

**Staff Reports****Item #: 17**

Meeting Date: May 19, 2023

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

**Subject: April 2023 Financial Review**

## Financial & Operations Review April 2023

	April	Month Budget	B/(W) Budget	Year to Date	YTD Budget	B/(W) Budget
* Operating Revenues *						
Tipping Fees Revenue	\$ 3,212,451	\$ 2,728,099	\$ 484,352	\$ 29,456,430	\$ 27,644,733	\$ 1,811,697
Other Sales Revenue	1,045,146	1,248,422	(203,276)	11,488,194	12,650,676	(1,162,481)
* Total Operating Revenues *	4,257,596	3,976,521	281,076	40,944,624	40,295,408	649,216
* Operating Expenses *						
Employment Expenses	1,376,828	1,353,574	(23,255)	13,997,523	13,716,045	(281,477)
Non-Employment Expenses:	2,108,505	1,697,218	(411,287)	18,136,999	16,972,721	(1,164,278)
* Total Operating Expenses *	3,485,333	3,050,791	(434,541)	32,134,522	30,688,767	(1,445,755)
** Operating Income (Loss) **	772,264	925,729	(153,465)	8,810,102	9,606,642	(796,539)
Non-operating Revenues (Expenses)	6,017	(132,823)	138,841	(399,069)	(1,323,905)	924,836
*** Change in Net Position ***	\$ 778,281	\$ 792,906	\$ (14,625)	\$ 8,411,033	\$ 8,282,737	\$ 128,297

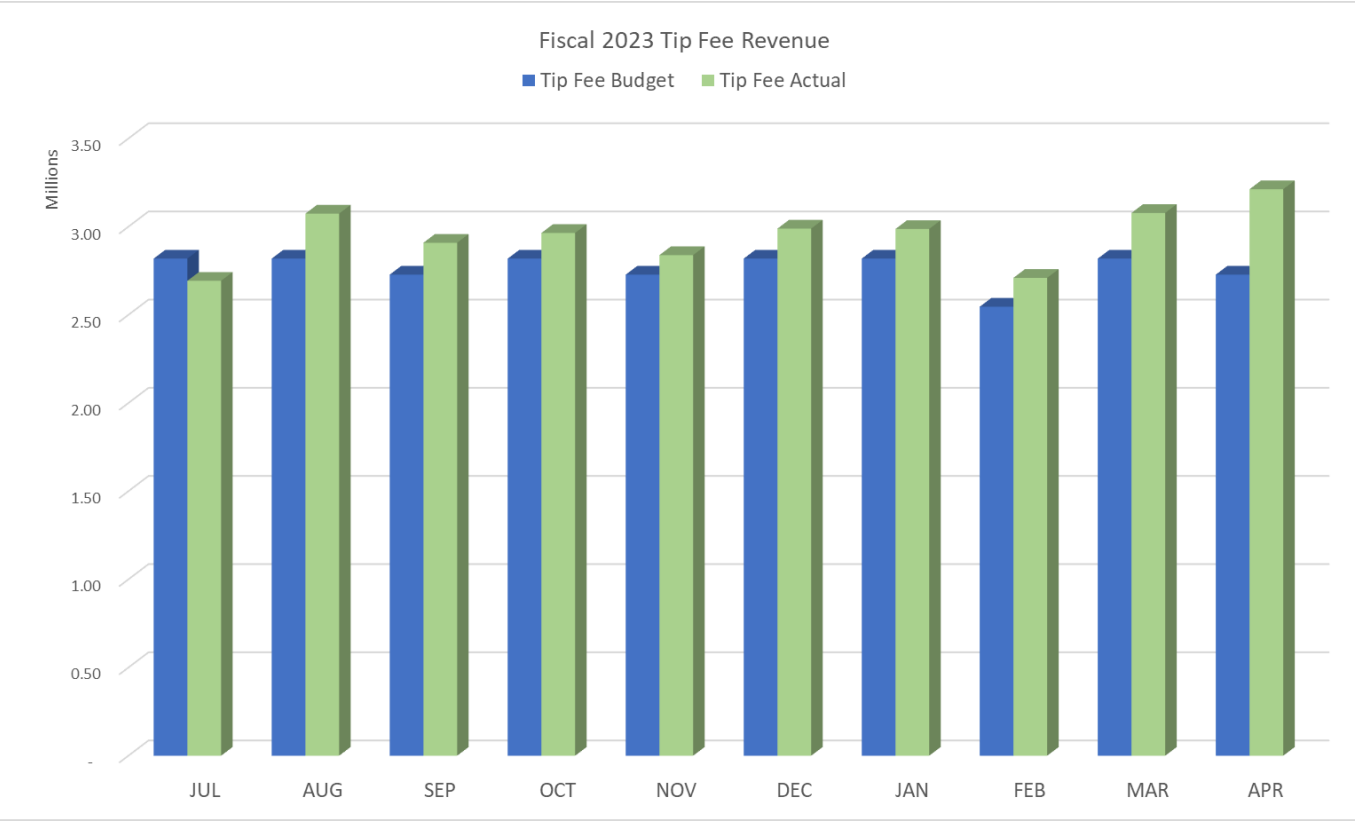
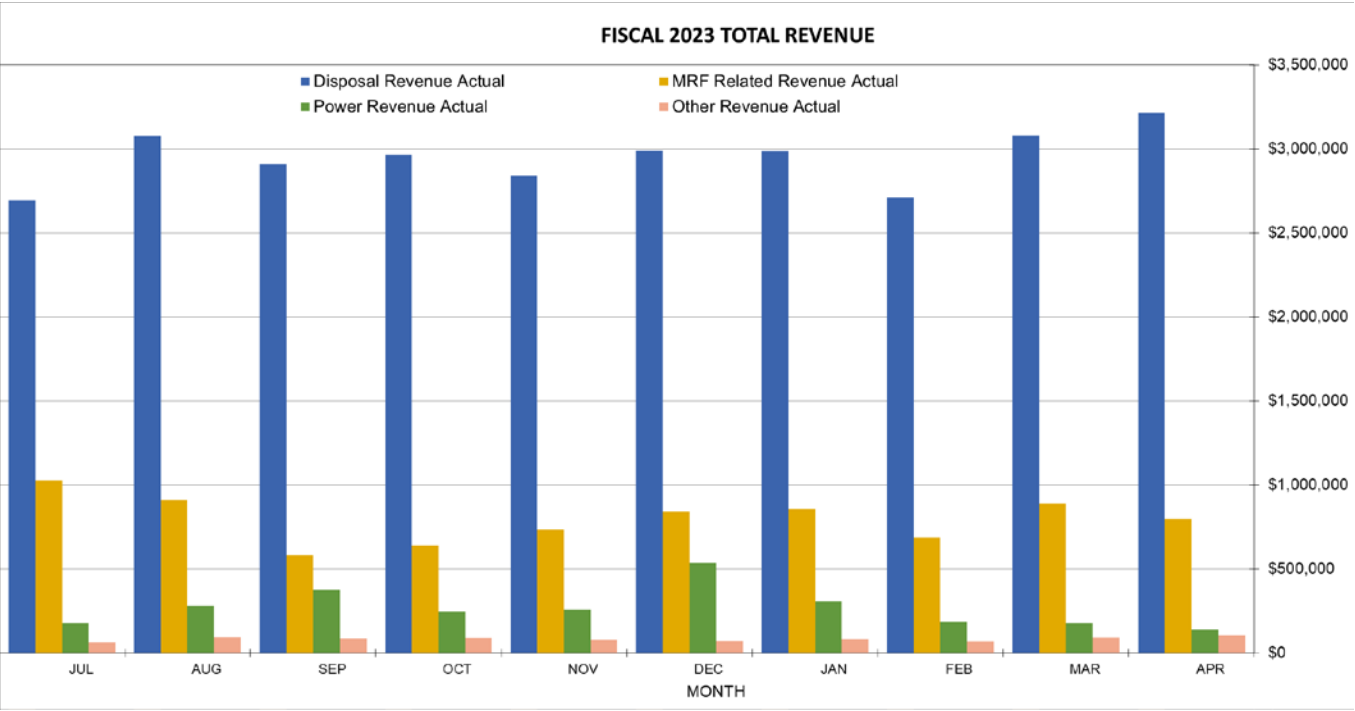
### Revenue

