Annual Financial Report
June 30, 2022 and 2021

Monterey Regional Waste Management District

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Monterey Regional Waste Management District
Annual Financial Report

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June 30, 2022 and 2021

Board of Directors

for the Year Ended
June 30, 2022

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
Bill Peake	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
Felipe Melchor	General Manager/ Secretary of the Board		

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Monterey Regional Waste Management District (District) as of and for the years ended June 30, 2022, and 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.

In our opinions, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the District, as of June 30, 2022, and June 30, 2021 and the changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Adoption of New Accounting Standard

As discussed in Note 1 to the financial statements, the District has adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 87, *Leases*, for the year ended June 30, 2021. Accordingly, a restatement has been made to the net position as of July 1, 2020, to restate beginning net position. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining schedule of net position, the combining schedule of revenues, expenses and changes in net position, and schedule of revenues, expenses, and changes in net position actual to budget are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedule of net position, the combining schedule of revenues, expenses and changes in net position, and schedule of revenues, expenses, and changes in net position actual to budget are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Eide Bailly LLP

Menlo Park, California
November 30, 2022

Monterey Regional Waste Management District

Management's Discussion and Analysis

for the Years Ended June 30, 2022 and June 30, 2021

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, 2022. 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 2021-22

- Operating revenues increased by 7.5 percent to $45.7 million and operating expenses increased by 0.2 percent to $34.2 million.
- Capital outlay for buildings, equipment and infrastructure were $3.2 million.
- Operating revenues were above budgeted revenues by $7.0 million. Operating expenses were below budgeted amounts by $0.4 million. Non-operating revenues and expenses were above the budgeted levels by $0.9 million.

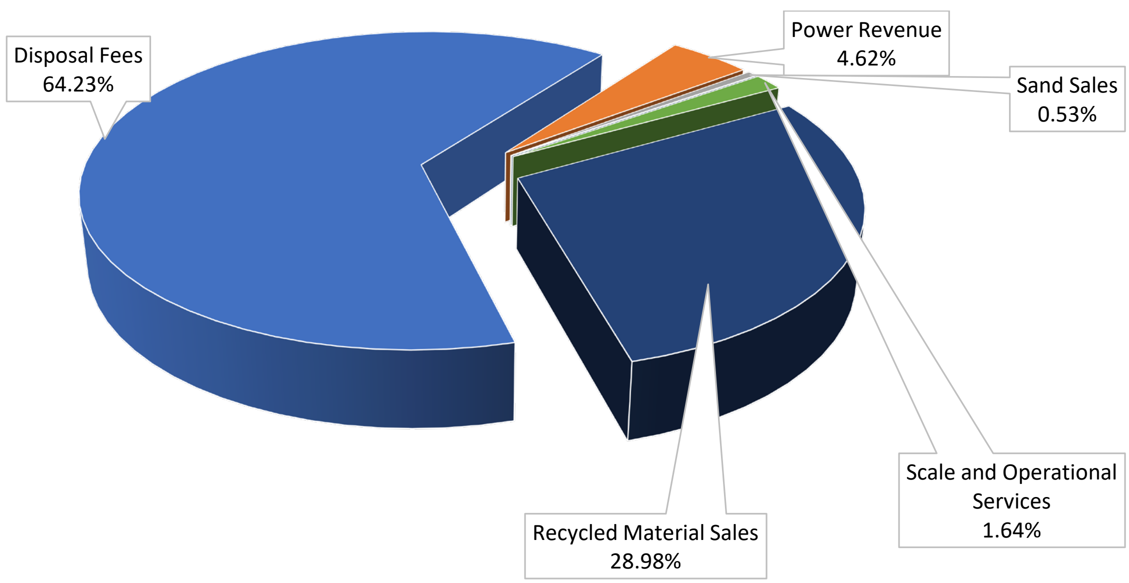
Fiscal Year 2020-21

- 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.

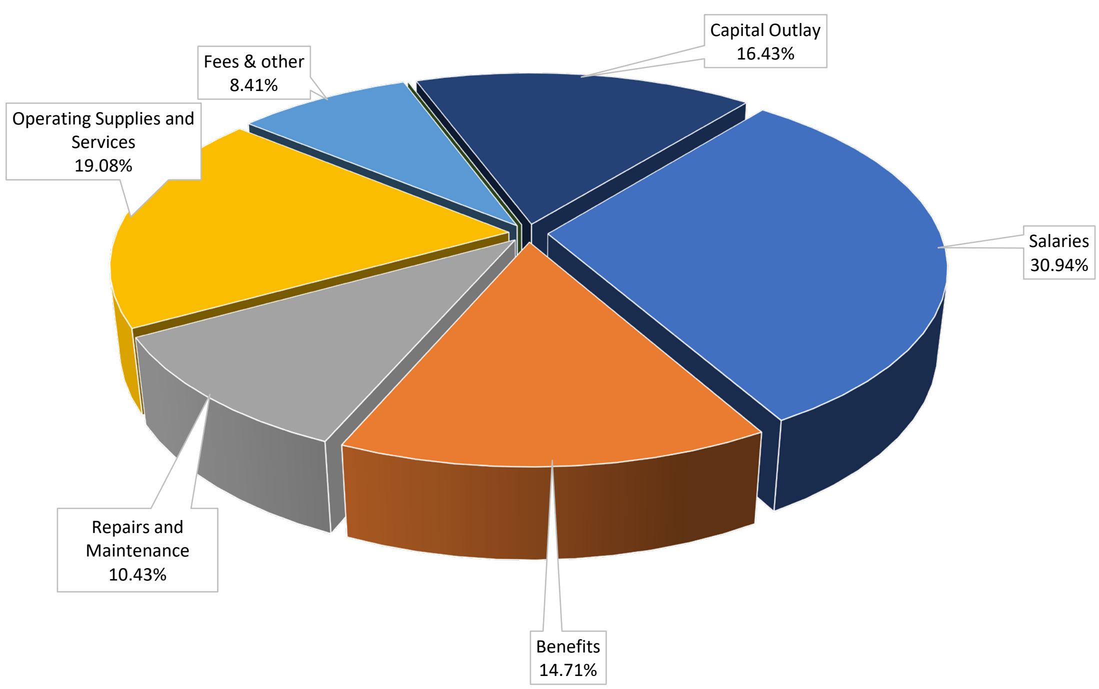
Financial Highlights (Continued)

The following figures show the District's sources of revenues and areas of expenditures for fiscal year 2022:

Sources of Revenue



Areas of Expense



Management's Discussion and Analysis for the Years Ended June 30, 2022 and June 30, 2021

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 2021-22

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, 2022 was $60.8 million, a 23.1 percent increase of $11.4 million over net position at June 30, 2021 (See Table A-1). Much of the increase in total net position is attributable to a 15.7 percent or $1.8 million increase of recycled material sales and CRV rebates, a 32.0 percent of $4.5 million decrease of net pension liability and 7.4 percent or $3.5 million decrease of revenue bonds.

Total assets and deferred outflows increased by 7.0 percent to $139.0 million.

Total liabilities and deferred inflows decreased by 2.9 percent to $78.0 million.

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, 2022 was $49.3 million, an 18.9 percent increase of $7.8 million over net position at June 30, 2021 (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.

