

**FINANCIAL QUARTERLY RATE REPORT  
SAN FRANCISCO**

**2<sup>nd</sup> Quarter of Rate Year 2026  
6 Months Ending March 31, 2026**

Recology Golden Gate  
Recology Sunset Scavenger  
Recology San Francisco

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## **INTRODUCTION**

The City and County of San Francisco Refuse Rate Board adopted the Refuse Rate Order for Rate Year 2026 until Rate Year 2028 (“Refuse Rate Order”) on June 25, 2025, for the Combined San Francisco Companies consisting of Recology Golden Gate (“RGG”), Recology Sunset Scavenger (“RSS”), and Recology San Francisco (“RSF”), which includes quarterly financial rate reporting requirements. The requirements address several areas, including revenues and expenses, operating ratios and profit margins, amortization of ZWI funds for capital expenditures, Programmatic Reserve and Impound account balances and bank activity reporting for the Reserve Fund account, the Impound account, the Programmatic Reserve account, and the Zero Waste Capital Reserve account. Recology Golden Gate and Recology Sunset Scavenger, and Recology San Francisco revenues and expenses include rate-regulated and unregulated activities for reporting purposes. Additional reporting requirements include the 2022 Notional Balancing Account, the 2024 - 2025 Rate Order Notional Balancing Account, the 2026 - 2028 Rate Order Notional Balancing Account, Non-profit Disclosures, Contact Disclosures, the Programmatic Reserve, and the Zero Waste Capital Reserve. This report covers six months, October 2025 to March 2026 (YTD Q2 RY2026), of the Rate Year 2026 ending September 30, 2026.

## **BANK ACCOUNT REPORTING**

Appendix A contains reports of the bank account activities for the Reserve Fund account, the Impound account, the Programmatic Reserve account, and the Zero Waste Capital Reserve account. The reports include beginning balances, deposits, disbursements, interest earned, administrative fees, and ending balances. These activities are reported on a cash basis. During Rate Year 2026, the disbursements line includes amounts approved through the rate setting process to offset rates.

## **RESERVE FUND**

The purpose of the Reserve Fund is to reimburse Recology San Francisco for landfill disposal costs it incurs but cannot fully recover through the rate-setting process due to timing issues. There is no deposit or disbursement activity to report for the Reserve Fund. Interest earned (including accrued interest) and administrative fees are reflected in Table A-2 and Table A-3, respectively.

## **IMPOUND**

The Impound account funds select services at the Department of Public Works and Environment Department, which includes Citywide refuse-related cleaning services at the Department of Public Works and services to support meeting San Francisco’s Zero Waste Goals at the Environment Department. The Impound account also funds certain rate administration activities at the Office of the Refuse Rate Administrator. The Refuse Rate Board may consider the cost of the City’s refuse programs when setting refuse rates, and order refuse companies to deposit a portion of their revenues in the Impound account to fund these programs. The Combined San Francisco Companies made deposits to the Impound account in accordance with the amounts approved in the Refuse Rate Order adopted on June 25, 2025, partially offset by reimbursement of costs approved in the Refuse Rate Order for the Seismic Study and the Facility Modernization of Tunnel and Beatty, as presented in Table 1 in the amount of \$59,344. This amount also reflects the expenses incurred, as presented in Table 5. The monthly detail on a cash basis is presented in Tables A-4 and A-5.

### **PROGRAMMATIC RESERVE**

The Programmatic Reserve Fund may be used to reimburse the Combined San Francisco Companies for expenses incurred for services requested by the City that are above and beyond the service levels and the associated service level agreements from the Refuse Rate Order adopted on June 25, 2025. Any unused funds may be applied to offset future rate adjustments. The Programmatic Reserve balance is shown in Table 10 with deposit detail provided in Table A-6.

### **ZERO WASTE CAPITAL RESERVE**

The Zero Waste Capital Reserve is intended to fund future capital infrastructure costs. The Zero Waste Capital reserve balance is shown in Table 11.

