

### #3.5

To: Board of Commissioners  
From: Nola Ricci, Director of Finance  
Date: October 5, 2023  
RE: Fiscal Year 2023 Financials

In Fiscal Year 2023, Managers worked toward dividing their budgets month-to-month rather than spread expenses across the total annual budget to better reflect actual or anticipated spends. This is helping Management continue to improve our processes and provide a more realistic budget to actual performance each quarter. As we analyze and compare budget to actual throughout the fiscal year, we will consider modifying the quarterly view of the budget to become more aligned with monthly expectations. There will always be some discrepancy in variance reporting, as not all activities occur within the expected month and not all invoices (payables) are received in a timely fashion. CSWD's practice is to pay invoices within 15 days of receipt upon confirmation of the budget manager. Our policy states that we pay net 30.

#### **SOURCE OF REVENUE REVIEW**

Revenue for Chittenden Solid Waste District is derived from three primary and several ancillary sources. The largest source of income is Tipping Fees, named for when haulers literally tip their material out of their trucks at the Material Recovery Facility or the Organics Diversion Facility. Tip fees also encompass fees paid by customers for the material collected and managed at the Drop Off Centers. We have begun to segregate revenue associated with Special Waste (tires, construction, scrap metal, textiles) and internally report it as a subset of DOC tipping fees to better highlight tip fees from "everyday" materials like bagged trash, recycling, and food scraps. This will aid us in our analysis of DOC fees to ensure that we are covering the operating and capital costs of the program through the fees generated.

Another significant source of income is from the Solid Waste Management Fee. As established by the Solid Waste Management Ordinance the Chittenden Solid Waste District imposes a fee of \$27/ton on trash generated in Chittenden County and disposed at the landfill in Coventry. This revenue supports District administrative functions as well as supporting, and at times subsidizing, the costs of regulating, licensing and enforcing the permissible management of solid waste within the district.

A third primary source of income is through the Sale of Material which includes MRF sorted recycled material, compost and compost products, and recycled paint as associated with our

inventory. Other materials sold include scrap metal, batteries, bins and containers and other miscellaneous material.

Additional ancillary revenue sources are generated through the contracted management of biosolids, license fees, hazardous waste collection, rent, product stewardship reimbursements, grants and interest as generated through cash management.

## **HIGHLIGHTS**

### **Revenue**

Overall, income met expectations. Hazardous Waste revenue was higher than expected, offering an additional \$29 thousand to revenue sources. Unfortunately, Recycled Material Sales were under budget causing Sale of Materials to fall to 89% of expected value. Interest was significantly higher than expected and investments provided dividend income.

### **Expenses**

Expenses are costs associated with the operation, communication, and administration of CSWD.

Cost of Goods Sold are commodities directly related to the sale of material from recycled material, compost, paint and bins & containers (an example is the sand we purchase to add to our compost to produce topsoil). Often these materials are purchased in advance of sales and held at their corresponding facility. At the end of each fiscal year these sellable items are counted and included in the inventory totals as listed on the balance sheet. At the end of fiscal year 2023, CSWD reduced by \$200 thousand in material held for sale. As seasonal production winds down and inventory continues to be available, CSWD typically sees a reduction in the purchases of cost of good sold as inventory already available for sale Organics costs increased to 152% over expectations. However, overall costs of goods remained at expectations.

Payroll Expenses include both wages and benefits paid to staff. Although some departments saw an increase in overtime, overall wages and benefits were as expected. Travel & Training, Administrative Costs, and Professional Fees are all under the expected value by approximately 60%. Equipment & Fleet and Supplies were slightly below expectation. Materials Management and Property Management totaled as expected. Promotion & Education was approximately half of expectation. Community Support is significantly under budget. While Community Clean Up Fund increased in this fiscal year, less than 30% of the allotted monies were used.

## **Balance Sheet**

The Balance Sheet includes CSWD Assets, Liabilities and Equity.

*Cash & Cash Equivalents* include monies in checking and money market accounts. These are currently in excess of our daily operational needs and may be available for short-term investments. Finance staff is conducting a cash needs analysis to provide the Investment Committee with additional information regarding short-term investments. CSWD staff encourages Commissioners interested in this topic attend Investment Committee meetings.

*Accounts Receivable* are monies outstanding on account by customers and expected to be received within 60 days. Thanks to the efforts of our Accounts Receivable Specialist, delinquent accounts are not ordinary, and most customers pay within 30 days. Other current assets include prepaid expenses (costs paid in advance), inventory (as discussed above), and the security deposit. The Paint Depot has completed their transition back into the Environmental Depot building and we have received the return of the security deposit.

*Fixed Assets* include assets in use, depreciation of assets and those in progress (or under construction).