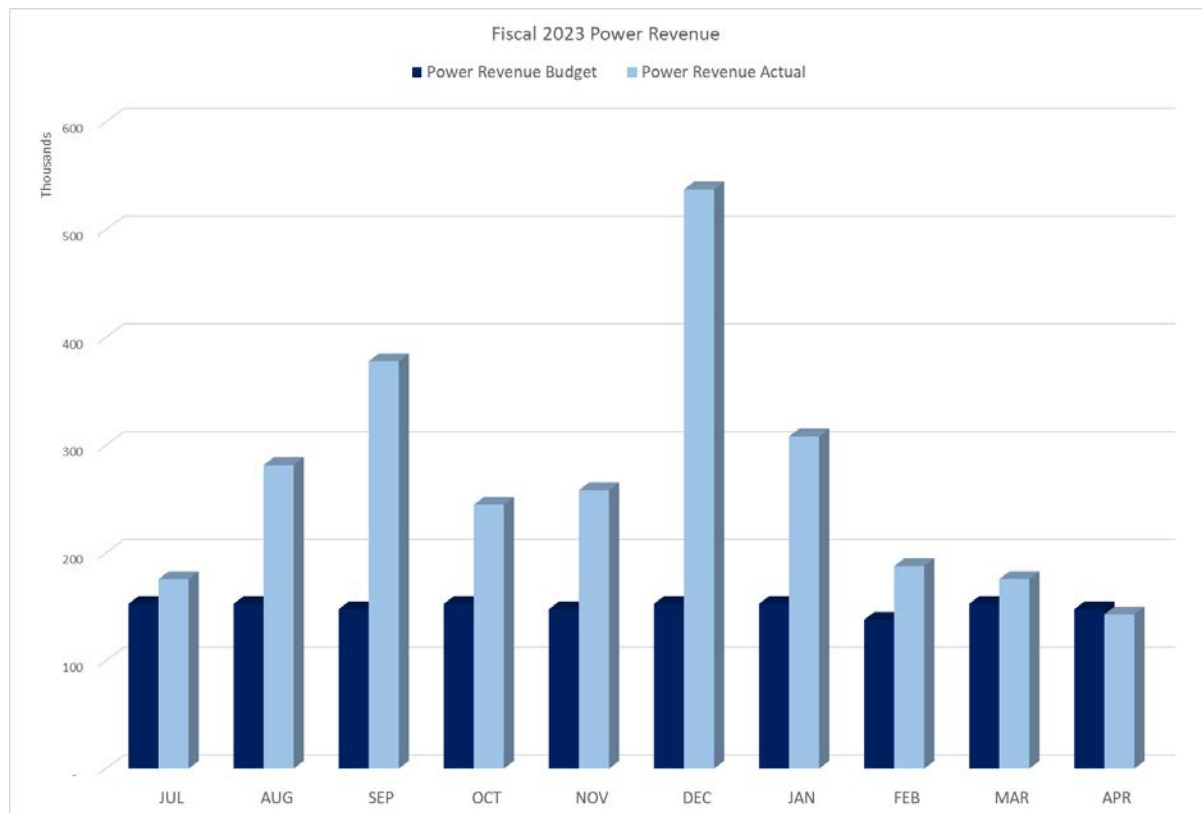
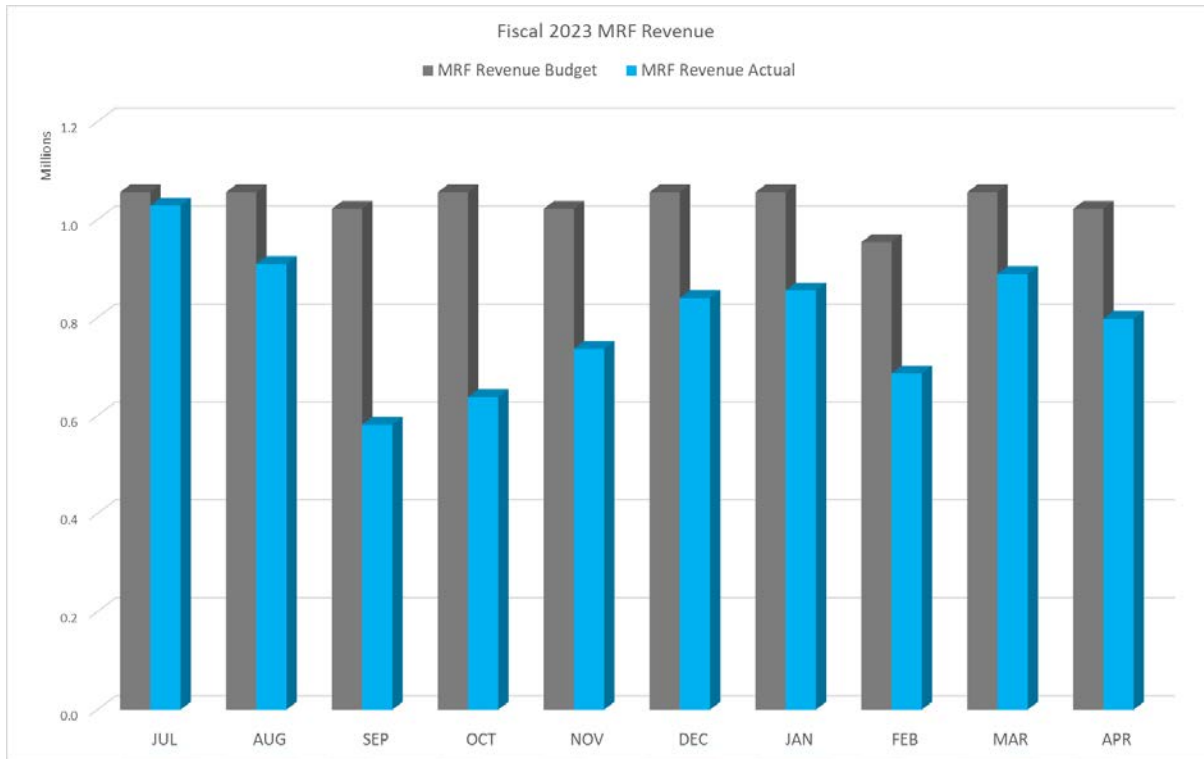
- April tip fee revenue is \$3.2 million and is \$484K or 17.8% over budget and is \$740K or 30.0% higher than April of 2022.
- Tonnage received in April is 85.4K tons which is 7.9K tons or 8% lower than the prior month. MSW, ADC (alternative daily cover), concrete and clean soil tonnage received in April were all lower than March.
- Other revenue in April is \$1.0 million and is \$203K or 16.3% under budget. MRF related revenue in April is \$798K and is \$224K or 21.9% below budget for the month. MRF product sales are \$316K compared to budget of \$550K. CRV revenue is \$306K compared to budget of \$314K for the month. Processing fees are \$175K compared to budget of \$158K.
- Power revenue for April is \$143K compared to budget of \$148K.
- April total revenue is \$4.3 million which is \$281K over budget and \$610K higher than the same month last year.