### **2022 NOTIONAL BALANCING ACCOUNT**

Appendix B contains a report of the 2022 Notional Balancing Account pursuant to Exhibit C of the Refuse Rate Order adopted on June 25, 2025.

### **2024 - 2025 RATE ORDER NOTIONAL BALANCING ACCOUNT**

Appendix C contains a report of the 2024 - 2025 Rate Order Notional Balancing Account pursuant to Exhibit B - 21.1 of the Refuse Rate Order adopted on June 25, 2025.

### **2026 - 2028 RATE ORDER NOTIONAL BALANCING ACCOUNT**

Appendix D contains a report of the 2026 - 2028 Notional Balancing Account pursuant to Exhibit B - 22.1 of the Refuse Rate Order adopted on June 25, 2025.

### **NON-PROFIT DISCLOSURES**

Appendix E contains a report of all contributions of money or goods valued at \$1,000 or more to Non-profit entities based in City and County of San Francisco pursuant to Exhibit C of the Refuse Rate Order adopted on June 25, 2025.

### **CONTACT DISCLOSURES**

Appendix F contains a report of all reportable contacts with City Government Officials for the preceding quarter pursuant to Exhibit C of the Refuse Rate Order adopted on June 25, 2025.

### **RATE-ELIGIBLE AND OPERATING RATIO-ELIGIBLE EXPENSES**

Rate-eligible expenses are all expenses eligible to be recovered through the rates. Operating Ratio-eligible expenses are rate-eligible expenses that generate a return to the Combined San Francisco Companies through an operating ratio mechanism.

## **DEFINED-BENEFIT PENSION PLAN**

The Combined San Francisco Companies participate in a noncontributory, defined-benefit pension plan (the Plan) sponsored by its Parent for the benefit of union and grandfathered nonunion employees. Benefits are based on a formula that includes years of service and average compensation. As of March 31, 2026, the plan is 98% funded based on the Actuarial Valuation of Assets as determined by the independent plan actuary and 93% funded based on the Market Valuation of Assets as determined by the plan investment managers.

**Table 1**  
**Net Revenue Retained**  
**Recology Sunset Scavenger and Recology Golden Gate**  
**October 2025 - March 2026**

