

Staff Reports

Item #: 8a

Meeting Date: April 19, 2024

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

Subject: March 2024 Financial Review

Financial & Operations Review March 2024

	March	Month Budget	B/(W) Month Bud	Year to Date	YTD Budget	B/(W) YTD Bud
Tipping Fees Revenue	\$ 2,964,975	\$ 3,363,288	\$ (398,312)	\$ 29,122,498	\$ 29,727,123	\$ (604,626)
Other Sales Revenue	1,085,340	980,993	104,347	9,825,776	8,670,711	1,155,064
* Total Operating Revenues *	4,050,315	4,344,281	(293,966)	38,948,273	38,397,834	550,439
* Operating Expenses *						
Employment Expenses	1,506,876	1,613,903	107,026	13,859,996	14,264,817	404,821
Non-Employment Expenses:	2,649,468	1,927,705	(721,763)	20,371,466	17,347,835	(3,023,631)
* Total Operating Expenses *	4,156,344	3,541,607	(614,737)	34,231,462	31,612,652	(2,618,810)
** Operating Income (Loss) **	(106,029)	802,673	(908,702)	4,716,811	6,785,183	(2,068,372)
* Nonoperating Revenues (Expenses) *	2,683	(37,130)	39,814	291,950	(345,199)	637,148
*** Change in Net Position ***	\$ (103,346)	\$ 765,543	\$ (868,889)	\$ 5,008,761	\$ 6,439,984	\$ (1,431,223)

Month

- Total revenue is \$4.05 million and is \$294K or 6.8% under budget.
- Tonnage received in January is 71.4K tons and is 6.8K tons lower than the prior month.
- Cost of employment is \$1.51 million compared to budget of \$1.61 million.
- Other operating expenses are \$2.65 million compared to budget of \$1.93 million.
- Net loss for the month is \$103K compared to budgeted net income of \$496K.

