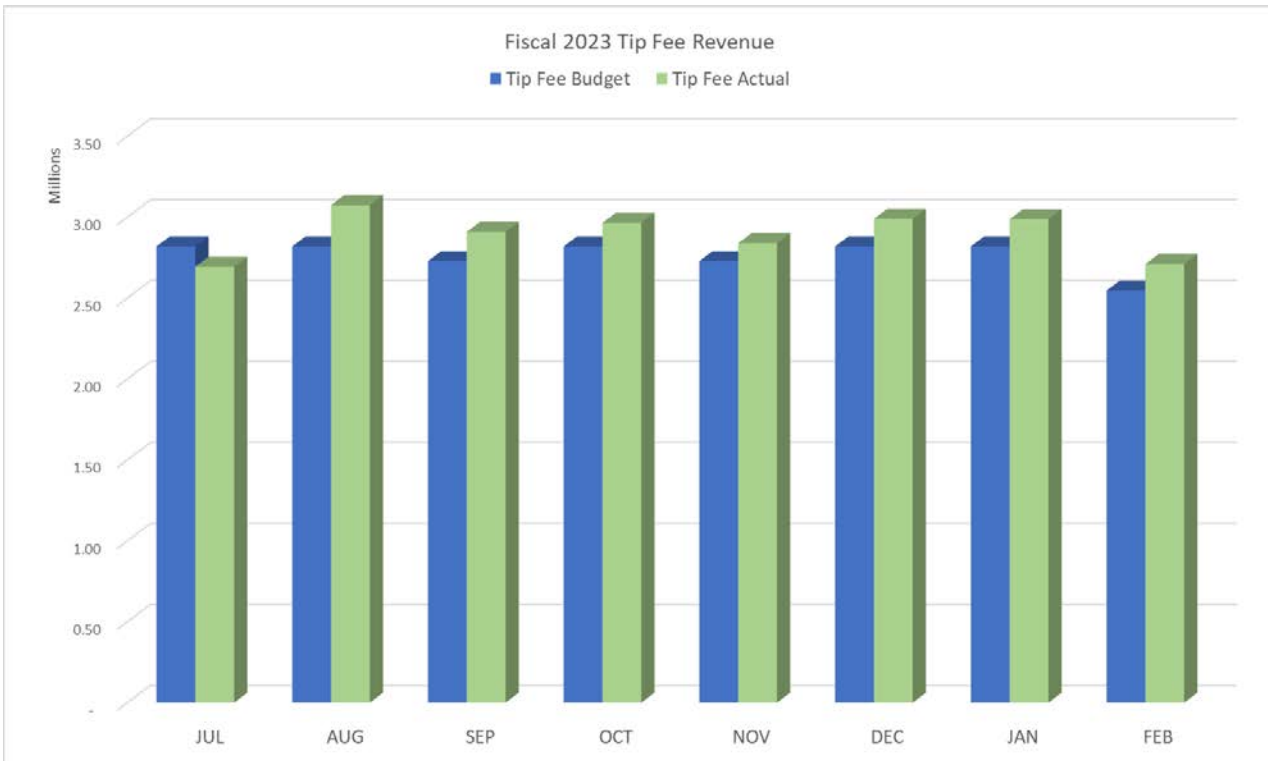


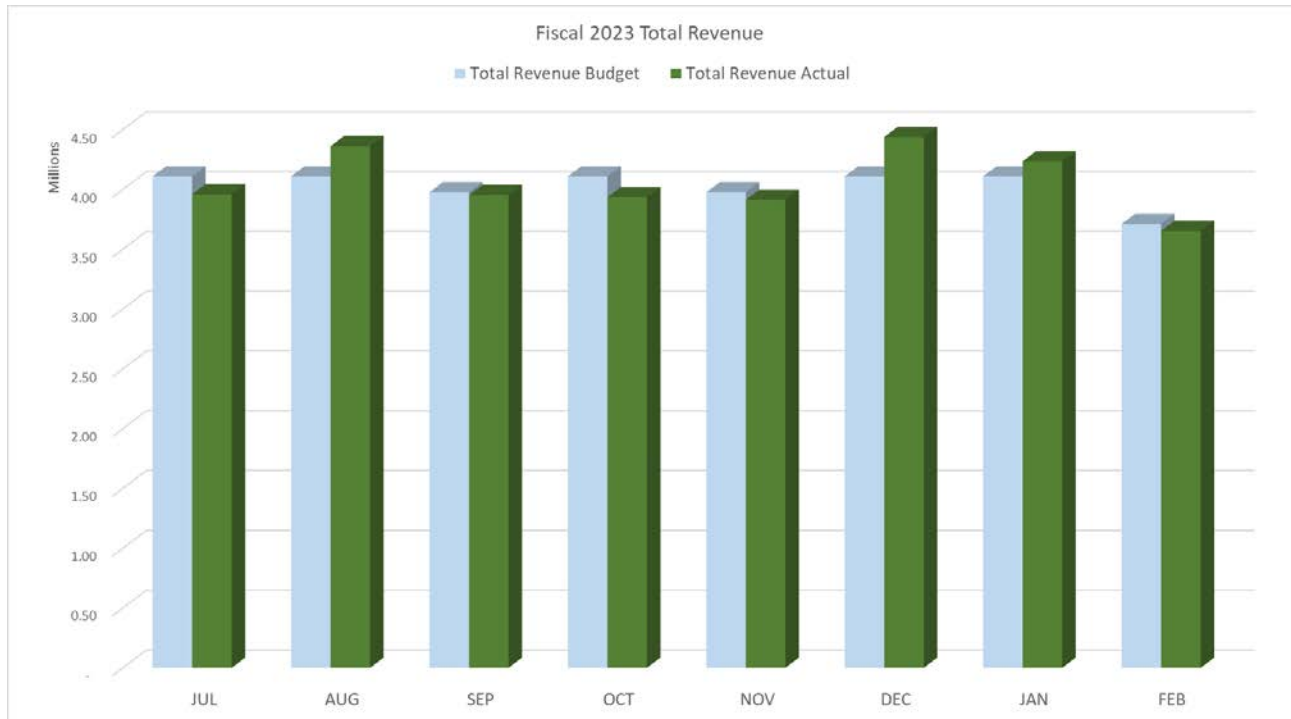
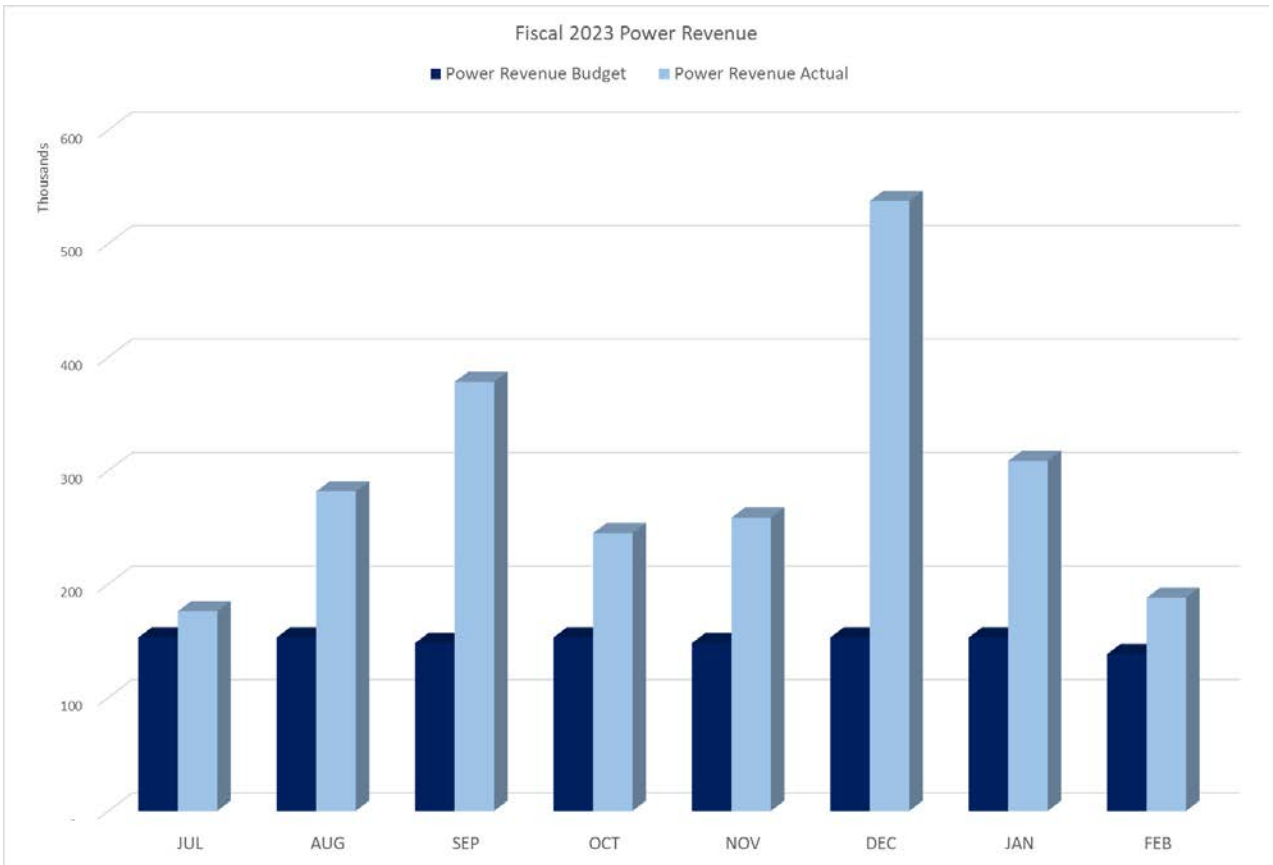
- Year to date tip fee revenue is \$23.2 million and is \$1.1 million or 4.8% over budget and \$3.9 million or 20.5% higher than last year. Tip fee revenue for the year is 71.4% of total revenue compared to 63.0% in the same period last year.
- Tonnage received year to date is 642K tons and this is 82K tons higher than the same period last year.
- Year to date other revenue is \$9.3 million and is \$828K or 8.2% under budget. MRF related YTD revenue is \$6.3 million and is \$2.0 million or 24.2% under budget and is \$3.0 million or 32.1% lower than the same period in fiscal 2022.
- A summary of the MRF revenue and direct expenses are below.

