

To: Board of Commissioners
From: John Balparda, Director of Finance
Date: August 4, 2025 (Restatement of memo dated July 25, 2025)
RE: Reserves, Community Clean-up Fund Balances, & Warrants

This is a “restatement” of the July 25, 2025, memo revised to included definitions, funding priorities, final FY25 Pre-Audit fund balances, reserves balance, and A/R aging.

DEFINITIONS

Funds – a claim on resources (or equity), primarily cash

Reserves – excess cash plus positive working capital, or less negative working capital

Excess Cash – the amount by which cash on hand exceeds the total fund balances

Working Capital – current assets (readily converted to cash) less current liabilities

Fund Type – classification of the fund; Designated and Restricted types are relevant for CSWD

- Designated funds are “ear marked” by management for a stated purpose
- Designated category is further classified by internal or external purpose
 - Designated for Internal Purposes – greater flexibility around usage
 - Solid Waste Management Fund
 - Operating Fund
 - MRF Project Capital Fund
 - Capital Fund
 - Designated for External Purposes – while not Restricted have more constraints around usage
 - Facilities Closure Fund – total estimated costs to close each facility operated by CSWD; reported to the State annually
 - Community Clean-up Fund
- Restricted funds are amounts that can be spent only for the specific purposes stipulated by regulation, agreement, or external resource providers
- Restricted category is further classified by timing
 - Restricted – no definitive time frame – Landfill Post Closure Fund
 - Temporarily Restricted – has definite timeframe – Debt Service Fund

FUNDS WATERFALL

As each priority fund reaches its carry amount, any remaining revenue flows (“waterfalls”) to the next priority fund in order, as listed below:

Funds Subject to Funding Priority Waterfall		
Fund Type	Fund Name	Carry Value
Designated for Internal Purposes	Solids Waste Management Fund	3 months of budgeted administrative expenses
Designated for Internal Purposes	Operating Fund	3 months of budgeted operating expenses
Designated for Internal Purposes	MRF Project Capital Fund	No set minimum, intended to close the projected MRF project shortfall (currently \$4.2M)
Designated for Internal Purposes	Capital Fund	100% the Next year’s Capital Expense Budget
Undesignated	Undesignated Fund	Any revenue above and beyond waterfall requirements

These funds are NOT subject to the waterfall. They are evaluated annually and are set by a specified calculation.

Funds Using a Set Calculation		
Fund Type	Fund Name	Carry Value
Designated for External Purposes	Facilities Closure Reserve	Calculated cost of facility solid waste termination
Designated for External Purposes	Community Clean Up Fund	Current balance due to communities
Restricted	Biosolids Fund	Total of funds received plus interest
Restricted	Landfill Post Closure Fund	Estimated worst case cost to achieve functional stability
Temporarily Restricted	Debt Service Fund	100% of upcoming year’s debt service

FUND & RESERVE BALANCES

Cash Reserves	Fund Balances	Allocated Cash
32103 - Solid Waste Management Fund	\$ 866,000.50	\$ 866,000.50
32105 - Operating Fund	\$ 2,729,314.25	\$ 2,729,314.25
32106 - Capital Fund	\$ 2,545,500.00	\$ -
32107 - MRF Project Capital Fund	\$ 3,027,264.64	\$ 3,027,264.64
32201 - Facilities Closure Fund	\$ 1,506,983.00	\$ 1,506,983.00
32202 - COMMUNITY CLEAN UP FUND	\$ 95,000.00	\$ 95,000.00
33001 - Landfill Post Closure Fund	\$ 1,000,000.00	\$ 1,000,000.00
33002 - Biosolids Fund	\$ 560,662.49	\$ 560,662.49
34100 - Debt Service Fund	\$ 390,400.00	\$ 390,400.00
	\$ 12,721,124.88	\$ 10,175,624.88
Total CASH & CASH EQUIVALENT		\$ 11,067,899.55
Excess (Shortfall) Cash Reserves		\$ 892,274.67
Working Capital		
Total - 11001 - ACCOUNTS RECEIVABLE		\$2,479,451.40
Less:		
Total - 20100 - ACCOUNTS PAYABLE		\$857,931.83
Total - 20200 - CREDIT CARD PAYABLE		\$12,258.67
Total - 20400 - ACCRUED TAXES		\$785.26
Total - 20600 - ACCRUED EXPENSES		\$447,824.74
21662 - Capital Lease Payable - current		\$106,589.76
Total - 20670 - UNEARNED REVENUE		\$8,786.18
Subtotal		\$ 1,434,176.44
Working Capital		\$ 1,045,274.96
Total Reserves		\$ 1,937,549.63
<i>KPI - 150% Qtrly Monthly Avg Burn</i>		
Quarterly Average Cash Burn		1,293,650.83
Total Reserves as a % of above		149.8%

Aging Category	Current	30 Days O/S	60 Days O/S	90 Days O/S	>90 Days O/S	Total
Subtotal	\$2,430,674.31	\$46,916.81	\$1,887.20	\$314.33	(\$341.25)	\$2,479,451.40
% of Total	98.0%	1.9%	0.1%	0.0%	0.0%	100.0%
<i>KPI - Total A/R Outstanding for less than 60 days = 90%</i>						
% A/R O/S <60 Days		99.92%				

AVERAGE MONTHLY CASH BURN	
Warrant Date	Warrant Amount
4/1/2025	444,768.78
4/15/2025	546,869.11
4/29/2025	622,928.61
MRF Exps	(241,327.30)
Subtotal	1,373,239.20
5/13/2025	486,900.72
5/28/2025	963,276.38
MRF Exps	(129,735.73)
Subtotal	1,320,441.37
6/10/2025	388,966.69
6/24/2025	869,254.94
MRF Exps	(70,949.71)
Subtotal	1,187,271.92
Total	3,880,952.49
Monthly Average	1,293,650.83

The following warrants have been reviewed by the Finance Committee and disbursements have been issued since the last submitted Finance Memo:

Warrant Date	Warrant Amount
07/08/2025	\$ 652,841.89
07/22/2025	\$ 979,116.59
MRF Exps	\$ <u>(212,487.21)</u>
Total	\$ <u><u>1,419,417.27</u></u>