Year to Date

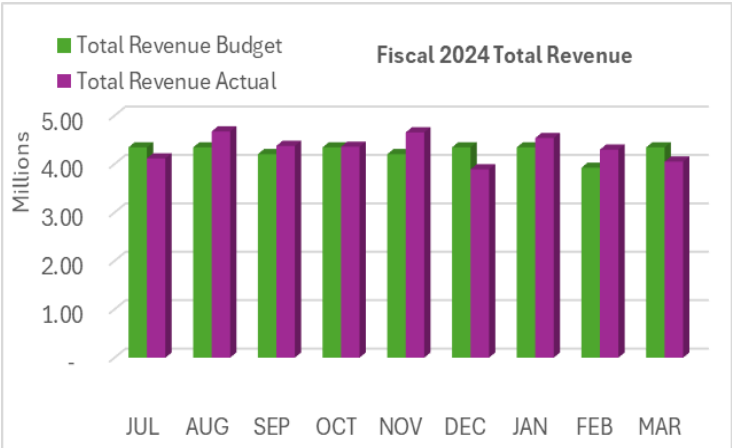
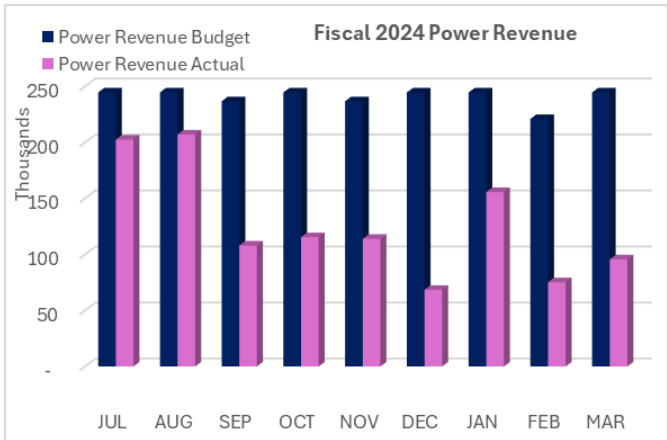
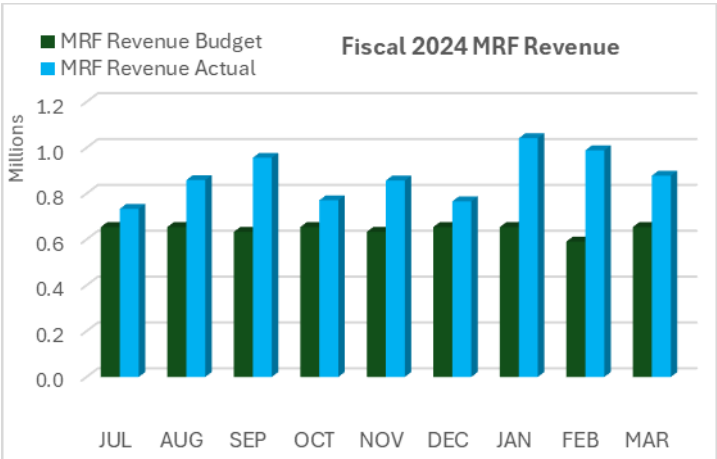
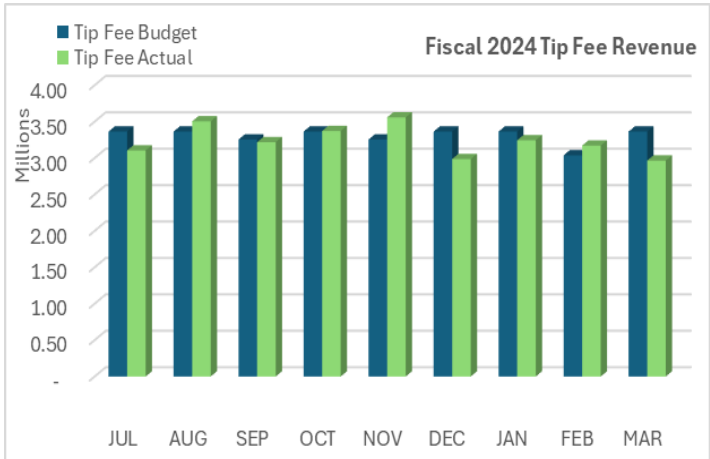
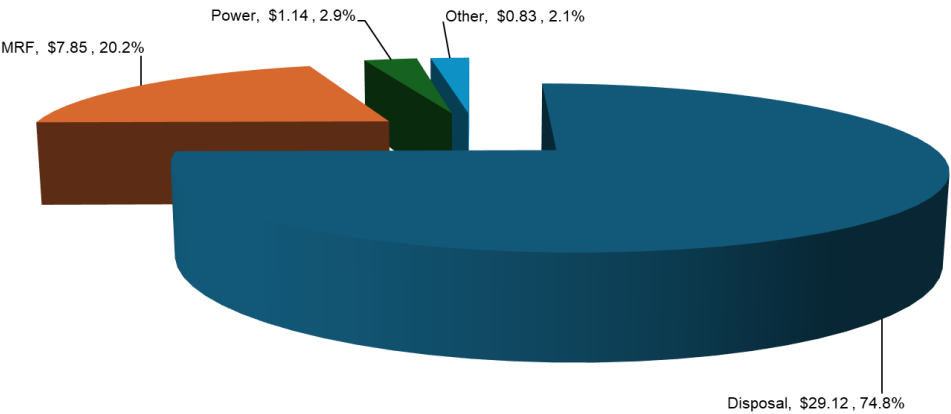
- Year to date tip fee revenue is \$29.12 million and is \$605K below budget and \$2.88 million higher than last year.
- Tonnage received year to date 744.8K tons and compared to 735.2K tons received in the same period last year.
- Total other operating revenue year to date is \$9.93 million and is \$1.16 million over budget and \$617K lower than last year.
- MRF related revenue is \$7.85 million and is \$2.07 million over budget primarily due to higher commodity prices.
- A summary of the MRF YTD revenue and direct expenses are.