	YTD Feb 2023	YTD Budget	YTD B/(W) Budget	YTD Feb 2022	B/(W) F22
<u>MRF Revenue</u>					
Product revenue	\$ 1,998,719	\$ 4,453,494	\$ (2,454,775)	\$ 4,702,717	\$ (2,703,998)
Processing Fees	1,548,643	1,283,006	265,637	1,797,234	(248,591)
CRV Rebates	2,727,842	2,541,567	186,276	2,745,711	(17,868)
	<u>6,275,204</u>	<u>8,278,067</u>	<u>(2,002,863)</u>	<u>9,245,661</u>	<u>(2,970,457)</u>
<u>MRF Direct Expenses</u>					
MRF Operations	4,722,694	4,909,042	186,348	4,806,458	83,764
MRF Maintenance	748,709	1,088,330	339,621	1,003,676	254,967
	<u>5,471,403</u>	<u>5,997,372</u>	<u>525,969</u>	<u>5,810,134</u>	<u>338,731</u>
MRF Contribution Margin	<u>\$ 803,801</u>	<u>\$ 2,280,695</u>	<u>\$ (1,476,894)</u>	<u>\$ 3,435,527</u>	<u>\$ (2,631,726)</u>

- Total revenue for the year is \$32.4 million which is \$240K or 0.7% over budget and \$2.0 million or 6.4% higher than the same period in fiscal 2022. Tip fees and power revenue are \$4.9 million higher than last year partially offset by lower MRF related revenue.