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

				Change	
	2022	2021	2020	2022 to 2021	2021 to 2020
Current Assets	$ 45,175	$ 35,836	$ 32,788	26.1%	9.3%
Restricted Assets	4,850	4,850	4,850	0.0%	0.0%
Lease receivables	2,139	2,363	-	-9.5%	0.0%
Deposits	155	155	155	0.0%	0.0%
Capital Assets–Net	82,991	82,792	78,937	0.2%	4.9%
Intangible Assets–Net	57	73	89	-21.9%	-18.0%
Total Assets	135,367	126,069	116,819	7.4%	7.9%
Deferred Outflows	3,617	3,801	4,165	-4.8%	-8.7%
Total Assets and Deferred Outflows	$ 138,984	$ 129,870	$ 120,984	7.0%	7.3%
Current Liabilities	$ 7,483	$ 5,376	$ 5,323	39.2%	1.0%
Non–Current Liabilities	13,842	19,290	18,642	-28.2%	3.5%
Revenue Bonds Payable	43,328	46,814	49,179	-7.4%	-4.8%
Estimated Closure/Post Closure Costs	6,761	6,413	6,057	5.4%	5.9%
Total Liabilities	71,414	77,893	79,201	-8.3%	-1.7%
Deferred Inflows	6,766	2,592	317	161.0%	717.7%
Total Liabilities and Deferred Inflows	$ 78,180	$ 80,485	$ 79,518	-2.9%	1.2%
Net Position:					
Invested in Capital Assets– Net of Debt	36,491	33,338	41,209	9.5%	-19.1%
Restricted	4,495	3,318	4,850	35.5%	-31.6%
Unrestricted	19,818	12,729	(4,593)	55.7%	-377.1%
Total Net Position	60,804	49,385	41,466	23.1%	19.1%
Total Liabilities, Deferred Inflows, and Net Position	$ 138,984	$ 129,870	$ 120,984	7.0%	7.3%

Revenues, Expenses and Changes in Net Position

Fiscal Year 2021-22

Operating revenues increased by 7.5 percent to $45.7 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 3.4 percent.
- Power revenue increased by 29.8 percent due to the increase of the surplus power sold in the grid.
- Recycled material sales increased by 15.7 percent due the fast-growing activity of the Material Recovery Facility (MRF) CRV values assigned to diverted products by CalRecycle. CRV values represent 30.4 percent of total MRF revenue.
- Sand sales increased 12.5 percent compared to the prior year mainly due to the increase in demand.

Operating expenses remained consistent with prior year with a decreased of 0.2 percent. Salaries increased by 1.5 percent. Benefits decreased by 21.7 percent due to the decrease in the number of employees. Generally, the operations related expenditures remained consistent with prior year. Repairs and maintenance increased by 11.0 percent due to the repairs performed to the District site. Contracted services decreased by 14.2 percent. Recycling expenses decreased by 9.2 percent while the operating supplies decreased by 40.5% to normal level after the prior year spike due to buying COVID-19 related cleaning and disinfecting supplies. The environmental services decreased by 53.8 percent due to less costs incurred to maintain the landfill gas collection system.

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.

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

	2022	2021	2020	Change 2022 to 2021	Change 2021 to 2020
Operating Revenues					
Disposal Fees	$ 29,330	$ 28,374	$ 28,828	3.4%	-1.6%
Power Sales	2,109	1,625	1,323	29.8%	22.8%
Last Chance Mercantile Sales	-	-	593	0.0%	-100.0%
Recycled Material Sales	13,231	11,433	7,858	15.7%	45.5%
Landscape Product Sales	-	100	150	-100.0%	-33.3%
Scale and Operational Services	748	711	708	5.2%	0.4%
Sand Sales	243	216	169	12.5%	27.8%
Total Operating Revenues	45,661	42,459	39,629	7.5%	7.1%
Operating Expenses					
Salaries	10,001	9,857	12,244	1.5%	-19.5%
Employee Benefits	4,755	6,076	6,933	-21.7%	-12.4%
Depreciation and Amortization	5,310	4,116	4,080	29.0%	0.9%
Recycling	1,886	2,076	2,322	-9.2%	-10.6%
Repairs and Maintenance	3,372	3,039	3,165	11.0%	-4.0%
Operating Supplies, Services and Other Expenses	6,166	6,478	4,718	-4.8%	37.3%
Taxes, Licenses and Permits	1,408	1,322	1,393	6.5%	-5.1%
Professional services	964	836	793	15.3%	5.4%
Closure/Post Closure Costs	347	356	355	-2.5%	0.3%
Total Operating Expenses	34,209	34,156	36,003	0.2%	-5.1%
Operating Income	11,452	8,303	3,626	37.9%	129.0%
Non-Operating Revenues (Expenses)					
Interest Income	121	193	753	-37.3%	-74.4%
Other Revenue (Expenses)	788	327	372	141.0%	-12.1%
Interest Expense-Revenue Bonds and Financed Purchase	(915)	(904)	(994)	1.2%	-9.1%
Total Non-Operating Revenues (Expenses)	(33)	(384)	131	-91.4%	-393.1%
Change in Net Position	11,419	7,919	3,757	44.2%	110.8%
Total Net Position - Beginning of Year, as restated	49,385	41,466	37,709	19.1%	10.0%
Total Net Position - End of Year	$ 60,804	$ 49,385	$ 41,466	23.1%	19.1%

Operating Revenue and Expenses by Department

Fiscal Year 2021-22

- 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 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.

Budget Highlights

Fiscal Year 2020-21

The District's operating revenues of $45.7 million were $7.0 million above budget and non-operating revenue was $0.9 million above budget amounts. The revenue increase resulted primarily from increased revenue from sales of MRF products and CalRecycle CRV claims and higher volume of material landfilled. Power sales were 29.8 percent above budget due to higher runtime for the power generating machinery.

Operating expenses of $34.2 million were $0.4 million below budget. Salary expenses and benefits are $0.4 million below budget due to lower health insurance costs offset by salaries and workers compensation costs being over budget. Recycling costs were $0.4 million above budget due to increased volume of wood waste processing. Professional services costs were $0.8 million below budget due in part to lower engineering services related costs. Revised closure/post closure maintenance plans have been being submitted as part of the 5-year permit review process. The plans have not been approved and the higher of the previous approved or submitted costs were used to calculate the closure/post closure costs. (see Note 6). There were several items under budget: professional services - $895,940; fuel - $118,505; taxes and fees - $30,440; public awareness - $237,992; education, meetings and travel - $59,364; safety equipment and supplies - $29,395; closure and post closure care costs - $27,785; operating supplies - $202,401. Other categories over budget were; depreciation and amortization - $1,010,408; fuel costs - $461,197; office expenses - $176,286; environmental services - $16,169; fuel - $461,197; recycling services - $365,910; insurance - $14,271.

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.

Capital Assets and Debt Administration

Capital Assets

On June 30, 2022, the District's capital assets totaled $83.0 million, net of accumulated depreciation. (See Table A-3). The increase of $0.18 million is mostly due to capital acquisitions for the materials recycling facility.

				Change	
	2022	2021	2020	2021-20	2020-19
Land	$ 578	$ 578	$ 578	0.0%	0.0%
Facilities and Infrastructure	20,440	20,234	20,414	1.0%	-0.9%
Right-to-use lease, equipment	6	10	13	-40.0%	-23.1%
Equipment	35,596	33,179	29,932	7.3%	10.8%
Power Project	11,016	9,919	6,080	11.1%	63.1%
Module Development	15,355	13,550	10,352	13.3%	30.9%
Intangible Assets	57	73	89	-21.9%	-18.0%
Construction in Progress	-	5,322	11,581	-100.0%	-54.0%
	$ 83,048	$ 82,865	$ 79,039	0.2%	4.8%

Fiscal year 2021-22 major capital asset additions include:

- $150,403 for generator for truck yard.
- $597,121 for D6 XE Dozer.
- $576,735 for compost site improvements.
- $1,904,523 for development of modules 6 and 7.