	YTD Mar 2024	YTD Budget	YTD B/(W) Budget
Product revenue	\$ 2,865,411	\$ 1,660,613	\$ 1,204,798
Processing fees	1,750,436	1,286,726	463,710
CRV rebates	3,234,005	2,833,235	400,771
	7,849,853	5,780,574	2,069,279
MRF direct expenses	8,111,356	7,166,450	(944,906)
MRF Contribution margin	\$ (261,503)	\$ (1,385,876)	\$ 1,124,373

- Power revenue is \$1.14 million compared to budget of \$2.16 million and \$2.55 million in the same period last year.
- Cost of employment is \$13.86 million compared to budget of \$14.26 million and \$12.62 million last year.
- Environmental services are \$1.84 million and are \$1.09 million over budget.

- Recycling services are \$3.66 million and are \$1.26 million over budget. The largest portion of the overspend is the cost of sending material to another facility for processing at a cost of \$475K.
- Total other operating expenses are \$20.37 million and are \$3.02 million over budget and \$4.24 million higher than last year.
- Net income for the year to date through March 2024 is \$5.01 million compared to budget of \$6.44 million and \$7.53 million for the same period on fiscal 2023.

FISCAL 2024 YTD MARCH TOTAL REVENUE (\$ millions)



Operating Expense by Department YTD March 2024

Department	Year to Date	YTD Budget	B/(W) Budget YTD	Annual Budget
Administration	\$ 6,783,060	\$ 6,597,617	\$ (185,443)	\$ 8,795,959
Human Resources	510,326	682,570	172,244	909,612
Accounting	717,017	755,666	38,649	1,006,767
Engineering	1,056,700	1,441,652	384,952	1,920,938
Safety & Risk Management	327,289	370,170	42,881	493,272
Public Education	550,202	888,217	338,015	1,183,677
Household Hazardous Waste	858,127	779,122	(79,005)	1,038,197
Last Chance Mercantile	4,767	45,000	40,233	60,000
Landfill Gas	3,038,869	2,183,237	(855,632)	2,910,335
Organics	2,530,904	1,950,000	(580,904)	2,600,000
Maintenance Shop	2,698,643	2,488,516	(210,127)	3,316,223
MRF Operations	6,812,732	6,006,270	(806,462)	8,003,209
MRF Maintenance	1,298,624	1,160,180	(138,443)	1,545,892
Scales	816,251	768,746	(47,505)	1,024,273
Site & Facilities	2,890,286	2,795,337	(94,950)	3,725,663
Landfill Operations	3,337,664	2,700,352	(637,312)	3,598,732
Total	\$ 34,231,462	\$ 31,612,652	\$ (2,618,810)	\$ 42,132,748