Operating Expenses & Net Income

February

- Employment expense is \$1.3 million and is \$68K or 5.4% over budget.
- Environmental services are \$36K under budget.
- Insurance costs are \$13K over budget due to payment of vehicle insurance claims.
- Professional services costs are \$49K under budget.
- Recycling services are \$296K and are \$111K over budget due to higher organic material processing costs.
- Repair and maintenance costs are \$328K and are \$38K over budget due to higher LFG equipment related costs.
- Total operating expense for the month is \$3.1 million and is \$133K or 4.5% above budget. February operating expenses are \$631K higher than February last year.
- Net income for the month is \$518K and is \$98K or 15.9% under budget and is \$329K or 38.8% lower than February 2022.

Fiscal 2023 YTD Through February

- Employment expense for the year to date is \$11.2 million and is \$199K or 1.8% over budget.
- Environmental services \$188K or 31.4% over budget primarily due to repairs to the LFG collection system.
- Fuel costs are \$309K or 38.7% over budget due to rising fuel prices.
- Recycling services are \$541K or 36.5% over budget.
- Repair and maintenance costs are \$583K or 25.1% under the YTD budget.
- Total operating expense for the year to date are \$25.2 million and is \$704K or 2.9% over budget.
- Net income for the year to date is \$6.8 million and is \$233K above budget and \$1.1 million lower than the same period in F2022.



Operating Expense by Department

Department	YTD February 2023		
	Actual	Budget	B/(W) Budget
Accounting	615,783	589,873	(25,910)
Administration	5,627,100	5,026,283	(600,817)
Board	10,524	21,459	10,935
Engineering	827,682	1,028,769	201,087
Household Hazardous Waste	678,750	703,632	24,882
Human Resources	403,207	515,531	112,324
Landfill Gas	1,881,602	1,602,140	(279,461)
Landfill Operations	2,611,679	2,151,334	(460,346)
Last Chance Mercantile	47,377	110,000	62,623
Maintenance Shop	1,965,783	2,057,535	91,752
MRF Maintenance	748,709	1,088,330	339,621
MRF Operations	4,722,694	4,909,042	186,349
Organics	1,641,379	1,133,333	(508,046)
Public Education	500,379	763,484	263,105
Safety & Risk Management	264,378	302,881	38,502
Scales	619,385	578,968	(40,417)
Site & Facilities	2,079,782	1,959,377	(120,405)
Total	25,246,193	24,541,971	(704,223)

Fiscal 2023 Capital Spending

Facilities	\$	968,273
Module developer		1,162,415
Equipment		1,278,934
	\$	<u>3,409,622</u>