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.

Debt Administration

On November 7, 2018, through the bond underwriter, the District issued $22,970,000 in 2018 Series A and Series B Integrated Waste Management Revenue Bonds to fund the design, acquisition, and construction of improvements to the Monterey Peninsula Landfill and paying costs of issuance related to the sale and delivery of the Series 2018 Bonds. Through the bond trustee, the District continues to make its regularly scheduled payments on the 2018 Series A and B Integrated Waste Management Revenue Bonds. During 2022, principal payments of $820,000 were made, leaving a balance of $20,360,000. The District was in compliance with the bond covenants at June 30, 2022 and 2021.

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

On December 14, 2021, through the bond underwriter, the District issued $24,910,000 in 2021 Integrated Waste Management Authority Refunding Revenue Bonds to refund the Authority's Integrated Waste Management System Revenue Bonds Series 2015A (Non-AMT) and Integrated Waste Management System Revenue Bonds Series 2015B (AMT) and pay the costs of issuance related to the issuance and sales of the Series 2021 Bonds. Through the bond trustee, the District made regularly scheduled payments on the 2021 Integrated Waste Management Refunding Revenue Bonds. During 2022, principal payments of $1,605,000 were made, leaving a balance of $23,305,000. The District was in compliance with the bond covenants at June 30, 2022 and 2021.

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

Economic Factors and Next Year's Budget and Rates

Estimates of revenues are $48.38 million. This is an increase of $9.72 million (21.2%) compared to the FY21/22 Budget and is due to the following factors:

- $6.37 million increase (23.8%) in disposal fees, due to a 7% increase in disposal fees and increase in material volumes originating from within and outside of Monterey County.
- $3.17 million increase (34.3%) in MRF revenues, including commodities sales, processing fees and CRV revenue due to higher commodity prices.
- $0.2 million increase (12.5%) in projected power revenue resulting from a recalibration of estimates to align more accurately with recent experiences.

Operating Expenses for FY22/23 are projected to be $36.84 million. This is an increase of $2.98 million (8.8%) from the FY21/22 Budget. Personnel expenses increase by $1.3M (8.8%). Please see the accompanying memorandum from the HR Manager for details on personnel changes. Non-personnel expenses are projected to decrease $1.70 million or 8.9% compared to the FY21/22 Budget.

Non-Operating Revenues/Expenses for FY22/23 equals $1.58, which includes interest expense on the 2018 and 2021 Revenue Bonds at $1.96 million, equipment lease interest expense of $16,000 for 2018 equipment lease arrangement, and income from leases, investments, and other charges equal to $395,000.

Capital Spend requests for FY23/23 equals $22.68, an increase of over $5.50 million from the FY21/22 Budget. Mobile Equipment investments for the year include the replacement of a 2002 Cat 740 articulated truck ($0.9 million), replacement of a 2001 627G scraper with an articulating ejector truck ($0.90 million). Two CNG fueled roll off trucks and two CNG fueled semi-trucks are included in the FY 22/23 capital spend budget however due to the long lead time to get these vehicles they have been ordered from the vendor after Board approval at the January 2022 meeting. The delivery of these vehicles is expected to be in the final quarter of calendar 2022. Capital Improvement projects include completion of the M1W-AWPF power connection ($2.50M), development work on landfill Module 7 ($6.5M) and roadway paving and improvements ($2.20M), Scale house additions and modifications to meet ADA standards ($0.9 million).

Net Income is projected at $9,957,000.

Cash provided by operations for FY22/23 is estimated at $14.75 million (Net Income less Depreciation and Amortization and Closure/Post Closure Costs). Unrestricted Cash Reserves are projected to total $13.79 million, which is made up a Cash Operating Expense Reserve of $6.40 million, and an additional, undesignated balance of $7.39 million. The District will meet the 20% operating expense reserve in FY22/23 that has been established by the District.

The Bond Debt Service

The debt service Ratio calculated for FY22/23 is 3.78, which is above the Bond Covenant of 1.25.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, customers, bondholders, and other interested parties with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact Garth Gregson, Accounting Manager, at (831) 264–5526.

Basic Financial Statements

Monterey Regional Waste Management District

Statement of Net Position
June 30, 2022 and June 30, 2021

	2022	2021
ASSETS AND DEFERRED OUTFLOWS		
Current assets		
Cash and investments (Note 3)	$ 37,560,405	$ 29,400,795
Accounts receivable, net	5,266,627	4,377,481
Accrued interest receivable	17,436	24,097
Other receivables	375,739	348,603
Lease receivables	223,440	207,663
Prepaid expenses	1,730,957	1,477,359
Total current assets	45,174,604	35,835,998
Non-current assets		
Restricted cash and investments (Note 3)	4,849,925	4,849,925
Lease receivables	2,139,496	2,362,936
Deposits	155,000	155,000
Capital assets, net (Note 4)	83,047,912	82,865,440
Total noncurrent assets	90,192,333	90,233,301
Total assets	135,366,937	126,069,299
Deferred outflows of resources		
Pension related amounts (Note 6)	2,898,942	3,016,110
OPEB related amounts (Note 7)	717,782	785,006
Total deferred outflows of resources	3,616,724	3,801,116
Total assets and deferred outflows of resources	$ 138,983,661	$ 129,870,415

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

Monterey Regional Waste Management District

Statement of Net Position (Continued)
June 30, 2022 and June 30, 2021

	2022	2021
LIABILITIES, DEFERRED INFLOWS AND NET POSITION		
Current liabilities		
Accounts payable	$ 3,032,341	$ 1,289,020
Security deposits	52,172	52,112
Lease payable	3,842	3,603
Compensated absences	231,739	218,527
Accrued State/County waste management fees	273,455	257,916
Payroll and payroll liabilities	335,549	275,956
Revenue bonds and lease interest payable	369,954	455,164
Current portion of revenue bonds payable (Note 8)	2,724,773	2,365,226
Current portion of installment sale obligation (Note 9)	458,783	458,783
Total current liabilities	7,482,608	5,376,307
Non-current liabilities		
Compensated absences	655,582	655,582
Lease payable	2,885	6,727
Long-term portion of installment sale obligation (Note 9)	37,840	515,814
Net pension liability (Note 6)	9,690,029	14,231,847
Total OPEB liability (Note 7)	3,455,636	3,880,481
Revenue bonds payable, net (Note 8)	43,328,549	46,813,664
Landfill closure and post closure care (Note 5)	6,760,793	6,413,578
Total noncurrent liabilities	63,931,314	72,517,693
Total liabilities	71,413,922	77,894,000
Deferred inflows of resources		
Pension related amounts (Note 6)	4,071,747	93,951
OPEB related amounts (Note 7)	468,806	-
Leases related amounts	2,225,127	2,497,592
Total deferred inflows of resources	6,765,680	2,591,543
Total liabilities and deferred inflows of resources	78,179,602	80,485,543
Net position		
Net investment in capital assets	36,491,240	33,337,790
Restricted for		
Debt service	1,995,357	818,115
Landfill closure	2,500,000	2,500,000
Unrestricted net position	19,817,462	12,728,967
Total net position	$ 60,804,059	$ 49,384,872