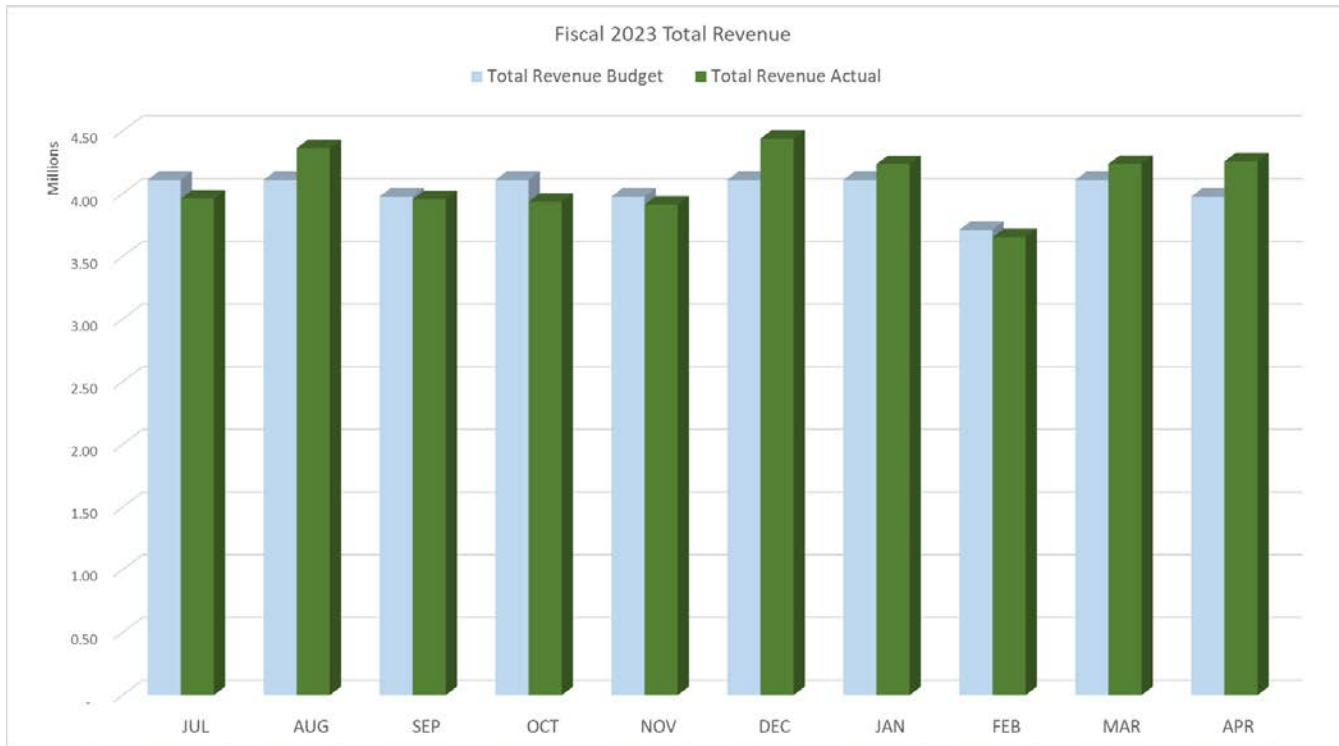
- Year to date tip fee revenue is \$29.5 million and is \$1.8 million or 6.6% over budget and \$5.2 million or 21.4% higher than last year. Tip fee revenue for the year is 71.9% of total revenue compared to 63.8% in the same period last year.
- Tonnage received year to date is 821K tons and this is 107K tons higher than the same period last year. MSW tonnage received is 36K tons higher than last year and green waste tonnage is 23K tons higher than last year.
- Year to date other revenue is \$11.5 million and is \$1.2 million or 9.2% under budget. MRF related YTD revenue is \$8.0 million and is \$2.4 million or 23.1% under budget and is \$3.3 million or 29.3% lower than the same period in fiscal 2022.
- A summary of the MRF revenue and direct expenses are below.