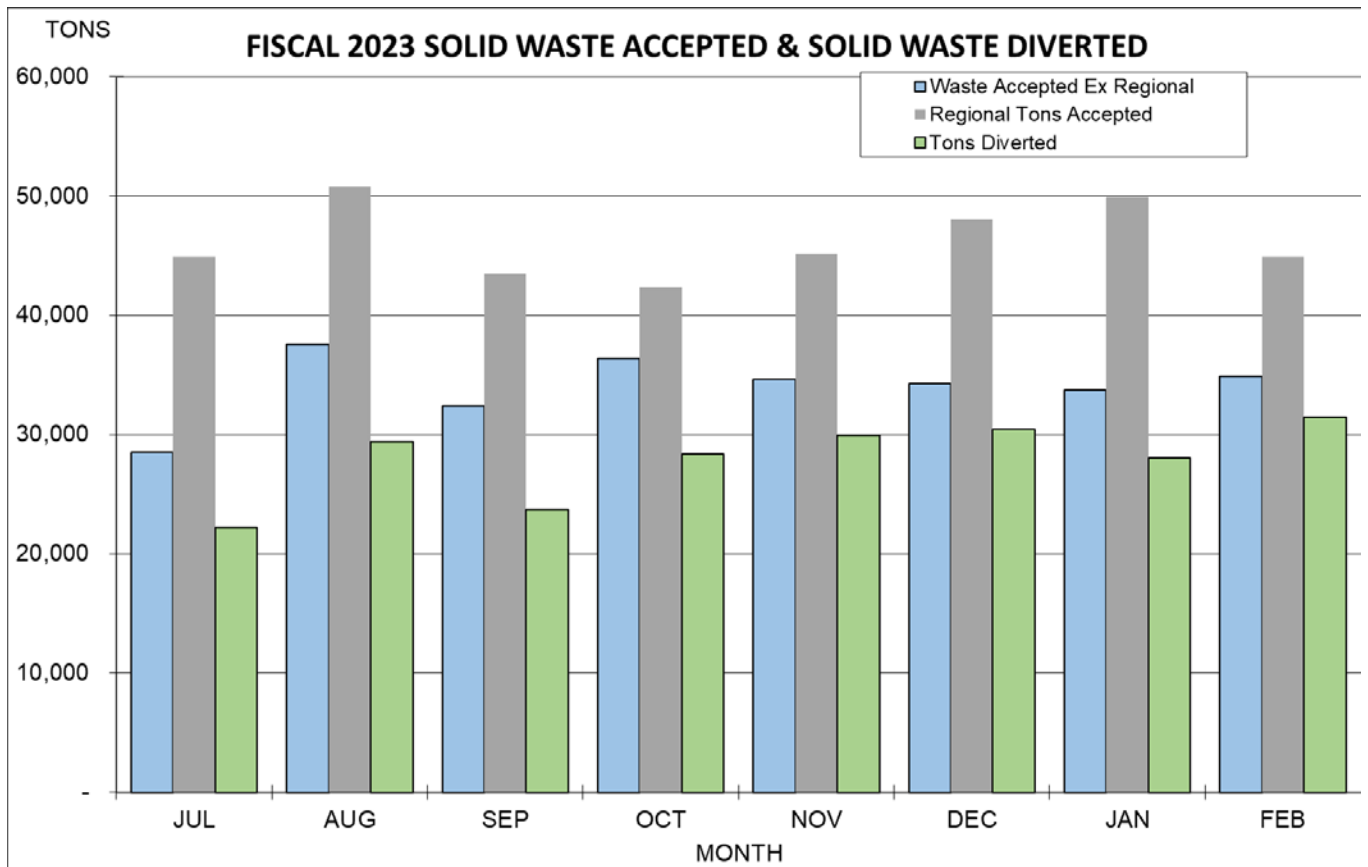
Cash Position

	Jul 1, 2022	Feb 28, 2023	Change
Cash in bank	\$ 17,917,265	\$ 21,555,093	\$ 3,637,828
Temporary investments	19,643,148	16,363,369	(3,279,779)
Restricted funds	2,500,000	6,013,000	3,513,000
	\$ 40,060,413	\$ 43,931,462	\$ 3,871,049