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, 2022 and June 30, 2021

	2022	2021
Operating revenues		
Disposal fees	$ 29,329,785	$ 28,374,166
Power sales	2,109,481	1,625,164
Recycled material sales	13,231,287	11,432,861
Scale and operational services	748,112	710,529
Sand sales	242,560	216,303
Landscape product sales	91	100,574
Total operating revenues	45,661,316	42,459,597
Operating expenses		
Salaries	10,001,343	9,857,148
Employee benefits	4,754,790	6,076,471
Depreciation and amortization	5,310,408	4,116,333
Recycling	1,885,910	2,075,866
Taxes, licenses and permits	1,408,060	1,322,032
Repairs & Maintenance	3,371,803	3,039,219
Professional services	963,760	836,267
Fuel	1,465,197	958,901
Contractual services	725,132	635,035
Operating supplies	927,019	1,558,133
Landfill closure and post closure care costs	347,215	356,300
Insurance	915,271	572,351
Public awareness	82,508	74,607
Office	457,686	276,579
Safety equipment and supplies	224,175	229,765
Education, meetings and travel	86,086	42,406
Hazardous waste program	334,090	357,843
Environmental services	748,669	1,619,822
Utilities	168,316	122,550
Miscellaneous	32,132	29,600
Total operating expenses	34,209,570	34,157,228
Operating income	$ 11,451,746	$ 8,302,369

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, 2022 and June 30, 2021

	2022	2021
Operating income	11,451,746	8,302,369
Non–operating revenues (expenses):		
Interest income	$ 121,222	$ 192,834
Rents and leases	323,773	323,559
Gain on sale of capital assets – net	160,700	-
Interest expense – revenue bonds and financed purchase	(914,733)	(904,347)
Cost of revenue bonds issuance	(27,000)	-
Other income (expense)	303,479	3,694
Total non-operating revenues (expenses)	(32,559)	(384,260)
Change in net position	11,419,187	7,918,109
Net position, beginning of year, as restated	49,384,872	41,466,763
Net position, end of year	$ 60,804,059	$ 49,384,872

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, 2022 and June 30, 2021

	2022	2021
Cash flows from operating activities		
Cash received from customers	$ 44,745,034	$ 41,737,373
Cash payments to employees for services	(15,018,997)	(14,568,504)
Cash payments to suppliers of goods or services	(12,355,055)	(15,322,728)
Cash received from rents and leases	323,773	-
Other operaing cash inflows	303,479	327,253
Net cash provided by operating activities	17,998,234	12,173,394
Cash flows from capital and related financing activities		
Payments for capital acquisitions	(5,496,722)	(7,942,292)
Principal payments for financed purchase of capital assets	(477,974)	(464,529)
Proceeds from disposition of financed purchase	160,700	-
Principal paid on revenue bonds	(28,035,568)	(2,231,680)
Proceeds from revenue bonds	24,910,000	-
Bond issuance costs paid	(27,000)	-
Interest paid on revenue bonds and financed purchase	(999,943)	(932,052)
Net cash used for capital and related financing activities	(9,966,507)	(11,570,553)
Cash flows from investing activities		
Investment income	127,883	183,306
Proceeds from investments sales	-	8,339,301
Payments to acquire investment instruments	-	(3,171,648)
Net cash provided by investing activities	127,883	5,350,959
Net change in cash and cash equivalents	8,159,610	5,953,800
Cash and cash equivalents, beginning of year	34,250,720	28,296,920
Cash and cash equivalents, end of year	$ 42,410,330	$ 34,250,720

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, 2022 and June 30, 2021

Operating income	$ 11,451,746	$ 8,302,369
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	5,310,408	4,116,333
Differences between operating income	627,252	327,253
Landfill closure and post closure care	347,215	356,300
Changes in assets, liabilities, deferred inflows and outflows		
Accounts payable	1,743,321	(171,341)
Accounts receivable	(889,146)	(719,820)
Lease receivables	207,663	-
Accrued compensated absences	13,212	(206,448)
Accrued payroll and payroll liabilities	59,593	169,428
Accrued State/County waste management fees	15,539	(3,111)
Deferred outflows - OPEB	67,224	55,746
Deferred outflows - pension	117,168	308,215
Net pension liability	(4,541,818)	1,190,537
Other receivables	(27,136)	(2,404)
Prepaid expenses	(253,598)	(1,393,949)
Security deposits	60	67
Lease payable	239	-
Deferred inflow-Pension	3,977,796	(223,297)
Deferred inflow-OPEB	468,806	-
Deferred inflow-Leases	(272,465)	-
Total other postemployment benefits liability	(424,845)	70,935
Total reconciling adjustments	6,546,488	3,874,444
Net cash provided by operating activities	$ 17,998,234	$ 12,176,813
Reconciliation of cash and cash equivalents to the statement of net position		
Demand deposits with financial institutions	$ 20,267,190	$ 12,169,232
Investments treated like demand deposits	22,143,140	22,081,488
Total cash and cash equivalents, end of year	42,410,330	34,250,720
Total cash and investments on the statement of net position	$ 42,410,330	$ 34,250,720
Cash and investments - classified as unrestricted	$ 37,560,405	$ 29,400,795
Cash and investments - classified as restricted	4,849,925	4,849,925
Total deposits and investments	$ 42,410,330	$ 34,250,720
Supplemental Disclosures		
Noncash investing and financing activities		
Change in fair market value of investments	$ (285,084)	$ 1,832

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, 2022 and 2021, the balances are shown net of the allowance for uncollectible accounts of $10,892 and $10,892, respectively. The District used the allowance method to account for uncollectible accounts receivable. The allowance is based on prior experience and management's analysis of bad debts.

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

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

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

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

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

The changes of the compensated absences were as follows during the years ending June 30, 2022 and 2021:

	July 1,	Additions	Reductions	June 30,	Due Within One Year
2022	$ 874,109	$ 182,586	$ 169,374	$ 887,321	$ 231,739
2021	$ 1,080,558	$ 76,293	$ 282,742	$ 874,109	$ 218,527

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

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.

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

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

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

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

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

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

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

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

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

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

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

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

Concentration in Sales to Customers – In 2022, the District's three largest customers accounted for approximately 36 percent, 17 percent, and 13 percent of sales. In 2021, the largest customers accounted for 33 percent, 14 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. 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 by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

Note 3. Deposits and Investments

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

	2022	2021
Unrestricted	$ 37,560,405	$ 29,400,795
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	$ 42,410,330	$ 34,250,720

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

	2022	2021
Deposits with financial institutions	$ 20,267,190	$ 12,169,232
Investments		
Local Agency Investment Fund (LAIF)	22,143,140	22,081,488
Total investments	22,143,140	22,081,488
Total deposits and investments	$ 42,410,330	$ 34,250,720

Authorized Investments

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

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

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

(1) Highest letter and number rating by a NRSRO

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

Custodial Credit Risk

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

As of June 30, 2022 and June 30, 2021, the District's bank balance of $19,827,244 and $12,757,221, respectively, was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the District.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Local Agency Investment Fund does not have a rating provided by a nationally recognized statistical rating organization as of June 30, 2022 and June 30, 2021.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the Local Agency Investment Fund. The sensitivity of the fair values of the District's investments to market interest rate fluctuation is measured as the weighted average maturity of the investment portfolio, which was 247 days on June 30, 2022, and 225 days on June 30, 2021.

Fair Value Measurements

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

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

> Level 1 - Quoted prices in active markets for identical assets that the District has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.
>
> Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.
>
> Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the District's own data.

Deposits and withdrawals in the Local Agency Investment Fund are made on the basis of $1 and not fair value. Accordingly, the District's proportionate share of investments on June 30, 2022 and June 30, 2021 is an uncategorized input not defined as a Level 1, Level 2, or Level 3 input.