	YTD Apr 2023	YTD Budget	YTD B/(W) Budget	YTD Apr 2022	B/(W) YTD F22
<u>MRF Revenue</u>					
Product revenue	\$ 2,641,147	\$ 5,571,449	\$ (2,930,303)	\$ 5,612,640	\$ (2,971,493)
Processing Fees	1,912,649	1,605,078	307,572	2,202,349	(289,699)
CRV Rebates	3,408,430	3,179,573	228,857	3,446,138	(37,707)
	<u>7,962,227</u>	<u>10,356,100</u>	<u>(2,393,874)</u>	<u>11,261,127</u>	<u>(3,298,900)</u>
<u>MRF Direct Expenses</u>					
MRF Operations	5,951,667	6,139,770	188,103	5,908,361	(43,306)
MRF Maintenance	958,215	1,361,102	402,886	1,164,753	206,538
	<u>6,909,882</u>	<u>7,500,872</u>	<u>590,989</u>	<u>7,073,114</u>	<u>163,232</u>
MRF Contribution Margin	<u>\$ 1,052,344</u>	<u>\$ 2,855,228</u>	<u>\$ (1,802,884)</u>	<u>\$ 4,188,013</u>	<u>\$ (3,135,669)</u>

- Total revenue for the year is \$40.9 million which is \$649K or 1.6% over budget and \$2.9 million or 7.6% higher than the same period in fiscal 2022. Tip fees and power revenue is \$6.2 million higher than last year partially offset by lower MRF related revenue which is \$3.3 million lower than the same period in fiscal 2022.