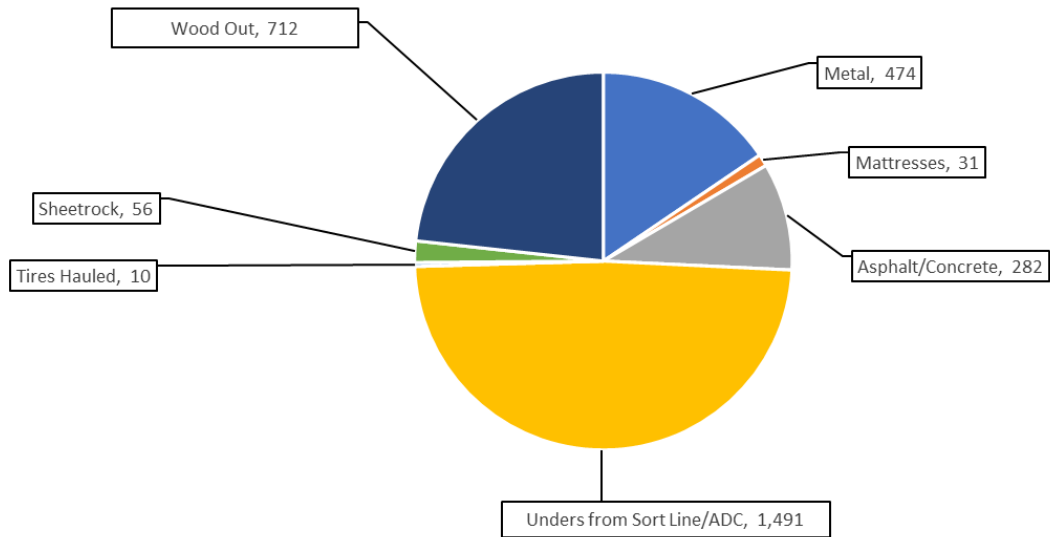
Summary of Landfill & MRF Tonnage

SITE Tonnage	Feb 2023	Feb FY23 YTD	Feb FY22 YTD	More/(Less) Prior Year
Site Accepted Materials				
Refuse - Landfill	8,546.16	81,289.28	86,061.71	(4,772.44)
Refuse - Landfill - Regional Waste	32,399.45	272,583.80	227,583.40	45,000.40
All Other Site Accepted Material	38,852.62	288,028.49	246,127.82	41,900.67
Total Accepted Materials	79,798.23	641,901.56	559,772.93	82,128.63
Total Diverted Materials	31,476.05	223,463.43	186,138.32	37,325.11
Landfilled	48,322.18	418,438.13	373,634.61	44,803.52
MRF - Accepted Materials				
MRF C&D Accepted	4,776.48	37,360.57	28,733.48	8,627.09
MRF SSR Accepted	4,657.79	43,245.72	43,663.92	(418.20)
Total MRF Accepted Materials	9,434.27	80,606.29	72,397.40	8,208.89
MRF - Diverted Materials				
C&D				
Metal	474.44	3,921.72	3,786.26	135.46
Mattresses	31.28	223.91	237.59	(13.68)
Asphalt/Concrete	281.51	1,458.77	1,055.07	403.70
Unders from Sort Line/ADC	1,491.00	11,728.12	7,509.80	4,218.32
Tires Hauled	10.47	141.03	115.41	25.62
Sheetrock	56.01	903.60	768.25	135.35
Wood Out	711.73	3,182.73	3,243.81	(61.08)
Total C&D Diverted	3,056.44	21,559.88	16,716.19	4,843.69
SSR				
Mixed Plastic	17.50	459.20	281.12	178.08
OCC/Cardboard	1,336.54	12,673.60	13,096.92	(423.32)
Mixed Glass	642.47	6,391.54	6,208.18	183.36
PET	104.58	802.94	666.25	136.69
Aluminum UBC	20.49	175.71	199.71	(24.00)
Poly Prop #5	20.20	210.86	224.51	(13.65)
HDPE - Color	57.54	432.81	370.80	62.01
HDPE - Natural	20.71	254.43	282.48	(28.05)
Mixed Paper	607.76	5,945.18	5,569.21	375.97
Aluminum scrap	0.00	19.96	20.48	(0.52)
Tin Lined Steel Cans	46.87	349.91	372.40	(22.49)
Shredded Paper	42.55	127.76	84.63	43.13
Thermoform	0.00	103.66	274.07	(170.41)
Clear Film/Hoop House Plastics	20.84	266.19	605.74	(339.55)
Total SSR Diverted	2,938.05	28,213.75	28,256.50	(42.75)
Total MRF Diverted Materials	5,994.49	49,773.63	44,972.69	4,800.94
C&D Percent Diversion		57.7%	58.2%	
Single Stream Recycling Percent		65.2%	64.7%	
Percent Diversion - Entire MRF		61.7%	62.1%	