Note 4. Capital Assets

Capital asset activity for the year ended June 30, 2022 was as follows:

	Capital Assets at June 30, 2021	Additions and Transfers	Dispositions and Transfers	Capital Assets at June 30, 2022
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land and improvements	$ 578,210	$ -	$ -	$ 578,210
Construction in progress	5,321,469	-	(5,321,469)	-
Total capital assets not being depreciated	5,899,679	-	(5,321,469)	578,210
Other capital assets				
Administrative and scale:				
Right-to-use lease, equipment	13,749	-	-	13,749
Equipment	1,226,903	101,697	-	1,328,600
Facilities	17,181,028	272,457	-	17,453,485
Disposal and recycling:				
Equipment	51,401,521	5,374,406	(2,347,538)	54,428,389
Facilities	18,626,951	1,039,853	-	19,666,804
Power project	21,621,550	2,123,514	-	23,745,064
Module development	17,976,348	1,902,422	-	19,878,770
Intangible site master plan	738,557	-	-	738,557
Total other capital assets at historical cost	128,786,607	10,814,349	(2,347,538)	137,253,418
Less accumulated depreciation and amortization for				
Right-to-use lease, equipment	(3,794)	(3,795)	-	(7,589)
Administrative and scale	(4,344,277)	(685,174)	-	(5,029,451)
Disposal and recycling	(46,807,666)	(4,605,413)	2,347,538	(49,065,541)
Intangible site master plan	(665,109)	(16,026)	-	(681,135)
Total accumulated depreciation	(51,820,846)	(5,310,408)	2,347,538	(54,783,716)
Other capital assets, net	76,965,761	5,503,941	-	82,469,702
Business-type activities capital assets, net	$ 82,865,440	$ 5,503,941	$ (5,321,469)	$ 83,047,912

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

	Restated 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:				
Right-to-use lease, equipment	13,749	-	-	13,749
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	110,783,619	18,002,988	-	128,786,607
Less accumulated depreciation and amortization for				
Right-to-use lease, equipment	-	(3,794)	-	(3,794)
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)	(16,024)	-	(665,109)
Total accumulated depreciation	(47,704,513)	(4,116,333)	-	(51,820,846)
Other capital assets, net	63,079,106	13,886,655	-	76,965,761
Business-type activities capital assets, net	$ 79,039,481	$ 19,737,225	$ (15,911,266)	$ 82,865,440

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 $6,760,793 and $6,413,578 as of June 30, 2022 and 2021, respectively which was based on 23.3 percent and 23.3 percent usage (filled) of the landfill at that date. It is estimated that an additional $21,316,000 will be recognized as landfill closure and post closure care expenses between June 30, 2022, 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 $28,222,397 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, 2022.

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, 2022 and 2021, 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, 2020, 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, 2022 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	9.36%	9.36%

Employees Covered

At June 30, 2020 and June 30, 2019 valuation dates, the following employees were covered by the benefit terms for each Plan:

	2020	**2019**
Inactive employees or beneficiaries currently receiving benefits	79	68
Inactive employees entitled to but not receiving benefits	67	65
Active employees	133	137
Total	**279**	**270**

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, 2022 and 2021, the District paid the employer's share and the employee' paid the employees' share of the contributions. The contributions were as follows:

	2022	2021
Employer normal contributions	$ 805,630	$ 793,556
Annual UAL prepayment	1,038,116	864,024
Total employer contributions	1,843,746	1,657,580
Employee contributions	589,682	566,189
Total contributions	$ 2,433,428	$ 2,223,769

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, 2022, for the Plan is measured as of June 30, 2021, using an actuarial valuation as of June 30, 2020, rolled forward to June 30, 2021, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions

The total pension liabilities in the June 30, 2020, actuarial valuation rolled forward to June 30, 2021, using standard update procedures, were determined using the following actuarial assumptions:

	Miscellaneous
Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
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, 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 mortality table used for Miscellaneous Plan was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of Scale MP 2016. For more details on this table, please refer to the December 2017 Experience Study report (based on CalPERS demographic data from 1997 to 2015) available on CalPERS website under Forms and Publications.

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

For the years ended June 30, 2022 and 2021, the District recognized pension expense of $3,240,535 and $4,590,683, respectively. On June 30, 2022 and 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2022		2021	
	Deferred Outflow of Resources	Deferred Inflow of Resources	Deferred Outflow of Resources	Deferred Inflow of Resources
Pension contributions subsequent to measurement date	$ 1,843,746	$ -	$ 1,657,580	$ -
Difference between actual and expected experience	1,055,196	-	841,737	-
Changes in assumptions	-	(41,756)	299,487	(93,951)
Net differences between projected and actual earnings on plan investments	-	(4,029,991)	217,306	-
Total	$ 2,898,942	$ (4,071,747)	$ 3,016,110	$ (93,951)

$1,843,746 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, 2023. 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
2023	$	(658,930)
2024		(622,416)
2025		(771,566)
2026		(963,639)
	$	(3,016,551)

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, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds’ asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expense.

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

Asset Class[1]	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 ACFR, 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:

	2022	2021
1% Decrease	6.15%	6.15%
Net Pension Liability	$ 16,686,426	$ 20,959,480
Current Discount Rate	7.15%	7.15%
Net Pension Liability	$ 9,690,029	$ 14,231,847
1% Increase	8.15%	8.15%
Net Pension Liability	$ 3,893,280	$ 8,663,620

Changes in the Net Pension Liability

The changes in the net pension liability for the plan during the year ended June 30, 2022 are as follows:

	Increase (Decrease) Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c) = (a) - (b)
Balance at: June 30, 2020 measurement date	$ 49,021,363	$ 34,789,516	$ 14,231,847
Changes Recognized for the Measurement Period:			
Service Cost	1,427,982	-	1,427,982
Interest on the Total Pension Liability	3,515,696	-	3,515,696
Differences between Expected and Actual Experience	655,977	-	655,977
Contributions from the Employer	-	1,657,511	(1,657,511)
Contributions from Employees	-	566,164	(566,164)
Net Investment Income	-	7,952,551	(7,952,551)
Benefit Payments, Including Refunds of Employee Contributions	(2,441,490)	(2,441,490)	-
Administrative Expense	-	(34,753)	34,753
Net Changes	3,158,165	7,699,983	(4,541,818)
Balance at: June 30, 2021 measurement date	$ 52,179,528	$ 42,489,499	$ 9,690,029

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

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, 2022, 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
$ 3,455,636	$ 717,782	$ 468,806	$ 336,699

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

General Information about the OPEB Plan

Plan Description and Benefits Provided

The District maintains a single-employer, defined benefit healthcare plan (administered by the District). The District is obligated by a memorandum of understanding to contribute toward health insurance premiums for certain employees retired from the District at the age of 55 or older with at least five years of continuous employment with the District. Payments are made until the retiree reaches the age of 65. Retirees are currently reimbursed at the rate of $28.79 a month for each year of District service. Beginning in 2006, the monthly rate is increased by 2 percent each calendar year. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. Plan terms may be amended by the District and its bargaining units.

Employees Covered by Benefit Terms

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

	2022	2021
Participating Active Employees	113	117
Inactive Employees Currently Receiving Benefit Payments	11	19
Total	124	136

Total OPEB Liability

The District's total OPEB liability of $3,455,636 for the fiscal year ended June 30, 2022 was measured as of June 30, 2022. 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.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50	percent
Salary increases	2.75	percent, average, including inflation
Discount rate	3.54	percent, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	4.00	percent per year

The discount rate estimates investment earnings for assets earmarked to cover retiree health benefit liabilities. The discount rate depends on the nature of underlying assets for funded plans. The discount rate used for an unfunded plan is based on an index of 20-year general obligation municipal bonds. A discount rate of 3.54% was used in the June 30, 2022 actuarial valuation. The interest rate used in the prior valuation was 2.16%.