## Operating Expenses & Net Income

### April

- Employment expense is \$1.4 million and is \$23K or 1.7% over budget.
- Recycling services are \$333K and are \$148K over budget due to higher organic material processing costs.
- Repair and maintenance costs are \$501K and are \$210K over budget. The April overspend is due to maintenance cost for the four power generating engines in the landfill gas department. Maintenance costs for the power generating machines in April is \$318K and the budget for the month is \$75K.
- Total operating expense for the month is \$3.5 million and is \$435K or 14.2% above budget. April operating expenses are \$630K higher than April last year.
- Net income for the month is \$778K and is \$15K or 1.8% under budget and is \$19K or 2.4% lower than April 2022.

### Fiscal 2023 YTD Through April

- Employment expense for the year to date is \$14.0 million and is \$281K or 2.1% over budget.
- Environmental services are \$1.0 million and are \$270K or 36.0% over budget primarily due to repairs to the LFG collection system and regulatory compliance costs.
- Fuel costs of \$1.4 million are \$363K or 36.4% over budget.

- Recycling services of \$2.6 million are \$769K or 41.5% over budget.
- Repair and maintenance costs of \$2.5 million are \$397K or 13.7% under budget.
- Total operating expense for the year to date are \$32.1 million and is \$1.4 million or 4.7% over budget.
- Net income for the year to date is \$8.4 million and is \$128K above budget and \$1.3 million lower than the same period in F2022.

### **Operating Expense by Department**

<b>Department</b>	<b>Year to Date</b>	<b>YTD Budget</b>	<b>B/(W) Budget YTD</b>
Administration	\$ 7,047,288	\$ 6,283,415	\$ (763,873)
Human Resources	495,977	644,748	148,771
Accounting	767,928	737,889	(30,039)
Engineering	1,024,667	1,286,616	261,948
Safety & Risk Management	336,113	378,787	42,674
Public Education	631,219	954,771	323,553
Board	15,620	26,846	11,226
Household Hazardous Waste	856,490	879,969	23,479
Last Chance Mercantile	47,377	137,500	90,123
Landfill Gas	2,801,740	2,003,063	(798,676)
Organics	2,165,647	1,416,667	(748,980)
Maintenance Shop	2,429,207	2,573,137	143,931
MRF Operations	5,951,667	6,139,770	188,103
MRF Maintenance	958,215	1,361,102	402,886
Scales	773,096	724,164	(48,932)
Site & Facilities	2,667,179	2,450,207	(216,971)
Landfill Operations	3,165,094	2,690,116	(474,979)
	<u>\$ 32,134,522</u>	<u>\$ 30,688,767</u>	<u>\$ (1,445,755)</u>

### **Fiscal 2023 Capital Spending**

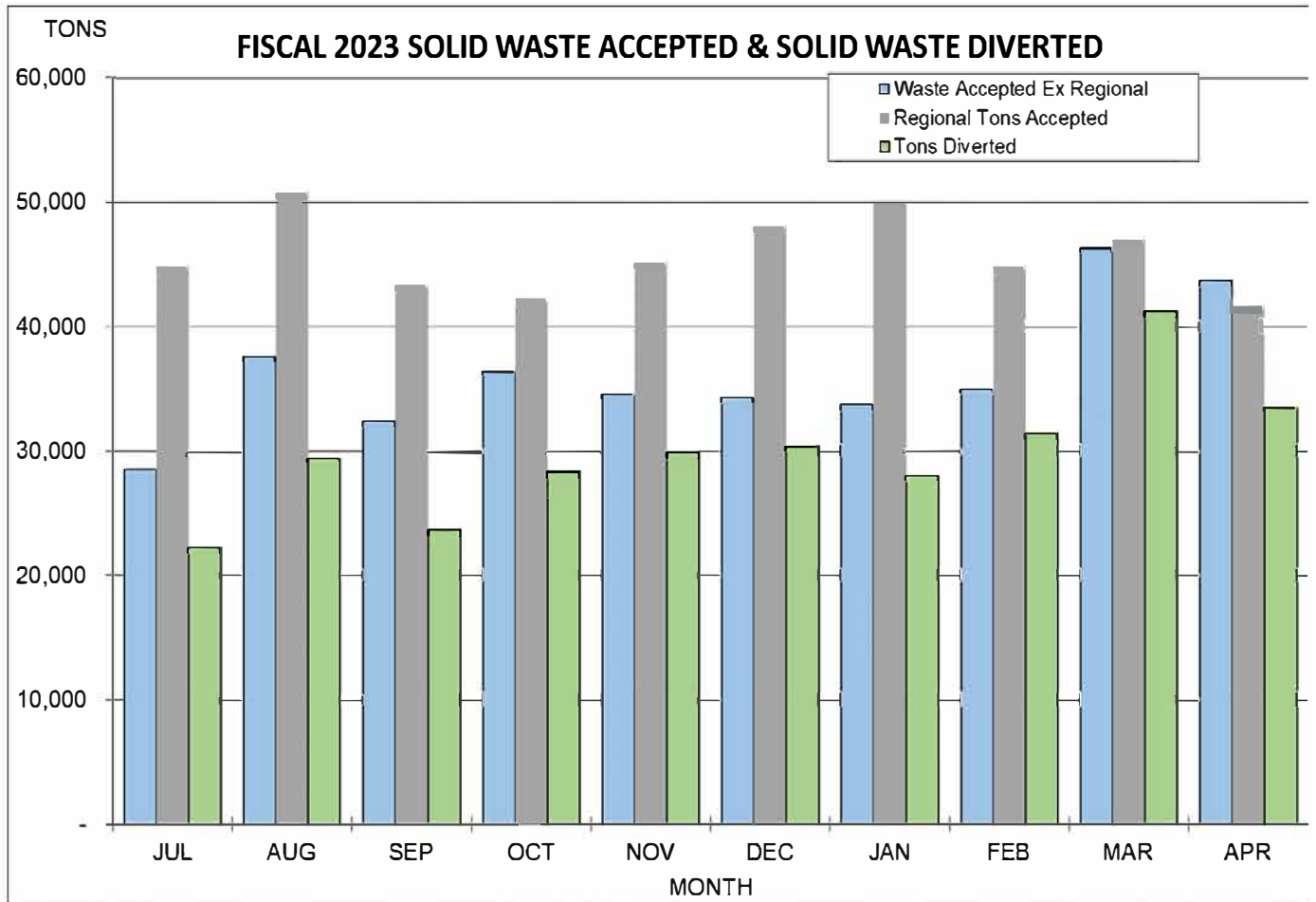
Facilities	\$ 1,535,086
Module development	1,162,415
Equipment	2,140,207
	<u>\$ 4,837,708</u>