Revenue Description	Regulated and Unregulated Projection	Less Unregulated Projection	Regulated Projection - Rate	Regulated and Unregulated Actual	Less Unregulated Actual	Regulated Actual - Rate	\$ Variance - Rate	Percentage Variance - Rate
Residential	\$ 56,936,853	\$ -	\$ 56,936,853	\$ 57,410,943	\$ -	\$ 57,410,943	\$ 474,090	1%
Apartment	46,332,048	-	46,332,048	47,171,406	-	47,171,406	839,358	2%
Commercial	82,993,806	-	82,993,806	83,179,108	-	83,179,108	185,302	0%
Commercial Compactors	13,055,989	-	13,055,989	13,004,306	-	13,004,306	(51,683)	0%
Debris Box	1,083,760	-	1,083,760	1,261,511	-	1,261,511	177,751	16%
<b>Total Revenue from Ratepayers</b>	<b>\$ 200,402,456</b>	<b>\$ -</b>	<b>\$ 200,402,456</b>	<b>\$ 202,027,274</b>	<b>\$ -</b>	<b>\$ 202,027,274</b>	<b>\$ 1,624,818</b>	<b>1%</b>
CalRecycle	\$ 263,636	\$ -	\$ 263,636	\$ -	\$ -	\$ -	\$ (263,636)	-100%
Miscellaneous Income	204,278	-	204,278	174,159	-	174,159	(30,119)	-15%
Interest Income	154,259	-	154,259	111,250	-	111,250	(43,009)	-28%
2022 Notional Balancing Account Amortization	142,434	-	142,434	142,434	-	142,434	-	0%
Impound Account Amortization	197,688	-	197,688	213,803	-	213,803	16,115	8%
Programmatic Reserve Amortization	1,147,277	-	1,147,277	1,197,808	-	1,197,808	50,531	4%
Zero Waste Capital Reserve Amortization	1,819,909	-	1,819,909	1,882,899	-	1,882,899	62,990	3%
<b>Total Non Ratepayer Rate Revenue</b>	<b>\$ 3,929,481</b>	<b>\$ -</b>	<b>\$ 3,929,481</b>	<b>\$ 3,722,353</b>	<b>\$ -</b>	<b>\$ 3,722,353</b>	<b>\$ (207,128)</b>	<b>-5%</b>
<b>Total Rate Related Revenue</b>	<b>\$ 204,331,937</b>	<b>\$ -</b>	<b>\$ 204,331,937</b>	<b>\$ 205,749,627</b>	<b>\$ -</b>	<b>\$ 205,749,627</b>	<b>\$ 1,417,690</b>	<b>1%</b>
Open Market Debris Box	\$ 4,949,144	\$ (4,949,144)	\$ -	\$ 4,390,598	\$ (4,390,598)	\$ -	\$ -	0%
Contract Customers	4,555,992	(4,555,992)	-	4,565,991	(4,565,991)	-	-	0%
City Services Contract	4,342,057	(4,342,057)	-	5,306,944	(5,306,944)	-	-	0%
Equipment & Supply Sales	839,828	(839,828)	-	661,193	(661,193)	-	-	0%
<b>Total Revenue not Subject to Rate</b>	<b>\$ 14,687,021</b>	<b>\$ (14,687,021)</b>	<b>\$ -</b>	<b>\$ 14,924,726</b>	<b>\$ (14,924,726)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0%</b>
<b>Total Sources</b>	<b>\$ 219,018,958</b>	<b>\$ (14,687,021)</b>	<b>\$ 204,331,937</b>	<b>\$ 220,674,353</b>	<b>\$ (14,924,726)</b>	<b>\$ 205,749,627</b>	<b>\$ 1,417,690</b>	<b>1%</b>
Impound Account Funding *	\$ (13,287,175)	\$ -	\$ (13,287,175)	\$ (13,175,943)	\$ -	\$ (13,175,943)	\$ 111,232	1%
Programmatic Reserve Funding	(25,000)	-	(25,000)	(25,000)	-	(25,000)	-	0%
<b>Net Revenue Retained</b>	<b>\$ 205,706,783</b>	<b>\$ (14,687,021)</b>	<b>\$ 191,019,762</b>	<b>\$ 207,473,410</b>	<b>\$ (14,924,726)</b>	<b>\$ 192,548,684</b>	<b>\$ 1,528,922</b>	<b>1%</b>

\*As of March 31, 2026, \$59,344 in costs for the seismic study and facility modernization of Tunnel & Beatty were incurred and approved for reimbursement prior to the filing of this report.