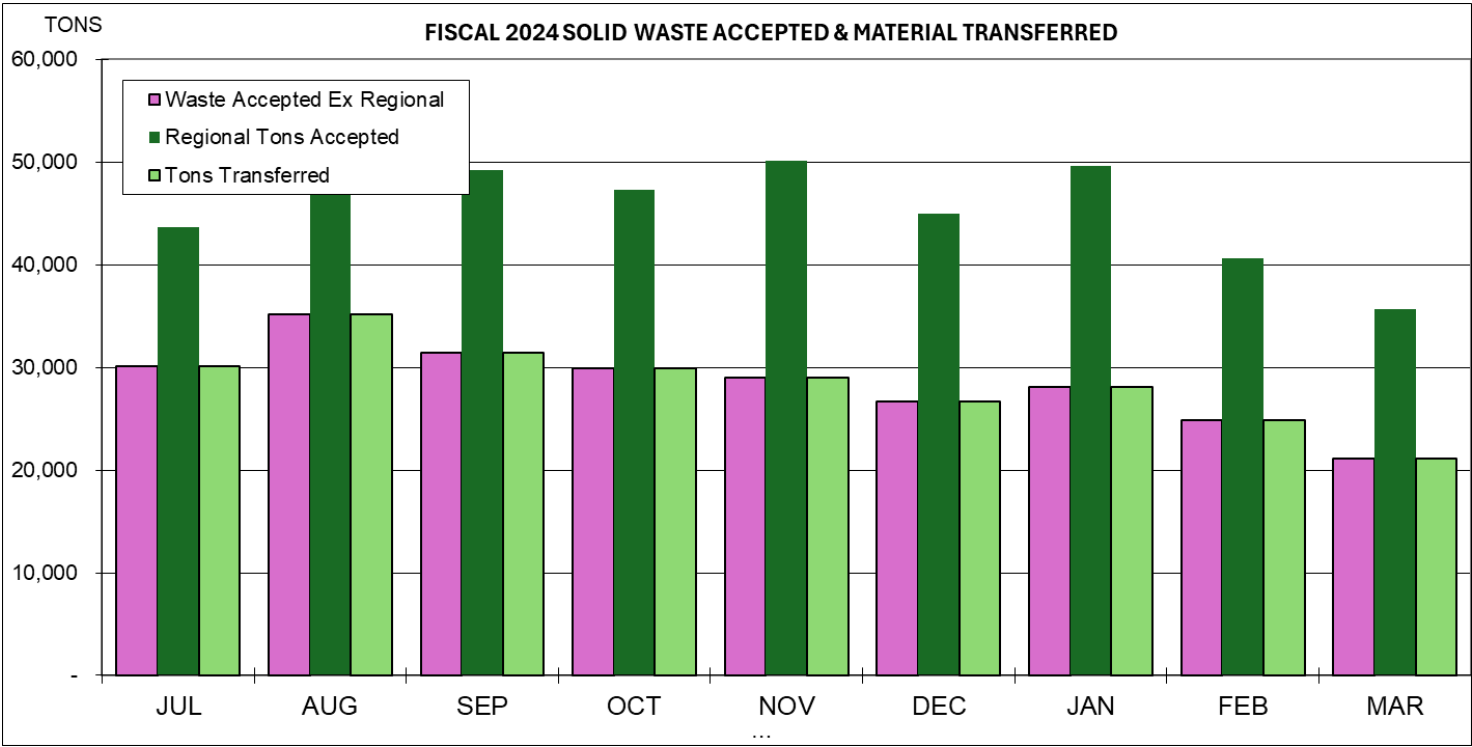
Fiscal 2024 Capital Spending Through March 2024

	Actual YTD	F24 Budget
Capital improvements	\$ 8,607,995	18,940,000
Equipment	2,767,417	3,197,000
	\$ 11,375,413	\$ 22,137,000