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, 2022:

	Total OPEB Liability
Balance at July 1, 2021	$ 3,880,481
Changes for the year:	
Service cost	230,679
Interest on the TPL	83,874
Differences between Expected and Actual Experience	(175,877)
Assumption changes	(338,007)
Benefit payments	(225,514)
Net changes	(424,845)
Balance at June 30, 2022	$ 3,455,636

For the year ended June 30, 2021:

	Total OPEB Liability
Balance at July 1, 2019	$ 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

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:

	2022	2021
Discount Rate	Total OPEB Liability	Total OPEB Liability
1% decrease	$ 3,698,095	$ 4,140,143
Current discount rate (3.54% for 2022 and 2.16% for 2021)	3,455,636	3,880,481
1% increase	3,227,482	3,631,311

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	2022 Total OPEB Liability	2021 Total OPEB Liability
1% decrease (3%)	$ 3,110,437	$ 3,456,863
Current healthcare cost trend rate (4%)	3,455,636	3,880,481
1% increase (5%)	3,860,811	4,381,852

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

For the years ended June 30, 2022 and 2021, the District recognized OPEB expense of $336,699 and $373,843 respectively. On June 30 the District reported deferred outflows of resources related to OPEB for the following items:

	2022		2021	
	Deferred Outflow of Resources	Deferred Inflow of Resources	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between actual and expected experience	$ 300,604	$ (160,449)	$ 328,438	$ -
Changes in assumptions	417,178	(308,357)	456,568	-
Total	$ 717,782	$ (468,806)	$ 785,006	$ -

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

Measurement Period Ended June 30:	**Deferred Outflows/(Inflows) of Resources**
2023	$ 22,146
2024	22,146
2025	22,146
2026	22,146
2027	22,146
Thereafter	138,246
	$ 248,976

Note 8. Long Term Debt

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

The advance refunding resulted in a difference between the reacquisition price of the new debt ($26,965,106 placed with the escrow agent) and the net carrying amount of the old debt ($25,375,342 of bond principal and unamortized bond premiums) in the amount of $1,589,746. The advance refunding decreases the total debt service payments, inclusive of principal and interest, over the next 12 years by $4,519,130 and results in an economic gain (difference between the present values of the old and new debt service payments) of $1.7 million.

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.

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

	June 30, 2021	Additions	Reductions	June 30, 2022	Amounts Due within One Year
Revenue Bonds:					
Series 2015A	$ 14,440,000	$ -	$ 14,440,000	$ -	$ -
Series 2015B	10,010,000	-	10,010,000	-	-
Series 2018A	11,555,000	-	-	11,555,000	-
Series 2018B	9,625,000	-	820,000	8,805,000	860,000
Series 2021	-	24,910,000	1,605,000	23,305,000	1,785,000
Total Revenue Bonds	45,630,000	24,910,000	26,875,000	43,665,000	2,645,000
Bond premiums	3,548,890	-	1,160,568	2,388,322	79,773
	$ 49,178,890	$ 24,910,000	$ 28,035,568	$ 46,053,322	$ 2,724,773

	June 30, 2020	Additions	Reductions	June 30, 2021
Revenue Bonds:				
Series 2015A	$ 15,170,000	$ -	$ 730,000	$ 14,440,000
Series 2015B	10,530,000	-	520,000	10,010,000
Series 2018A	11,555,000	-	-	11,555,000
Series 2018B	10,405,000	-	780,000	9,625,000
Total Revenue Bonds	47,660,000	-	2,030,000	45,630,000
Bond premiums	3,750,570	-	201,680	3,548,890
	$ 51,410,570	$ -	$ 2,231,680	$ 49,178,890

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

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

Fiscal Year	Principal	Interest
2023	$ 2,645,000	$ 1,418,275
2024	2,710,000	1,362,245
2025	2,770,000	1,297,681
2026	2,845,000	1,225,429
2027	2,920,000	1,147,570
2028-32	15,985,000	4,366,497
2033-37	12,010,000	1,687,158
2038	1,780,000	71,200
	$ 43,665,000	$ 12,576,055

Note 9. Financed Purchase

In August 2018, the District entered into an installment sale agreement 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 financed purchase agreements on June 30, 2022:

	Beginning Balance	Additions	Payments	Ending Balance
Disposal/recycling equipment	$ 974,597	$ -	$ (477,974)	$ 496,623

The following is a summary of the property held under financed purchase agreements with related accumulated depreciation on June 30, 2022:

	Beginning Balance	Additions	Payments	Ending Balance
financed purchase	$ 2,363,150	$ -	$ -	$ 2,363,150
Accumulated depreciation	(1,074,942)	(293,372)	-	(1,368,314)
	$ 1,288,208	$ (293,372)	$ -	$ 994,836

Minimum future payments under agreement as of June 30, 2022 for each of the next four years are:

Fiscal Year	**Amount**
2023	$ 260,670
2024	260,670
Total minimum payments	521,340
Less amount representing interest	(24,717)
Present value of future minimum payment	$ 496,623

Note 10. Leases

Leases receivable – The District has accrued a receivable on a parking facility on District owned property. The remaining receivable for these leases was $2,362,936 on June 30, 2022 and $2,570,599 on June 30, 2021 and was calculated with a discount rate of 3%. Deferred inflows related to these leases were $2,225,127 on June 30, 2022 and $2,497,592 on June 30, 2021. Interest revenue recognized on these leases was $73,790 for the year ended June 30, 2022 and $79,583 for the year ended June 30, 2021. Principal receipts of $207,663, and $199,458 were recognized as revenue during the fiscal years ended June 30, 2022 and June 30, 2021. Final receipt is expected in fiscal year 2031.

Leases payable – The District has accrued liabilities for equipment leases. The discount rate used in the calculation of the lease liability was 3%. The remaining liability for the leases are $6,727 as of June 30, 2022, and $10,330 as of June 30, 2021. Right to-use-assets, net of amortization, for the leases are $6,159 as of June 30, 2022, and $9,954 as of June 30, 2021. The District is required to make monthly principal and interest payments of $430. Interest expense recognized on these leases was $251 for the fiscal year ended June 30, 2022 and $354 for the year ended June 30, 2021. Principal payments of $3,603, and $3,419 were recognized in the years ended June 30, 2022 and 2021. Final payment on these leases are expected in fiscal year 2024.

	Balance July 1, 2021	Additions	Retirements/ Adjustments	Balance June 30, 2022	Due in One Year
Leases payable	$ 10,330	$ -	$ (3,603)	$ 6,727	$ 3,842

	Balance July 1, 2020	Additions	Retirements/ Adjustments	Balance June 30, 2021	Due in One Year
Leases payable	$ 13,749	$ -	$ (3,419)	$ 10,330	$ 3,603

The schedule principal and interest are as follows:

Fiscal Year Ending June 30,	**Principal**	**Interest**	**Total**
2023	$ 3,842	$ 139	$ 3,981
2024	2,885	27	2,912
	$ 6,727	$ 166	$ 6,893

Note 11. Related Party Transaction

Joint Powers Agreement

he 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, 2022, The District made payments of $1,435,882 to SDRMA for Insurance premiums.

Note 12. 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, 2022.