**Table 2  
Net Revenue Retained  
Recology San Francisco  
October 2025 - March 2026**

Revenue Description	Tonnage				Revenue			
	Projection	Actual	Tonnage Variance	Percentage Variance	Projection	Actual	\$ Variance	Percentage Variance
<b>Tonnage &amp; Revenue from Tipping Fee</b>								
Recology Sunset Scavenger/Golden Gate								
Recycle Central	60,019	60,237	218	0%	\$ 15,721,906	\$ 15,779,011	\$ 57,105	0%
Organics	66,620	67,098	478	1%	17,451,212	17,576,376	125,164	1%
I/MRF	4,372	3,443	(929)	-21%	1,145,333	901,804	(243,529)	-21%
Trash	128,830	132,412	3,582	3%	33,746,968	34,685,361	938,393	3%
Other	1,283	921	(362)	-28%	336,027	241,285	(94,742)	-28%
Subtotal (Recology Sunset Scavenger/Golden Gate)	261,124	264,111	2,987	1%	\$ 68,401,446	\$ 69,183,837	\$ 782,391	1%
Non-Account Customers	15,414	14,406	(1,008)	-7%	4,037,589	3,773,703	(263,886)	-7%
Account Customers	9,831	11,183	1,352	14%	2,575,159	2,429,717	(145,442)	-6%
Total San Francisco	286,369	289,700	3,331	1%	\$ 75,014,194	\$ 75,387,257	\$ 373,063	0%
Total Non-San Francisco	2,674	2,163	(511)	-19%	700,583	566,501	(134,082)	-19%
<b>Total Tipping Fee Tonnage and Revenue</b>	<b>289,043</b>	<b>291,863</b>	<b>2,820</b>	<b>1%</b>	<b>\$ 75,714,777</b>	<b>\$ 75,953,758</b>	<b>\$ 238,981</b>	<b>0%</b>
Non Tipping Fee Tonnage	24,889	19,459	(5,430)	-22%	-	-	-	0%
<b>Total Tipping Fee and Non-Tip Fee Tonnage and Revenue</b>	<b>313,932</b>	<b>311,322</b>	<b>(2,610)</b>	<b>-1%</b>	<b>\$ 75,714,777</b>	<b>\$ 75,953,758</b>	<b>\$ 238,981</b>	<b>0%</b>
Net Recycling Revenue					\$ 9,402,936	\$ 10,531,117	\$ 1,128,181	12%
Minimums for PRRA					1,669,057	1,023,027	(646,030)	-39%
<i>Less: Unregulated Transloading Activity</i>					(785,601)	(272,306)	513,295	65%
Intercompany Dirt, Inerts & Others					418,244	510,740	92,496	22%
Rental Income					25,453	33,000	7,547	30%
<b>Total Other Revenue</b>					<b>\$ 10,730,089</b>	<b>\$ 11,825,578</b>	<b>\$ 1,095,489</b>	<b>10%</b>
<b>Total Sources</b>					<b>\$ 86,444,866</b>	<b>\$ 87,779,336</b>	<b>\$ 1,334,470</b>	<b>2%</b>
<b>Net Revenue Retained</b>					<b>\$ 86,444,866</b>	<b>\$ 87,779,336</b>	<b>\$ 1,334,470</b>	<b>2%</b>

**Table 3**  
**Net Recycling Revenue**  
**Recology San Francisco**  
**October 2025 - March 2026**

Recycle Central	Tons				Revenue				Price Per Ton			
	Projection	Actual	Tons Variance	Percentage Variance	Projection	Actual	\$ Variance	Percentage Variance	Projection	Actual	Price Variance	Percentage Variance
Mixed Paper	14,144	13,805	(339)	-2%	\$ 1,198,218	\$ 1,067,365	\$ (130,853)	-11%	\$ 84.71	\$ 77.32	\$ (7.40)	-9%
Cardboard	23,341	22,380	(961)	-4%	3,599,376	2,760,044	(839,332)	-23%	154.21	123.33	(30.88)	-20%
Aseptic Carton	67	115	48	72%	3,224	6,540	3,316	103%	48.30	56.87	8.57	18%
EPS Foam	13	13	0	0%	7,231	3,204	(4,027)	-56%	576.35	246.46	(329.89)	-57%
Aluminum	287	306	19	7%	1,187,308	1,480,761	293,453	25%	4,135.92	4,839.09	703.17	17%
Metal/Ferrous	1,011	1,026	15	2%	174,714	192,266	17,552	10%	172.85	187.39	14.54	8%
PET	898	706	(192)	-21%	1,569,019	1,312,990	(256,029)	-16%	1,747.52	1,859.76	112.24	6%
HDPE Blend	639	529	(110)	-17%	434,400	350,880	(83,520)	-19%	679.93	663.29	(16.64)	-2%
Mixed Plastics 3-7	188	232	44	24%	32,195	12,796	(19,399)	-60%	171.53	55.16	(116.37)	-68%
Mixed Glass	10,612	10,546	(66)	-1%	1,376,080	3,297,341	1,921,261	140%	129.67	312.66	182.99	141%
<b>Total Recycle Central</b>	<b>51,199</b>	<b>49,658</b>	<b>(1,541)</b>	<b>-3%</b>	<b>\$ 9,581,766</b>	<b>\$ 10,484,187</b>	<b>\$ 902,421</b>	<b>9%</b>				
<b>Tunnel Avenue</b>												
Metal	3,102	2,785	(317)	-10%	\$ 482,429	\$ 369,452	\$ (112,977)	-23%	\$ 155.52	\$ 132.66	\$ (22.86)	-15%
Wood	970	709	(261)	-27%	-	-	-	0%	-	-	-	0%
Mixed Rigid Plastic	390	315	(75)	-19%	17,754	3,370	(14,384)	-81%	45.47	10.70	(34.77)	-76%
SB20/50 E-Waste	180	163	(17)	-9%	58,977	64,910	5,933	10%	328.25	398.22	69.97	21%
<b>Total Tunnel Avenue</b>	<b>4,642</b>	<b>3,972</b>	<b>(670)</b>	<b>-14%</b>	<b>\$ 559,159</b>	<b>\$ 437,732</b>	<b>\$ (121,427)</b>	<b>-22%</b>				
<b>Total Recycling Revenue</b>					<b>\$ 10,140,925</b>	<b>\$ 10,921,919</b>	<b>\$ 780,994</b>	<b>8%</b>				
Processing Expenses					\$ (260,421)	\$ (18,695)	\$ 241,726	93%				
Purchases					(477,568)	(372,107)	105,461	22%				
<b>Net Recycling Revenue</b>					<b>\$ 9,402,936</b>	<b>\$ 10,531,117</b>	<b>\$ 1,128,181</b>	<b>12%</b>				