Cash Position

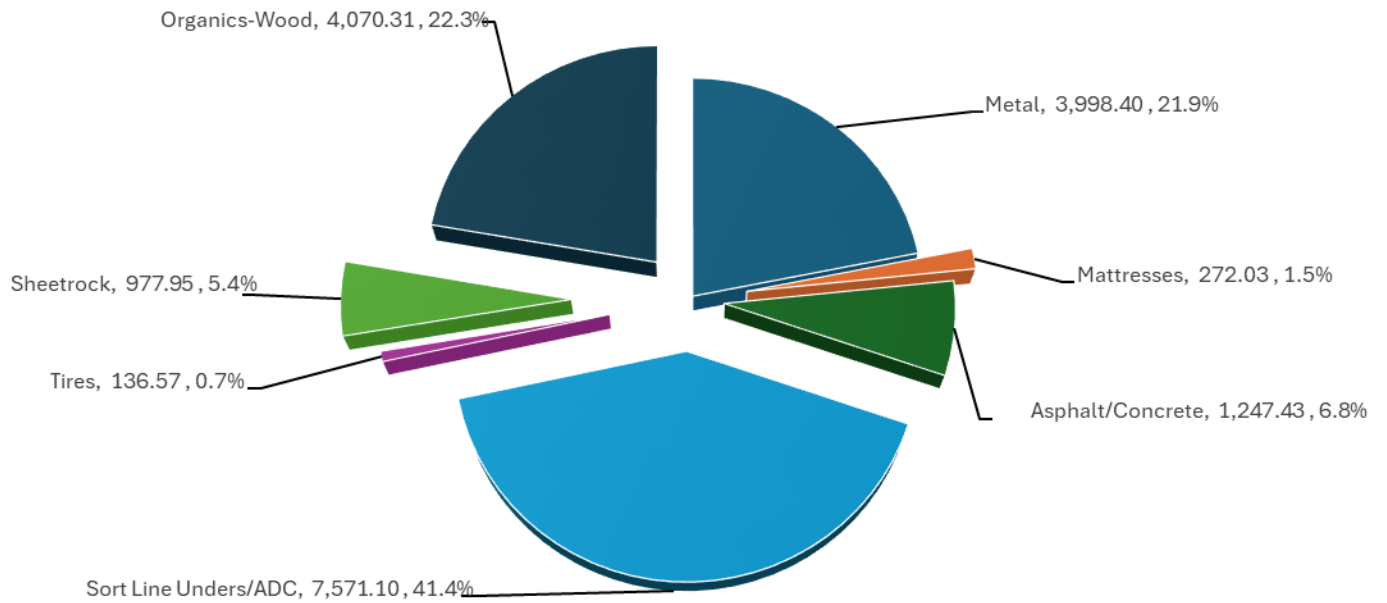
	Jul 1, 2023	Mar 31, 2024	Change
Cash in bank	\$ 25,972,520	\$ 18,189,969	\$ (7,782,551)
Temporary investments	16,514,182	17,041,049	526,867
Restricted funds	6,013,000	6,013,000	-
	\$ 48,499,702	\$ 41,244,018	\$ (7,255,684)