Note 13. Restatement of the Fiscal Year 2021 Net Position

As of July 1, 2020, the District adopted GASB Statement No. 87, *Leases* (GASB 87). As a result of the implementation of GASB 87, the District changed its accounting for leases by recognizing a right-to-use lease asset, the related lease financing liability, lease receivables and deferred inflows of resources related to leases. The following tables describe the effects of the implementation on beginning net position:

Net position, previously reported as of July 1, 2020	$ 41,466,763
Recognition of a right-to-use lease asset	13,749
Recognition of lease liabilities	(13,749)
Recognition of lease receivables	2,770,057
Recognition of deferred inflows from leases	(2,770,057)
Net position, restated as of July 1, 2020	$ 41,466,763

Note 12. Subsequent Events

Pension Investments

In July of 2022, CalPERS announced a net investment return of negative 6.1% for the fiscal year ending 2021-22. This, along with the change in the discount rate to 6.8%, will negatively impact the net pension liability in future reporting periods. As the investment pool experienced gains in the fiscal year 2021, resulting in a drastically reduced liability in the fiscal year 2022, the District expects the inverse to be true in the fiscal year 2023 as all gains were lost in the fiscal year 2022.

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	2022	2021	2020	2019	2018	2017	2016	2015
Measurement Period	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Discount Rate	7.15%	7.15%	7.15%	7.15%	7.15%	7.65%	7.65%	7.50%
Total Pension Liability								
Service Cost	$ 1,427,982	$ 1,448,004	$ 1,343,425	$ 1,203,629	$ 1,095,795	$ 961,817	$ 911,692	$ 911,220
Interest	3,515,696	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	655,977	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	(2,441,490)	(1,973,785)	(1,548,836)	(1,446,773)	(1,285,185)	(1,132,272)	(904,586)	(878,085)
Net Change in Total Pension Liability	3,158,165	3,120,179	3,447,666	2,843,719	4,907,827	3,324,262	2,086,295	2,075,567
Total Pension Liability – Beginning	49,021,363	45,901,184	42,453,518	39,609,799	34,701,972	31,377,710	29,291,415	27,215,848
Total Pension Liability – Ending (a)	52,179,528	49,021,363	45,901,184	42,453,518	39,609,799	34,701,972	31,377,710	29,291,415
Plan Fiduciary Net Position:								
Contributions – Employer	$ 1,657,511	$ 1,564,484	$ 1,331,131	$ 1,106,722	$ 1,029,394	$ 882,891	$ 800,476	$ 722,039
Contributions – Employee	566,164	633,184	595,223	538,059	492,056	454,237	458,764	411,403
Net Investment Income	7,952,551	1,752,083	2,028,008	2,391,198	2,829,731	154,052	557,377	3,522,944
Benefit Payments, Including Refunds of Employee Contributions	(2,441,490)	(1,973,785)	(1,548,836)	(1,446,773)	(1,285,185)	(1,132,272)	(904,586)	(878,085)
Plan to Plan Resource Movement	-	-	-	(71)	-	-	181	-
Administrative Expense	(34,753)	(46,324)	(21,748)	(43,653)	(36,888)	(15,017)	(34,233)	-
Other Miscellaneous Income(Expense)	-	-	71	(82,897)	-	-	-	-
Net Change in Fiduciary Net Position	7,699,983	1,929,642	2,383,849	2,462,585	3,029,108	343,891	877,979	3,778,301
Plan Fiduciary Net Position – Beginning	34,789,516	32,859,874	30,476,025	28,013,440	24,984,332	24,640,441	23,762,462	19,984,161
Plan Fiduciary Net Position – Ending (b)	42,489,499	34,789,516	32,859,874	30,476,025	28,013,440	24,984,332	24,640,441	23,762,462
Plan Net Pension Liability – Ending (a) – (b)	$ 9,690,029	$ 14,231,847	$ 13,041,310	$ 11,977,493	$ 11,596,359	$ 9,717,640	$ 6,737,269	$ 5,528,953
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.43%	70.97%	71.59%	71.79%	70.72%	72.00%	78.53%	81.12%
Covered Payroll	$ 8,256,744	$ 10,837,304	$ 8,568,241	$ 9,707,403	$ 9,234,169	$ 6,527,433	$ 6,066,619	$ 5,829,943
Plan Net Pension Liability as a Percentage of Covered Payroll	117.36%	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	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	$ 1,843,746	$ 1,657,580	$ 1,564,416	$ 1,331,520	$ 1,106,332	$ 1,029,394	$ 882,891	$ 800,476
Contributions in Relation to the Actuarially Determined Contribution	(1,843,746)	(1,657,580)	(1,564,416)	(1,331,520)	(1,106,332)	(1,029,394)	(882,891)	(800,476)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 8,607,164	$ 8,256,744	$10,837,304	$ 8,568,241	$ 9,707,403	$ 9,234,169	$ 6,527,433	$ 6,066,619
Contributions as a Percentage of Covered Payroll(2)	21.42%	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

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

Note to schedule:

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

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

Supplementary Information

Monterey Regional Waste Management District

Combining Schedule of Net Position
June 30, 2022

	DISTRICT	AUTHORITY	TOTALS	CONSOLIDATING ENTRIES	TOTALS
CURRENT ASSETS:					
Cash and investments	$ 37,560,405	$ -	$ 37,560,405	$ -	$ 37,560,405
Accounts receivable, net	5,266,627	-	5,266,627	-	5,266,627
Accrued interest receivable	17,436	-	17,436	-	17,436
Other receivables	375,739	-	375,739	-	375,739
Lease receivables	223,440		223,440	-	223,440
Prepaid expenses	1,730,957	-	1,730,957	-	1,730,957
Total current assets	45,174,604	-	45,174,604	-	45,174,604
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	2,500,000	-	2,500,000	-	2,500,000
Investments held by LAIF – reserved for environmental impairment fund	-	-	-	-	-
Total restricted cash and investments	2,500,000	2,349,925	4,849,925	-	4,849,925
LEASE RECEIVABLE, long term	2,139,496	-	2,139,496	-	2,139,496
DEPOSIT	155,000	-	155,000	-	155,000
DUE FROM DISTRICT	-	44,057,965	44,057,965	(44,057,965)	-
CAPITAL ASSETS, NET	83,047,912	-	83,047,912	-	83,047,912
Total Assets	133,017,012	46,407,890	179,424,902	(44,057,965)	135,366,937
DEFERRED OUTFLOWS	3,616,724	-	3,616,724	-	3,616,724
TOTAL ASSETS AND DEFERRED OUTFLOWS	$136,633,736	$ 46,407,890	$183,041,626	$ (44,057,965)	$ 138,983,661