**Table 4(A)**  
**Total Expenses**  
**Recology Sunset Scavenger and Recology Golden Gate**  
**October 2025 - March 2026**

Item Description	Regulated and Unregulated Projection	Regulated and Unregulated Actual	\$ Variance	Percentage Variance
Payroll	\$ 53,023,243	\$ 52,740,081	\$ (283,162)	-1%
Payroll Taxes	3,976,932	4,020,933	44,001	1%
Pension	4,145,148	4,164,104	18,956	0%
Health Insurance	14,885,566	14,080,029	(805,537)	-5%
Workers Compensation	5,580,876	4,869,460	(711,416)	-13%
<b>Total Payroll &amp; Related</b>	<b>\$ 81,611,765</b>	<b>\$ 79,874,607</b>	<b>\$ (1,737,158)</b>	<b>-2%</b>
Corporate Allocations	\$ 7,211,819	\$ 8,143,592	\$ 931,773	13%
Bad Debt	535,979	565,607	29,628	6%
O/S Billing Services	282,956	260,187	(22,769)	-8%
Office	216,320	182,002	(34,318)	-16%
Postage	12,256	8,109	(4,147)	-34%
Professional Services	776,848	525,054	(251,794)	-32%
Security & Janitorial	458,466	534,450	75,984	17%
Property Taxes	178,435	201,069	22,634	13%
Business Taxes	3,245,429	4,367,812	1,122,383	35%
Telephone	273,813	96,955	(176,858)	-65%
<b>Total Administrative</b>	<b>\$ 13,192,321</b>	<b>\$ 14,884,837</b>	<b>\$ 1,692,516</b>	<b>13%</b>
Building & Facility Repair	\$ 207,050	\$ 176,084	\$ (30,966)	-15%
Depreciation	584,042	596,946	12,904	2%
Freight	35,339	43,752	8,413	24%
Fuel	2,985,700	2,997,739	12,039	0%
I/C Disposal	35,228,329	35,901,929	673,600	2%
I/C Processing	33,173,118	33,429,665	256,547	1%
Lease	9,682,327	9,540,470	(141,857)	-1%
Liability Insurance	3,146,501	3,477,342	330,841	11%
Licenses & Permits	1,334,356	1,309,458	(24,898)	-2%
O/S Disposal	25,294	43,574	18,280	72%
O/S Equipment Rental	258,731	226,225	(32,506)	-13%
Parts	1,714,728	1,684,817	(29,911)	-2%
Outside Property Rental	499,875	470,345	(29,530)	-6%
Repairs & Maintenance	985,216	931,229	(53,987)	-5%
Supplies	1,696,880	1,510,576	(186,304)	-11%
Tires & Tubes	399,330	357,029	(42,301)	-11%
Utilities	344,307	335,269	(9,038)	-3%
<b>Total Operating</b>	<b>\$ 92,301,123</b>	<b>\$ 93,032,449</b>	<b>\$ 731,326</b>	<b>1%</b>
Contract Services	\$ 75,165	\$ 139,962	\$ 64,797	86%
Other	1,645,717	1,609,706	(36,011)	-2%
<b>Total Other</b>	<b>\$ 1,720,882</b>	<b>\$ 1,749,668</b>	<b>\$ 28,786</b>	<b>2%</b>
<b>Total Expenses</b>	<b>\$ 188,826,091</b>	<b>\$ 189,541,561</b>	<b>\$ 715,470</b>	<b>0%</b>