*Current Liabilities* are costs to be paid within one year, most include those associated with bills, payroll taxes, benefits due, and sales tax. Post Closure Payable-Current, the amount expected to be due to the Closed Landfill within the year, will be adjusted upon discussion with the auditors. Unearned Revenue is primarily the amount received for the MOU with the City of Burlington. Additionally, there is still a balance of nearly \$2,000 in unused Organics gift certificates. It is unknown whether or not these will ever be received, we will discuss with the auditors the appropriate steps regarding this ongoing liability.

*Long Term Liabilities* include any liability whose due date exceeds one year, including the Post Closure noncurrent Payable. Compensated Absences Payable was depleted in FY23, per the recent update to Personnel Rules, no employee will carry forward paid-time-off for more than one year.

*Equity* includes the balances of our Reserve accounts and our Investment in Capital Assets. As presented to the Board in previous meetings, the Landfill Post Closure Reserve and Biosolids



ADMINISTRATIVE OFFICE

1021 Redmond Road

Williston, VT 05495

EMAIL [info@cswd.net](mailto:info@cswd.net)

TEL (802) 872-8100

[www.cswd.net](http://www.cswd.net)

Reserve have been redesignated as Restricted Funds. With the exception of the Undesignated Fund, all remaining reserves are designated and not restricted.

CSWD continues to practice within the approved budget and maintains a positive going concern by preserving the resources needed to continue operating. Cash & Cash Equivalents remain in excess of current liabilities. Reserve accounts are designated appropriately to secure future financing needs.

**Chittenden Solid Waste District**  
**Budget vs. Actual**  
**FY 2023**

	Amount	Budget Amount	Amount Over Budget	% of Budget
<b>Income</b>				
Tipping Fees	\$5,900,340.66	\$6,317,097.06	(\$416,756.40)	93.40%
Special Materials	\$77,999.84	\$59,250.00	\$18,749.84	131.65%
Hazardous Waste	\$97,009.70	\$68,000.04	\$29,009.66	142.66%
Biosolids	\$1,350,510.45	\$1,279,437.00	\$71,073.45	105.56%
Solid Waste Management	\$3,476,118.25	\$3,381,750.00	\$94,368.25	102.79%
Sale of Materials	\$2,261,552.62	\$2,540,711.09	(\$279,158.47)	89.01%
License Fees, Fines & Penalties	\$15,422.80	\$14,910.00	\$512.80	103.44%
Rental Income	\$73,500.00	\$71,400.00	\$2,100.00	102.94%
Product Stewardship & Reimbursements	\$171,501.80	\$190,699.96	(\$19,198.16)	89.93%
Interest & Dividends	\$172,201.97	\$2,000.04	\$170,201.93	8,609.93%
Grant Revenue	\$106,850.00	\$106,470.00	\$380.00	100.36%
Equipment Sale	(\$5,437.09)	\$0.00	(\$5,437.09)	0.00%
Other Income	\$186.70	\$0.00	\$186.70	0.00%
<b>Total - Income</b>	<b>\$13,697,757.70</b>	<b>\$14,031,725.19</b>	<b>(\$333,967.49)</b>	<b>97.62%</b>
<b>Cost Of Sales</b>				
Organics	\$203,145.27	\$133,730.04	\$69,415.23	151.91%