Monterey Regional Waste Management District

Combining Schedule of Net Position (Continued)
June 30, 2022

	DISTRICT	AUTHORITY	TOTALS	CONSOLIDATING ENTRIES	TOTALS
CURRENT LIABILITIES:					
Accounts payable	$ 3,032,341	$ -	$ 3,032,341	$ -	$ 3,032,341
Security deposits	52,172	-	52,172	-	52,172
Lease payable	3,842	-	3,842	-	3,842
Accrued liabilities:					
Compensated absences	231,739	-	231,739	-	231,739
State/County waste management fees	273,455	-	273,455	-	273,455
Payroll and payroll liabilities	335,549	-	335,549	-	335,549
Revenue bonds and equipment lease interest	15,386	354,568	369,954	-	369,954
Current portion of capital lease payable	458,783	-	458,783	-	458,783
Current portion of revenue bonds payable	-	2,724,773	2,724,773	-	2,724,773
Total current liabilities	4,403,267	3,079,341	7,482,608	-	7,482,608
NONCURRENT LIABILITES:					
Compensated absences	655,582	-	655,582	-	655,582
Lease payable	2,885	-	2,885	-	2,885
Financed purchase payable	37,840	-	37,840	-	37,840
Total OPEB liability	3,455,636	-	3,455,636	-	3,455,636
Net pension liability	9,690,029	-	9,690,029	-	9,690,029
Due to Authority	44,057,965	-	44,057,965	(44,057,965)	-
Revenue bonds payable - net	-	43,328,549	43,328,549	-	43,328,549
Landfill closure and post closure care	6,760,793	-	6,760,793	-	6,760,793
Total liabilities	69,063,997	46,407,890	115,471,887	(44,057,965)	71,413,922
DEFERRED INFLOWS	6,765,680	-	6,765,680	-	6,765,680
TOTAL LIABILITIES AND DEFERRED INFLOWS	75,829,677	46,407,890	122,237,567	(44,057,965)	78,179,602
NET POSITION:					
Net investment in capital assets	36,491,240	-	36,491,240	-	36,491,240
Restricted	4,495,357	-	4,495,357	-	4,495,357
Unrestricted	19,817,462	-	19,817,462	-	19,817,462
Total net position	60,804,059	-	60,804,059	-	60,804,059
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	$136,633,736	$ 46,407,890	$183,041,626	$ (44,057,965)	$138,983,661

Monterey Regional Waste Management District

Combining Schedule of Revenues, Expenses and Changes in Net Position for the Year Ended June 30, 2022

	DISTRICT	AUTHORITY	TOTALS	ELIMINATING ENTRIES	TOTALS
OPERATING REVENUES:					
Disposal fees	$ 29,329,785	$ -	$ 29,329,785	$ -	$ 29,329,785
Power sales	2,109,481	-	2,109,481	-	2,109,481
Recycled material sales	13,231,287	-	13,231,287	-	13,231,287
Last chance mercantile sales	-	-	-	-	-
Scale and operational services	748,112	-	748,112	-	748,112
Sand sales	242,560	-	242,560	-	242,560
Landscape product sales	91	-	91	-	91
Total operating revenues	45,661,316	-	45,661,316	-	45,661,316
OPERATING EXPENSES:			-		
Salaries	10,001,343	-	10,001,343	-	10,001,343
Employee benefits	4,754,790	-	4,754,790	-	4,754,790
Depreciation and amortization	5,310,408	-	5,310,408	-	5,310,408
Recycling	1,885,910	-	1,885,910	-	1,885,910
Taxes, licenses and permits	1,408,060	-	1,408,060	-	1,408,060
Repairs & Maintenance	3,371,803	-	3,371,803	-	3,371,803
Professional services	963,760	-	963,760	-	963,760
Fuel	1,465,197	-	1,465,197	-	1,465,197
Contractual services	725,132	-	725,132	-	725,132
Operating supplies	927,019	-	927,019	-	927,019
Landfill closure and post closure ca	347,215	-	347,215	-	347,215
Insurance	915,271	-	915,271	-	915,271
Public awareness	82,508	-	82,508	-	82,508
Office	457,686	-	457,686	-	457,686
Safety equipment and supplies	224,175	-	224,175	-	224,175
Education, meetings and travel	86,086	-	86,086	-	86,086
Hazardous waste program	334,090	-	334,090	-	334,090
Environmental services	748,669	-	748,669	-	748,669
Utilities	168,316	-	168,316	-	168,316
Miscellaneous	32,132	-	32,132	-	32,132
Total operating expenses	34,209,570	-	34,209,570	-	34,209,570
OPERATING INCOME	$ 11,451,746	$ -	$ 11,451,746	$ -	$ 11,451,746

Monterey Regional Waste Management District

Combining Schedule of Revenues, Expenses and Changes in Net Position (Continued) for the Year Ended June 30, 2022

	DISTRICT	AUTHORITY	TOTALS	ELIMINATING ENTRIES	TOTALS
OPERATING INCOME	$ 11,451,746	$ -	$ 11,451,746	$ -	$ 11,451,746
NON–OPERATING REVENUES (EXPENSES):					
Interest income	121,222	-	121,222	-	121,222
Rents and leases	323,773	-	323,773	-	323,773
Gain on sale of capital assets – net	160,700	-	160,700	-	160,700
Interest expense – revenue bonds and financed purchase	(21,564)	(893,169)	(914,733)	-	(914,733)
Cost of revenue bonds issuance	(27,000)	-	(27,000)	-	(27,000)
Interagency reimbursement	(893,169)	893,169	-	-	-
Other income (expense)	303,479	-	303,479	-	303,479
Total non–operating revenues (expenses)	(32,559)	-	(32,559)	-	(32,559)
CHANGE IN NET POSITION	11,419,187	-	11,419,187	-	11,419,187
NET POSITION, BEGINNING OF YEAR	49,384,872	-	49,384,872	-	49,384,872
NET POSITION, END OF YEAR	$ 60,804,059	$ -	$ 60,804,059	$ -	$ 60,804,059

Monterey Regional Waste Management District

Schedule of Revenues, Expenses and Changes in Net Position
Actual to Budget (Unaudited)
for the Year Ended June 30, 2022

	ACTUAL	DISTRICT BUDGET	VARIANCE - POSITIVE (NEGATIVE)
OPERATING REVENUES:			
Disposal fees	$ 29,329,785	$ 26,819,257	$ 2,510,528
Power sales	2,109,481	1,600,000	509,481
Recycled material sales	13,231,287	9,260,000	3,971,287
Other sales	990,763	975,000	15,763
Total operating revenues	45,661,316	38,654,257	7,007,059
OPERATING EXPENSES:			
Salaries	10,001,343	9,953,831	(47,512)
Employee benefits	4,754,790	5,174,657	419,867
Depreciation and amortization	5,310,408	4,300,000	(1,010,408)
Recycling	1,885,910	1,520,000	(365,910)
Taxes, licenses and permits	1,408,060	1,438,500	30,440
Repairs & Maintenance	3,371,803	3,162,000	(209,803)
Professional services	963,760	1,859,700	895,940
Fuel	1,465,197	1,004,000	(461,197)
Contractual services	725,132	728,000	2,868
Operating supplies	927,019	1,129,420	202,401
Landfill closure and post closure care costs	347,215	375,000	27,785
Insurance	915,271	901,000	(14,271)
Public awareness	82,508	320,500	237,992
Office	457,686	281,400	(176,286)
Safety equipment and supplies	224,175	253,570	29,395
Education, meetings and travel	86,086	145,450	59,364
Hazardous waste program	334,090	401,500	67,410
Environmental services	748,669	732,500	(16,169)
Utilities	168,316	129,500	(38,816)
Miscellaneous	32,132	42,300	10,168
Total operating expenses	34,209,570	33,852,828	(356,742)
INCOME FROM OPERATIONS	11,451,746	4,801,429	6,650,317

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, 2022

	ACTUAL	DISTRICT BUDGET	VARIANCE
INCOME FROM OPERATIONS	$ 11,451,746	$ 4,801,429	$ 6,650,317
NON–OPERATING REVENUES (EXPENSES)			
Interest income	121,222	250,000	(128,778)
Rents and leases	323,773	340,000	(16,227)
Finance charges	-	2,000	(2,000)
Gain on sale of capital assets – net	160,700	-	160,700
Interest expense – revenue bonds and financed purchase	(914,733)	(2,115,886)	1,201,153
Cost of revenue bonds issuance	(27,000)	-	(27,000)
Other income (expense)	303,479	-	303,479
Total non-operating revenues (expenses)	(32,559)	(1,523,886)	1,491,327
INCREASE (DECREASE) IN NET POSITION	$ 11,419,187	$ 3,277,543	$ 8,141,644