\*As of March 31, 2026, there are 678 employees.

\*\*Includes expenses for unregulated activity, these are removed in Table 4(B) for purposes of calculating the rate-related Operating Ratio.

**Table 4(B)**  
**Total Expenses Subject to Rate**  
**Recology Sunset Scavenger and Recology Golden Gate**  
**October 2025 - March 2026**

Item Description	Regulated and Unregulated Projection	Less Unregulated Projection	Regulated Projection - Rate	Regulated and Unregulated Actual	Less Unregulated Actual	Regulated Actual - Rate	\$ Variance - Rate	Percentage Variance - Rate
Business Taxes	\$ 3,245,429	\$ (76,203)	\$ 3,169,226	\$ 4,367,812	\$ (117,071)	\$ 4,250,741	\$ 1,081,514	34%
Disposal	35,228,329	(2,703,115)	32,525,214	35,901,929	(2,686,734)	33,215,195	689,982	2%
Processing	33,173,118	(2,545,416)	30,627,702	33,429,665	(2,501,721)	30,927,944	300,243	1%
Licenses & Permits	1,334,356	(31,331)	1,303,025	1,309,458	(35,098)	1,274,360	(28,665)	-2%
OR Eligible Expenses	115,844,859	(3,548,957)	112,295,902	114,532,697	(3,760,017)	110,772,680	(1,523,222)	-1%
<b>Total Expenses</b>	<b>\$ 188,826,091</b>	<b>\$ (8,905,022)</b>	<b>\$ 179,921,069</b>	<b>\$ 189,541,561</b>	<b>\$ (9,100,640)</b>	<b>\$ 180,440,921</b>	<b>\$ 519,852</b>	<b>0%</b>