Landfill & MRF Activity

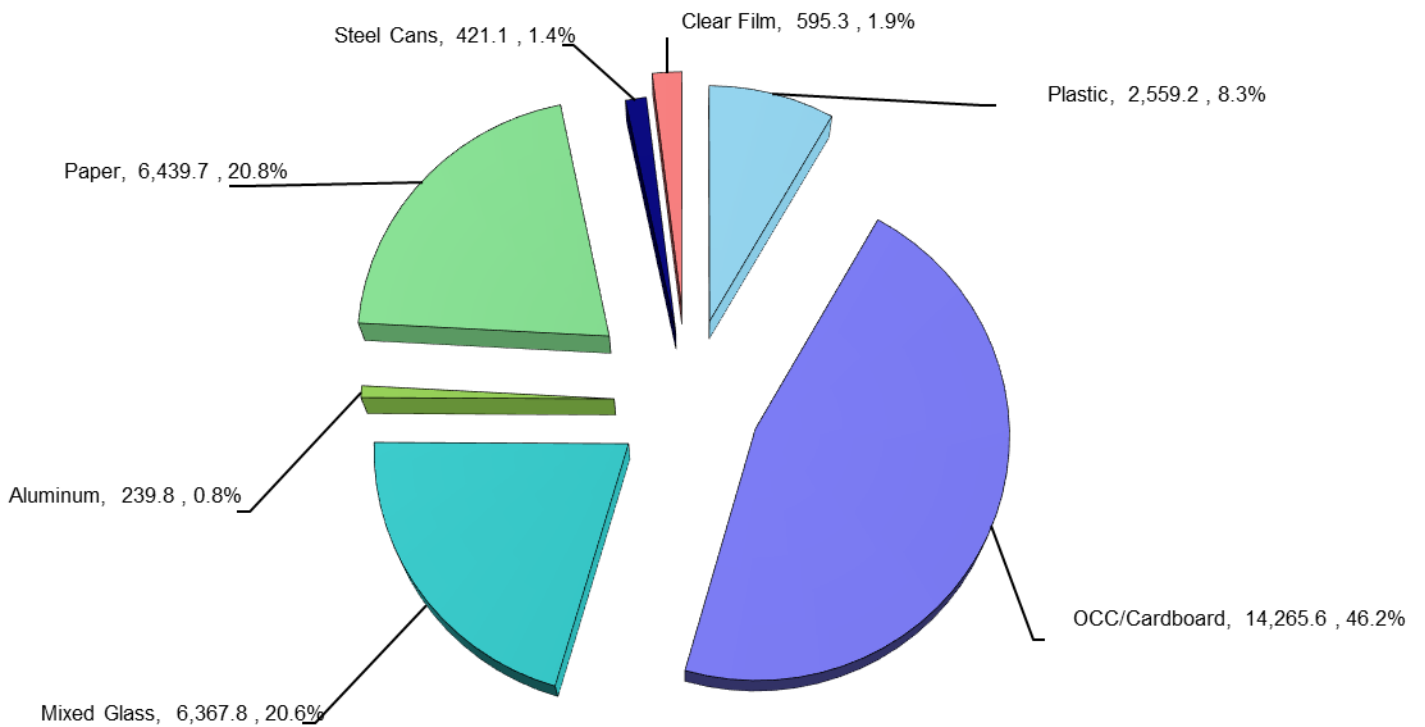


Summary of Landfill & MRF Tonnage				
SITE Tonnage	Mar 2024	YTD Mar24	YTD Mar23	Variance
Accepted Materials	71,386	744,798	735,195	9,603
Transferred Materials	21,125	256,251	265,593	(9,343)
Total Landfilled/Transferred	50,261	488,548	469,602	18,946
MRF - Accepted Materials				
C&D Accepted	3,703	29,256	42,722	(13,466)
SSR Accepted	5,046	48,909	48,516	394
Total MRF Accepted Materials	8,748	78,166	91,238	(13,072)
MRF - Diverted Materials				
C&D Diverted	2,264	18,274	24,083	(5,809)
Single Stream Recycling Diverted	3,140	30,888	31,292	(404)
Total MRF Diverted Materials	5,405	49,162	55,375	(6,212)
12 Month Rolling Average				
C&D Diversion		59.2%	58.1%	
Single Stream Recycling Diversion		63.0%	65.7%	
Diversion - Entire MRF		61.4%	62.2%	

C&D Diverted Materials Fiscal 2024 ('000 Tons) - YTD March 2024



SSR Diverted Materials Fiscal 2024 ('000 Tons) - YTD March 2024



MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT
Statement of Revenue, Expenses, and Changes in Net Position for the Period Ended March 31, 2024