Bins & Containers	\$1,117.14	\$19,467.00	(\$18,349.86)	5.74%
Paint	(\$3,855.41)	\$19,000.00	(\$22,855.41)	-20.29%
<b>Total - Cost Of Sales</b>	<b>\$200,407.00</b>	<b>\$172,197.04</b>	<b>\$28,209.96</b>	<b>116.38%</b>
<b>Gross Profit</b>	<b>\$13,497,350.70</b>	<b>\$13,859,528.15</b>	<b>(\$362,177.45)</b>	<b>97.39%</b>
<b>Expense</b>				
Payroll Expense				
Salaries & Wages	\$3,236,494.50	\$3,349,221.25	(\$112,726.75)	96.63%
Benefits	\$1,374,523.91	\$1,455,105.35	(\$80,581.44)	94.46%
<b>Total - Payroll Expense</b>	<b>\$4,611,018.41</b>	<b>\$4,804,326.60</b>	<b>(\$193,308.19)</b>	<b>95.98%</b>
Travel & Training	\$47,516.31	\$96,568.00	(\$49,051.69)	49.21%
Administrative Costs	\$77,611.38	\$123,473.92	(\$45,862.54)	62.86%
Professional Fees	\$201,044.33	\$318,329.96	(\$117,285.63)	63.16%
Equipment & Fleet	\$630,965.98	\$772,967.19	(\$142,001.21)	81.63%
Supplies	\$105,326.04	\$119,623.04	(\$14,297.00)	88.05%
Materials Management	\$5,573,513.28	\$6,150,777.96	(\$577,264.68)	90.61%
Property Management	\$548,396.16	\$490,260.63	\$58,135.53	111.86%
Promotion & Education	\$115,466.06	\$209,801.96	(\$94,335.90)	55.04%
Community Support	\$32,346.10	\$109,549.96	(\$77,203.86)	29.53%
<b>Total - Expense</b>	<b>\$11,943,204.05</b>	<b>\$13,195,679.22</b>	<b>(\$1,252,475.17)</b>	<b>90.51%</b>
<b>Net Ordinary Income</b>	<b>\$1,554,146.65</b>	<b>\$663,848.93</b>	<b>\$890,297.72</b>	<b>234.11%</b>
<b>Other Income and Expenses</b>				
<b>Other Income</b>				
<b>Subsidies &amp; Transfers</b>				
CCUF Transfer	\$27,322.85	\$95,000.00	(\$67,677.15)	28.76%
Transfer Capital Reserve	\$136,752.63	\$0.00	\$136,752.63	0.00%
<b>Total - Subsidies &amp; Transfers</b>	<b>\$164,075.48</b>	<b>\$95,000.00</b>	<b>\$69,075.48</b>	<b>\$0.29</b>
<b>Total - Other Income</b>	<b>\$164,075.48</b>	<b>\$95,000.00</b>	<b>\$69,075.48</b>	<b>\$0.29</b>
<b>Other Expense</b>				
<b>Reserve Transfers</b>				
Transfer Solid Waste Management Reserve	\$958,298.63	\$520,703.14	\$437,595.49	184.04%
Transfer Operating Reserve	\$599,239.14	\$380,689.17	\$218,549.97	157.41%
Transfer Biosolids Reserve	\$107,442.32	\$46,375.00	\$61,067.32	231.68%
Transfer Facility Closure Reserve	\$1,883.32	\$0.00	\$1,883.32	0.00%
Transfer Landfill Post Closure Reserve	\$51,358.72	(\$188,918.38)	\$240,277.10	-27.19%
Transfer Investment in Assets	(\$1,019,261.98)	\$0.00	(\$1,019,261.98)	0.00%
<b>Total - Reserve Transfers</b>	<b>\$698,960.15</b>	<b>\$758,848.93</b>	<b>(\$59,888.78)</b>	<b>92.11%</b>
<b>Year End Adjustments</b>				
Depreciation	\$1,019,261.98	\$0.00	\$1,019,261.98	0.00%
<b>Total - Year End Adjustments</b>	<b>\$1,019,261.98</b>	<b>\$0.00</b>	<b>\$1,019,261.98</b>	<b>0.00%</b>
<b>Total - Other Expense</b>	<b>\$1,718,222.13</b>	<b>\$758,848.93</b>	<b>\$959,373.20</b>	<b>226.42%</b>
<b>Net Other Income</b>	<b>(\$1,554,146.65)</b>	<b>(\$663,848.93)</b>	<b>(\$890,297.72)</b>	<b>234.11%</b>
<b>Net Income</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>0.00%</b>