### **Cash Position**

	<b>Jul 1, 2022</b>	<b>Apr 30, 2023</b>	<b>Change</b>
Cash in bank	\$ 17,917,265	\$ 21,941,508	\$ 4,024,242
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>\$ 44,468,690</u>	<u>\$ 4,408,276</u>

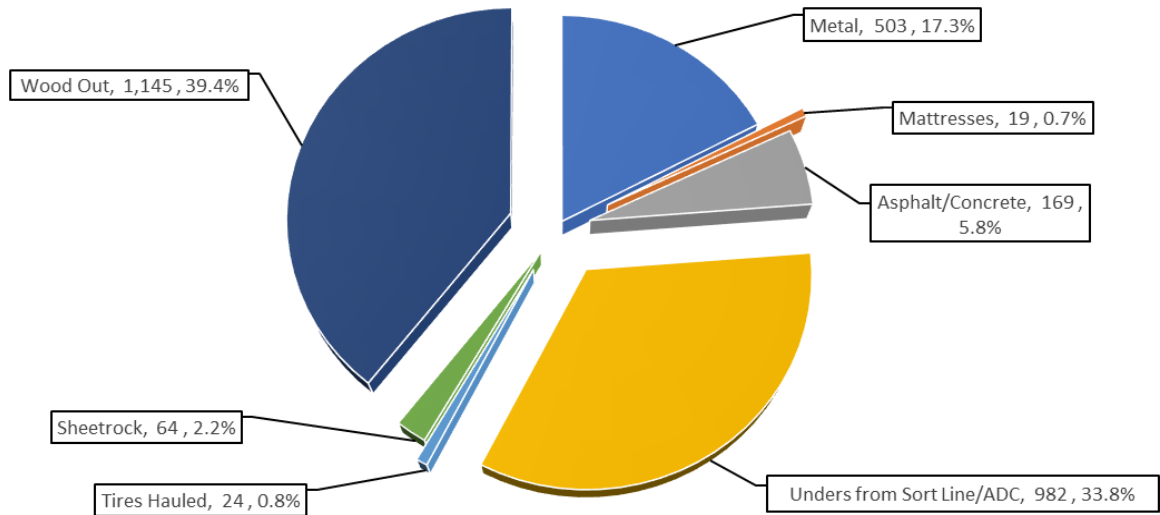
### Summary of Landfill & MRF Tonnage

SITE Tonnage	Apr 2023	Apr FY23 YTD	Apr FY22 YTD	More/(Less) Prior Year
<b>Site Accepted Materials</b>				
MSW - Landfill	11,801.11	104,239.38	106,558.53	(2,319.16)
MSW - Landfill - Regional Waste	27,742.16	331,684.93	292,447.18	39,237.75
All Other Site Accepted Material	45,874.00	384,695.44	314,177.75	70,517.69
Total Accepted Materials	85,417.27	820,619.74	713,183.46	107,436.28
 Total Diverted Materials	 33,501.57	 298,245.14	 239,420.81	 58,824.33
<b>Landfilled</b>	<b>51,915.70</b>	<b>522,374.60</b>	<b>473,762.65</b>	<b>48,611.95</b>
 <b>MRF - Accepted Materials</b>				
MRF C&D Accepted	6,421.46	49,143.61	36,913.47	12,230.14
MRF SSR Accepted	4,973.65	53,487.55	54,260.35	(772.80)
<b>Total MRF Accepted Materials</b>	<b>11,395.11</b>	<b>102,631.16</b>	<b>91,173.82</b>	<b>11,457.34</b>
 <b>MRF - Diverted Materials</b>				
<b>C&amp;D</b>				
Metal	502.68	4,935.55	4,732.44	203.11
Mattresses	18.89	264.15	306.87	(42.72)
Asphalt/Concrete	168.88	1,766.40	1,367.14	399.26
Unders from Sort Line/ADC	982.12	14,203.78	9,496.84	4,706.94
Tires Hauled	23.52	175.59	154.20	21.39
Sheetrock	64.14	1,029.67	1,160.28	(130.61)
Wood Out	1,144.85	4,607.00	4,146.01	460.99
<b>Total C&amp;D Diverted</b>	<b>2,905.08</b>	<b>26,982.14</b>	<b>21,363.78</b>	<b>5,618.36</b>
 <b>SSR</b>				
Mixed Plastic	74.22	608.92	499.73	109.19
OCC/Cardboard	1,357.42	15,511.79	16,488.76	(976.97)
Mixed Glass	516.07	7,578.88	7,694.76	(115.88)
PET	106.20	1,014.71	894.65	120.06
Aluminum UBC	19.23	233.49	238.09	(4.60)
Poly Prop #5	41.05	272.28	298.66	(26.38)
HDPE - Color	60.54	513.54	431.53	82.01
HDPE - Natural	81.09	335.52	302.86	32.66
Mixed Paper	601.96	7,024.30	7,320.05	(295.75)
Aluminum scrap	0.00	19.96	20.48	(0.52)
Tin Lined Steel Cans	21.83	416.86	441.06	(24.20)
Shredded Paper	21.28	169.33	125.58	43.75
Thermoform	0.00	125.13	315.22	(190.09)
Clear Film/Hoop House Plastics	0.00	368.29	692.49	(324.20)
<b>Total Single Stream Recycling Diverted</b>	<b>2,900.89</b>	<b>34,193.00</b>	<b>35,763.92</b>	<b>(1,570.92)</b>
<b>Total MRF Diverted Materials</b>	<b>5,805.97</b>	<b>61,175.14</b>	<b>57,127.70</b>	<b>4,047.44</b>
 <b>12 Month Rolling Average</b>				
<b>C&amp;D Diversion</b>		56.0%	57.7%	
<b>Single Stream Recycling Diversion</b>		65.1%	66.0%	
<b>Diversion - Entire MRF</b>		60.8%	62.6%	