	March	Month Budget	B/(W) Budget Mon	Year to Date	YTD Budget	B/(W) Budget YTD
* Operating Revenues *						
Tipping Fees Revenue	\$ 2,964,975	\$ 3,363,288	\$ (398,312)	\$ 29,122,498	\$ 29,727,123	\$ (604,626)
Other Sales Revenue:						
Power Sales	95,634	244,603	(148,969)	1,141,975	2,161,973	(1,019,997)
MRF Sales & CRV Revenue	878,135	654,007	224,128	7,849,853	5,780,574	2,069,279
Other Sales	111,571	82,384	29,187	833,947	728,164	105,783
Total Other Sales Revenue	1,085,340	980,993	104,347	9,825,776	8,670,711	1,155,064
* Total Operating Revenues *	4,050,315	4,344,281	(293,966)	38,948,273	38,397,834	550,439
* Operating Expenses *						
Total Employment Expenses	1,506,876	1,613,903	107,026	13,859,996	14,264,817	404,821
Non-Employment Expenses:						
Amortization & Depreciation	519,818	425,000	(94,818)	3,868,586	3,825,000	(43,586)
Closure/Post Closure Costs	44,813	35,000	(9,813)	422,925	315,000	(107,925)
Outside Services	74,601	64,042	(10,559)	727,902	576,375	(151,527)
Environmental Services	244,672	83,333	(161,339)	1,835,354	750,000	(1,085,354)
Gasoline, Oil & Fuel	172,246	200,000	27,754	1,594,299	1,800,000	205,701
Hazardous Waste Disposal	52,284	27,667	(24,617)	290,968	249,000	(41,968)
Insurance	119,834	116,667	(3,167)	1,085,508	1,050,000	(35,508)
Office Expense	68,462	45,502	(22,960)	520,966	409,515	(111,451)
Operating Supplies	243,844	89,775	(154,069)	1,453,163	807,975	(645,188)
Other Expense	2,080	5,667	3,587	54,231	51,000	(3,231)
Professional Services	68,519	88,811	20,292	826,912	797,795	(29,117)
Public Awareness	13	34,817	34,804	41,742	313,350	271,608
Recycling Services	549,029	266,667	(282,362)	3,656,176	2,400,000	(1,256,176)
Repairs & Maintenance	314,334	288,917	(25,418)	2,418,314	2,600,250	181,936
Safety Equip/Supplies/Training	34,092	21,017	(13,075)	227,677	189,150	(38,527)
Taxes & Surcharges	107,759	99,117	(8,643)	1,104,936	892,050	(212,886)
Training/Meetings/Education	3,046	20,367	17,320	87,244	183,300	96,056
Utilities	30,020	15,342	(14,679)	154,564	138,075	(16,490)
Total Non-Employment Expenses:	2,649,468	1,927,705	(721,763)	20,371,466	17,347,835	(3,023,631)
* Total Operating Expenses *	4,156,344	3,541,607	(614,737)	34,231,462	31,612,652	(2,618,810)
** Operating Income (Loss) **	(106,029)	802,673	(908,702)	4,716,811	6,785,183	(2,068,372)
* Total Nonoperating Revenues (Expenses) *	2,683	(37,130)	39,814	291,950	(345,199)	637,148
*** Change in Net Position ***	\$ (103,346)	\$ 765,543	\$ (868,889)	\$ 5,008,761	\$ 6,439,984	\$ (1,431,223)

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT
Statement of Net Position
as at March 31, 2024

Assets

Current Assets:

Cash and Short Term Investments	\$ 35,315,902
Accounts Receivable, net	4,711,470
Accrued Interest Receivable	230,145
Other Receivable	2,820,469
Prepaid Expenses	826,870
Total Current Assets	<u>43,904,856</u>

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

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

Fixed Assets:

Land	578,210
Facilities	40,060,076
Equipment	60,788,580
Module Development	26,010,017
Power Project	25,495,511
Less Total Accumulated Depreciation	<u>(61,126,627)</u>
Total Fixed Assets	91,805,767

Intangible Assets	29,380
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*** Total Assets ***	<u><u>\$ 145,591,951</u></u>
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Liabilities and Net Assets

Current Liabilities:

Accounts Payable	\$ 1,474,553
Accrued State/County Disposal Fee	344,936.86
Accrued Vacation / Compensation Payable	461,881.85
Deferred Revenue	10,000.00
Sales/Use Tax Payable	4,658.89
Security Deposits/Gift Cert	50,574.00
Total Current Liabilities	<u>2,346,605.02</u>

Non-Current Liabilities:

Accrued Vacation/Comp Non-Current	655,582.00
Post Employment Health Benefit	3,455,635.93
Net Pension Liability	9,690,029.34
Deferred Inflows	4,071,747.00
Total Non-Current Liabilities	<u>17,872,994.27</u>

Long Term Debt	28,541,377.63
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*** Total Liabilities ***	<u>48,760,976.92</u>
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Total Net Position	96,830,974.34
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*** Total Liabilities and Net Position ***	<u><u>\$ 145,591,951</u></u>
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Monterey Regional Waste Management District
Summary of Investments as at March 31, 2024

Depository	Description of Security	Maturity	Interest	Dollar Amount	Market Value
			Rate/Yield		
State of California	Local Agency Investment Fund (LAIF)	Immediate	4.232%	\$ 23,138,932.94	\$ 23,138,932.94