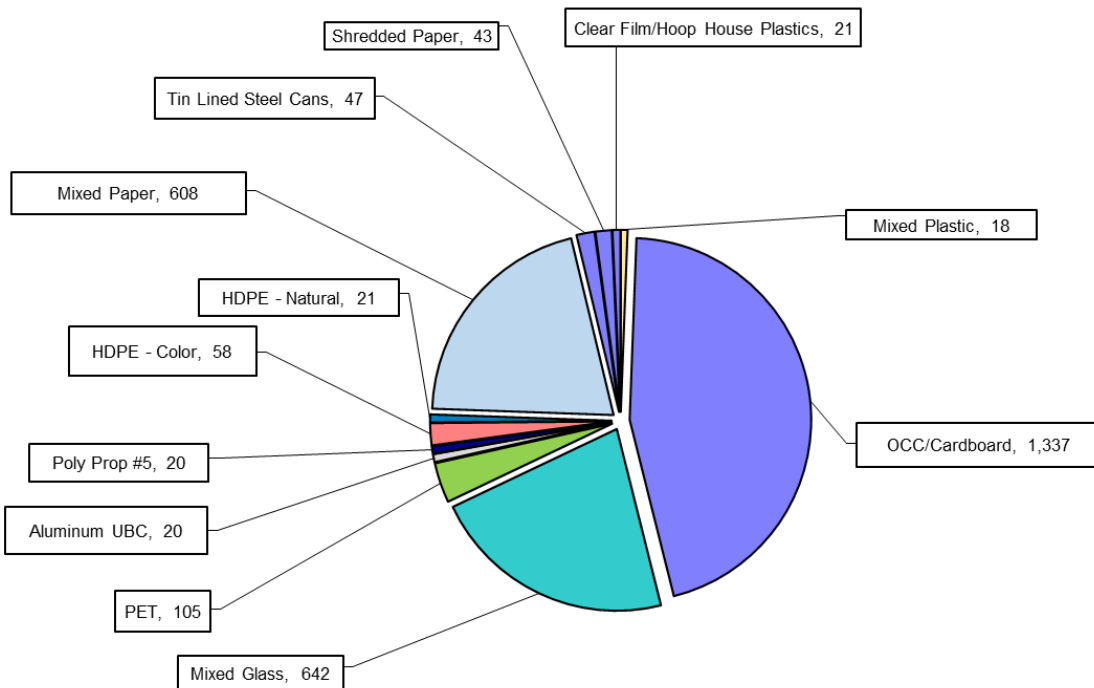




C&D Diverted Materials Fiscal 2023 - February 2023



SSR Diverted Materials Fiscal 2023 - February 2023



MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT
Statement of Revenue, Expenses, and Changes in Net Position for the Period Ending
February 28, 2023