**Chittenden Solid Waste District**  
**Comparative Balance Sheet**  
**End of Jun 2023 v End of Jun 2022**

	As of Jun 2023	As of Jun 2022	Variance	% Variance
<b>Assets</b>				
<b>Current Assets</b>				
Checking	\$5,483,104.38	\$10,966,041.16	(\$5,482,936.78)	-50.00%
Cash on Hand	\$2,500.00	\$2,550.00	(\$50.00)	-1.96%
Savings	\$4,399,401.29	\$4,347,836.52	\$51,564.77	1.19%
Investment	\$4,270,487.54	\$54,591.96	\$4,215,895.58	7,722.56%
Accounts Receivable	\$2,124,394.14	\$1,962,949.71	\$161,444.43	8.22%
Undeposited Funds	\$6,277.30	\$0.00	\$6,277.30	0.00%
Prepaid Expense	\$114,166.15	\$76,325.08	\$37,841.07	49.58%
Inventory Asset	\$209,650.83	\$404,233.63	(\$194,582.80)	-48.14%
Security Deposit	\$0.00	\$2,000.00	(\$2,000.00)	-100.00%
<b>Total Current Assets</b>	<b>\$16,609,981.63</b>	<b>\$17,816,528.06</b>	<b>(\$1,206,546.43)</b>	<b>-6.77%</b>
<b>Fixed Assets</b>				
Capital Assets	\$27,042,662.97	\$26,505,517.63	\$537,145.34	2.03%
Accumulated Depreciation	(\$13,967,813.71)	(\$13,111,455.32)	(\$856,358.39)	6.53%
Capital Assets in Progress	\$2,599,861.49	\$313,939.62	\$2,285,921.87	728.14%
<b>Total Fixed Assets</b>	<b>\$15,674,710.75</b>	<b>\$13,708,001.93</b>	<b>\$1,966,708.82</b>	<b>14.35%</b>
<b>Total Assets</b>	<b>\$32,284,692.38</b>	<b>\$31,524,529.99</b>	<b>\$760,162.39</b>	<b>2.41%</b>
<b>Liabilities &amp; Equity</b>				
<b>Current Liabilities</b>				
Accounts Payable	\$781,666.97	\$532,327.60	\$249,339.37	46.84%
Credit Card	\$7,992.80	\$4,203.88	\$3,788.92	90.13%
Current Liabilities	\$549,801.34	\$264,154.41	\$285,646.93	108.14%
Unearned Revenue	\$110,082.84	\$98,060.84	\$12,022.00	12.26%
<b>Total Current Liabilities</b>	<b>\$1,449,543.95</b>	<b>\$898,746.73</b>	<b>\$550,797.22</b>	<b>61.29%</b>
<b>Long Term Liabilities</b>				
Post Closure Payable - noncurrent	\$378,379.37	\$378,379.37	\$0.00	0.00%
Compensated Absences Payable	\$0.00	\$319,099.14	(\$319,099.14)	-100.00%
<b>Total Long Term Liabilities</b>	<b>\$378,379.37</b>	<b>\$697,478.51</b>	<b>(\$319,099.14)</b>	<b>-45.75%</b>
<b>Equity</b>				
Investment in Capital Assets	\$13,074,849.26	\$13,394,062.31	(\$319,213.05)	-2.38%
Facilities Closure Reserve	\$1,466,061.63	\$1,464,178.31	\$1,883.32	0.13%
Solid Waste Management Reserve	\$1,958,298.63	\$1,000,000.00	\$958,298.63	95.83%
Operating Reserve	\$2,349,239.14	\$1,750,000.00	\$599,239.14	34.24%
Capital Reserve	\$9,653,949.53	\$10,490,751.09	(\$836,801.56)	-7.98%
Landfill Post Closure Reserve	\$608,302.08	\$541,943.36	\$66,358.72	12.24%
Biosolids Reserve	\$396,291.00	\$288,848.68	\$107,442.32	37.20%
Community Clean Up Reserve				
CCUF Bolton	\$0.00	\$2,500.00	(\$2,500.00)	-100.00%
CCUF Burlington	\$10,000.00	\$10,000.00	\$0.00	0.00%
CCUF Charlotte	\$4,965.22	\$5,000.00	(\$34.78)	-0.70%
CCUF Colchester	\$5,800.00	\$7,500.00	(\$1,700.00)	-22.67%
CCUF Essex Jct	\$4,250.00	\$5,000.00	(\$750.00)	-15.00%
CCUF Essex Town	\$7,500.00	\$7,500.00	\$0.00	0.00%
CCUF Hinesburg	\$5,000.00	\$5,000.00	\$0.00	0.00%
CCUF Huntington	\$2,500.00	\$2,500.00	\$0.00	0.00%
CCUF Jericho	\$0.00	\$5,000.00	(\$5,000.00)	-100.00%
CCUF Milton	\$3,161.93	\$7,500.00	(\$4,338.07)	-57.84%
CCUF Richmond	\$5,000.00	\$5,000.00	\$0.00	0.00%
CCUF Shelburne	\$5,000.00	\$5,000.00	\$0.00	0.00%
CCUF South Burlington	\$7,500.00	\$7,500.00	\$0.00	0.00%
CCUF St. George	\$2,500.00	\$2,500.00	\$0.00	0.00%
CCUF Underhill	\$4,500.00	\$5,000.00	(\$500.00)	-10.00%
CCUF Westford	\$0.00	\$2,500.00	(\$2,500.00)	-100.00%
CCUF Williston	\$0.00	\$5,000.00	(\$5,000.00)	-100.00%
CCUF Winooski	\$0.00	\$5,000.00	(\$5,000.00)	-100.00%
<b>Total - Community Clean Up Reserve</b>	<b>\$67,677.15</b>	<b>\$95,000.00</b>	<b>(\$27,322.85)</b>	<b>-28.76%</b>
Undesignated	\$921,855.00	\$936,855.00	(\$15,000.00)	-1.60%
Prior Year Adjustment	(\$39,754.36)	(\$33,334.00)	(\$6,420.36)	19.26%
Retained Earnings	(\$0.00)	(\$0.00)	\$0.00	0.00%
Net Income	\$0.00	\$0.00	\$0.00	0.00%
<b>Total Equity</b>	<b>\$30,456,769.06</b>	<b>\$29,928,304.75</b>	<b>\$528,464.31</b>	<b>1.77%</b>
<b>Total Liabilities &amp; Equity</b>	<b>\$32,284,692.38</b>	<b>\$31,524,529.99</b>	<b>\$760,162.39</b>	<b>2.41%</b>