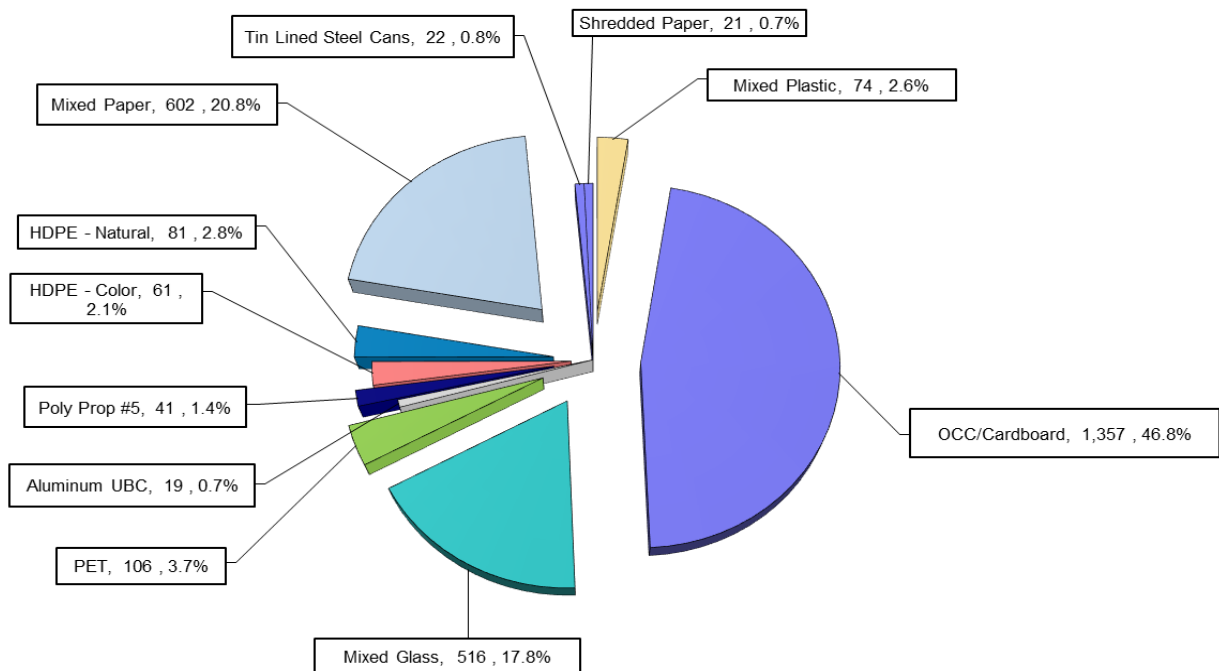




C&D Diverted Materials Fiscal 2023 - April 2023



SSR Diverted Materials Fiscal 2023 - April 2023



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

	April	Month Budget	B/(W) Budget	Year to Date	YTD Budget	B/(W) Budget
			Month			YTD
<b>* Operating Revenues *</b>						
Tipping Fees Revenue	\$3,212,451	\$2,728,099	\$484,352	\$29,456,430	\$27,644,733	\$1,811,697
Other Sales Revenue:						
Power Sales	143,050	147,945	(4,895)	2,690,894	1,499,178	1,191,716
MRF Sales & CRV Revenue	797,925	1,021,984	(224,059)	7,962,227	10,356,100	(2,393,874)
Other Sales	104,171	78,493	25,677	835,073	795,397	39,676
Total Other Sales Revenue	1,045,146	1,248,422	(203,276)	11,488,194	12,650,676	(1,162,481)
<b>* Total Operating Revenues *</b>	<b>4,257,596</b>	<b>3,976,521</b>	<b>281,076</b>	<b>40,944,624</b>	<b>40,295,408</b>	<b>649,216</b>
<b>* Operating Expenses *</b>						
Employment Expenses	1,376,828	1,353,574	(23,255)	13,997,523	13,716,045	(281,477)
Non-Employment Expenses:						
Amortization & Depreciation	450,491	362,500	(87,991)	4,204,800	3,625,000	(579,800)
Closure/Post Closure Costs	32,682	33,333	651	328,487	333,333	4,847
Outside Services	77,805	64,125	(13,680)	762,831	641,250	(121,581)
Environmental Services	33,036	75,000	41,964	1,019,868	750,000	(269,868)
Gasoline, Oil & Fuel	103,645	99,850	(3,795)	1,361,633	998,500	(363,133)
Hazardous Waste Disposal	13,777	33,750	19,973	230,627	337,500	106,873
Insurance	94,661	85,417	(9,244)	942,804	854,167	(88,638)
Office Expense	46,697	35,279	(11,418)	398,598	352,792	(45,806)
Operating Supplies	145,854	113,937	(31,916)	1,231,535	1,139,375	(92,160)
Other Expense	5,262	4,129	(1,133)	42,765	41,292	(1,473)
Professional Services	113,611	97,528	(16,084)	901,872	975,821	73,949
Public Awareness	0	36,792	36,792	100,935	367,917	266,982
Recycling Services	333,085	185,417	(147,669)	2,623,617	1,854,167	(769,450)
Repairs & Maintenance	500,633	290,250	(210,383)	2,505,817	2,902,500	396,683
Safety Equip/Supplies/Training	19,091	29,542	10,451	199,146	295,417	96,270
Taxes & Surcharges	107,606	115,542	7,935	1,008,218	1,155,417	147,199
Training/Meetings/Education	21,589	18,752	(2,837)	121,604	187,525	65,921
Utilities	8,978	16,075	7,097	151,845	160,750	8,905
Total Non-Employment Expenses:	2,108,505	1,697,218	(411,287)	18,136,999	16,972,721	(1,164,278)
<b>* Total Operating Expenses *</b>	<b>3,485,333</b>	<b>3,050,791</b>	<b>(434,541)</b>	<b>32,134,522</b>	<b>30,688,767</b>	<b>(1,445,755)</b>
<b>** Operating Income (Loss) **</b>	<b>772,264</b>	<b>925,729</b>	<b>(153,465)</b>	<b>8,810,102</b>	<b>9,606,642</b>	<b>(796,539)</b>
Non-operating Revenues (Expenses)	6,017	(132,823)	138,841	(399,069)	(1,323,905)	924,836
<b>*** Change in Net Position ***</b>	<b>\$778,281</b>	<b>\$792,906</b>	<b>(\$14,625)</b>	<b>\$8,411,033</b>	<b>\$8,282,737</b>	<b>\$128,297</b>

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

Statement of Net Position as at

April 30, 2023

**Assets**

Current Assets:

Cash and Short Term Investments	\$ 38,455,689
Accounts Receivable, net	5,288,477
Accrued Interest Receivable	50,271
Other Receivable	2,511,964
Prepaid Expenses	499,943
Total Current Assets	46,806,344

Non-Current Assets	3,838,948
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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	37,776,590
Equipment	57,897,196
Module Development	21,041,185
Power Project	24,623,818
Less Total Accumulated Depreciation	(58,286,407)
Total Fixed Assets	83,630,593

Intangible Assets	44,069
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*** Total Assets ***	<u><u>\$ 140,332,954</u></u>
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**Liabilities and Net Assets**

Current Liabilities:

Accounts Payable	\$ 1,585,143
Accrued State/County Disposal Fee	43,134
Interest Payable Revenue Bonds	82,517
Interest Payable Equipment Leasing	7,170
Accrued Vacation / Compensation Payable	346,506
Deferred Revenue	10,000
Lease Payable - Current	252,342
Security Deposits/Gift Cert	52,449
Total Current Liabilities	2,379,261

Total Non-Current Liabilities	17,872,994
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Long Term Debt	28,912,231
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*** Total Liabilities ***	<u>49,164,486</u>
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Net Position	91,168,468
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*** Total Liabilities and Net Position ***	<u><u>\$ 140,332,954</u></u>
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**Monterey Regional Waste Management District**  
**Summary of Investments as at April 30, 2023**

Depository	Description of Security	Maturity	Interest	Dollar Amount	Market Value
			Rate/Yield		
State of California	Local Agency Investment Fund (LAIF)	Immediate	2.870%	\$ 22,527,181.77	\$ 22,527,181.77