	February	Month Budget	B/(W) Budget Mon	Year to Date	YTD Budget	B/(W) Budget
* Operating Revenues *						
Total Tipping Fees Revenue	\$ 2,710,097	\$ 2,546,225	\$ 163,871	\$ 23,165,872	\$ 22,097,599	\$ 1,068,273
Other Sales Revenue:						
Power Sales	187,811	138,082	49,729	2,371,961	1,198,356	1,173,605
MRF Sales & CRV Revenue	685,689	953,851	(268,162)	6,275,204	8,278,067	(2,002,863)
Other Sales	69,008	73,260	(4,253)	636,934	635,795	1,140
Total Other Sales Revenue	942,508	1,165,194	(222,686)	9,284,099	10,112,218	(828,118)
* Total Operating Revenues *	3,652,605	3,711,419	(58,815)	32,449,971	32,209,816	240,155
* Operating Expenses *						
Total Employment Expenses	1,331,339	1,263,419	(67,920)	11,162,680	10,963,821	(198,859)
Non-Employment Expenses:						
Amortization & Depreciation	424,088	362,500	(61,588)	3,330,830	2,900,000	(430,830)
Closure/Post Closure Costs	30,825	33,333	2,508	263,068	266,667	3,598
Outside Services	69,680	64,125	(5,555)	567,013	513,000	(54,013)
Environmental Services	39,233	75,000	35,767	788,229	600,000	(188,229)
Gasoline, Oil & Fuel	98,040	99,850	1,810	1,108,271	798,800	(309,471)
Hazardous Waste Disposal	15,836	33,750	17,914	171,963	270,000	98,038
Insurance	98,843	85,417	(13,427)	747,185	683,333	(63,851)
Office Expense	41,011	35,279	(5,731)	327,190	282,234	(44,956)
Operating Supplies	117,685	113,937	(3,748)	972,125	911,500	(60,625)
Other Expense	3,515	4,129	614	35,704	33,033	(2,670)
Professional Services	48,046	97,257	49,210	754,148	780,630	26,482
Public Awareness	14,188	36,792	22,603	86,344	294,333	207,989
Recycling Services	296,832	185,417	(111,416)	2,024,066	1,483,333	(540,732)
Repairs & Maintenance	328,379	290,250	(38,129)	1,738,544	2,322,000	583,456
Safety Equip/Supplies/Training	15,384	29,542	14,158	157,054	236,333	79,279
Taxes & Surcharges	101,013	115,542	14,528	794,586	924,333	129,747
Training/Meetings/Education	3,427	18,752	15,325	93,153	150,020	56,867
Utilities	15,526	16,075	549	124,042	128,600	4,558
Total Non-Employment Expenses:	1,761,551	1,696,947	(64,605)	14,083,513	13,578,150	(505,364)
* Total Operating Expenses *	3,092,890	2,960,365	(132,525)	25,246,193	24,541,971	704,223
** Operating Income (Loss) **	559,714	751,054	(191,340)	7,203,778	7,667,846	(464,068)
* Nonoperating Revenues (Expenses) *	(41,394)	(134,988)	93,594	(362,718)	(1,059,341)	696,623
*** Change in Net Position ***	\$ 518,321	\$ 616,066	\$ (97,745)	\$ 6,841,060	\$ 6,608,505	\$ 232,555

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT
Statement of Net Position
as at February 28, 2023

Assets

Current Assets:	
Cash and Short Term Investments	\$ 37,918,462
Accounts Receivable, net	7,191,551
Accrued Interest Receivable	77,524
Other Receivable	2,519,656
Prepaid Expenses	999,136
Total Current Assets	<u>48,706,329</u>
Total 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	<u>6,013,000</u>
Fixed Assets:	
Land	578,210
Facilities	37,272,622
Equipment	57,035,923
Module Development	21,041,185
Power Project	24,560,973
Less Total Accumulated Depreciation	<u>(57,415,107)</u>
Total Fixed Assets	83,073,806
Intangible Assets	46,740
*** Total Assets ***	<u><u>\$ 141,678,823</u></u>

Liabilities and Net Assets

Current Liabilities:	
Accounts Payable	\$ 1,338,798
Accrued State/County Disposal Fee	152,690
Interest Payable Revenue Bonds	412,584
Interest Payable Equipment Leasing	6,054
Accrued Vacation / Compensation Payable	332,174
Deferred Revenue	10,000
Lease Payable - Current	252,342
Sales/Use Tax Payable	251
Security Deposits/Gift Cert	52,449
Total Current Liabilities	<u>2,557,341</u>
Non-Current Liabilites	17,872,994
Total Long Term Debt	29,721,215
Total Liabilities	<u>50,151,551</u>
Net Position	91,527,272
*** Total Liabilities and Net Position ***	<u><u>\$ 141,678,823</u></u>

**Monterey Regional Waste Management District
Summary of Investments as at February 28, 2023**

Depository	Description of Security	Maturity	Interest Rate/Yield	Dollar Amount	Market Value
State of California	Local Agency Investment Fund (LAIF)	Immediate	2.624%	<u>\$ 22,376,368.66</u>	<u>\$ 22,376,368.66</u>