**Table 5(A)**  
**Total Expenses**  
**Recology San Francisco**  
**October 2025 - March 2026**

Item Description	Regulated and Unregulated Projection	Regulated and Unregulated Actual	\$ Variance	Percentage Variance
Payroll	\$ 26,626,076	\$ 26,365,108	\$ (260,968)	-1%
Payroll Taxes	2,023,403	1,990,282	(33,121)	-2%
Pension	2,398,179	2,463,623	65,444	3%
Health Insurance	8,336,602	7,657,588	(679,014)	-8%
Workers Compensation	2,179,640	2,028,441	(151,199)	-7%
<b>Total Payroll &amp; Related</b>	<b>\$ 41,563,900</b>	<b>\$ 40,505,042</b>	<b>\$ (1,058,858)</b>	<b>-3%</b>
Corporate Allocations	\$ 318,725	\$ 173,683	\$ (145,042)	-46%
Bad Debt	64,346	63,310	(1,036)	-2%
Office	118,286	130,758	12,472	11%
Postage	5,794	3,213	(2,581)	-45%
Professional Services	564,052	526,972	(37,080)	-7%
Repairs & Maintenance	480,388	405,000	(75,388)	-16%
Security & Janitorial	641,314	673,574	32,260	5%
Property Taxes	848,549	871,847	23,298	3%
Business Taxes	1,511,081	681,633	(829,448)	-55%
Telephone	174,105	88,354	(85,751)	-49%
<b>Total Administrative</b>	<b>\$ 4,726,640</b>	<b>\$ 3,618,344</b>	<b>\$ (1,108,296)</b>	<b>-23%</b>
Bridge Tolls	\$ 456,667	\$ 457,468	\$ 801	0%
Building & Facility Repair	699,751	541,437	(158,314)	-23%
Depreciation	1,723,801	1,616,894	(106,907)	-6%
Amortization of ZWI Funding For Capital Expenditures	(683,381)	(711,025)	(27,644)	4%
Freight	1,021,393	812,610	(208,783)	-20%
Fuel	1,939,385	1,756,499	(182,886)	-9%
I/C Processing & Disposal	13,994,413	14,956,665	962,252	7%
Lease	2,422,598	2,019,970	(402,628)	-17%
Liability Insurance	1,102,895	1,285,960	183,065	17%
Licenses & Permits	2,563,764	2,585,101	21,337	1%
O/S Disposal	656,419	791,695	135,276	21%
O/S Equipment Rental	414,006	263,530	(150,476)	-36%
Parts	1,392,843	1,427,343	34,500	2%
Outside Property Rental	2,443,768	2,448,823	5,055	0%
Intercompany Property Rental	1,033,167	1,087,351	54,184	5%
Supplies	1,240,948	1,284,852	43,904	4%
Tires & Tubes	171,608	179,071	7,463	4%
Utilities	1,410,902	1,662,163	251,261	18%
<b>Total Operating</b>	<b>\$ 34,004,947</b>	<b>\$ 34,466,407</b>	<b>\$ 461,460</b>	<b>1%</b>
Contract Services	\$ 70,081	\$ 105,317	\$ 35,236	50%
Other	393,728	354,669	(39,059)	-10%
<b>Total Other</b>	<b>\$ 463,809</b>	<b>\$ 459,986</b>	<b>\$ (3,823)</b>	<b>-1%</b>
<b>Total Expenses</b>	<b>\$ 80,759,296</b>	<b>\$ 79,049,779</b>	<b>\$ (1,709,517)</b>	<b>-2%</b>

\*As of March 31, 2026, there are 382 employees.

\*\*As of March 31, 2026, \$59,344 in costs for the seismic study and facility modernization of Tunnel & Beatty are excluded because these are reimbursed through the Impound Account and therefore not part of rate reporting.

\*\*\*Includes expenses for unregulated activity, these are removed in Table 5(B) for purposes of calculating the rate-related Operating Ratio.

**Table 5(B)**  
**Total Expenses Subject to Rate**  
**Recology San Francisco**  
**October 2025 - March 2026**

Item Description	Regulated and Unregulated Projection	Less Unregulated Projection	Regulated Projection - Rate	Regulated and Unregulated Actual	Less Unregulated Actual	Regulated Actual - Rate	\$ Variance - Rate	Percentage Variance - Rate
Business Taxes	\$ 1,511,081	\$ -	\$ 1,511,081	\$ 681,633	\$ -	\$ 681,633	\$ (829,448)	-55%
I/C Processing & Disposal	13,994,413	-	13,994,413	14,956,665	-	14,956,665	962,252	7%
Licenses & Permits	2,563,764	-	2,563,764	2,585,101	-	2,585,101	21,337	1%
OR Eligible Expenses	62,690,038	(467,564)	62,222,474	60,826,380	(178,776)	60,647,604	(1,574,869)	-3%
<b>Total Expenses</b>	<b>\$ 80,759,296</b>	<b>\$ (467,564)</b>	<b>\$ 80,291,732</b>	<b>\$ 79,049,779</b>	<b>\$ (178,776)</b>	<b>\$ 78,871,003</b>	<b>\$ (1,420,728)</b>	<b>-2%</b>

**Table 6**  
**Statement of Operating Ratios and Profit Margin Subject to Rates**  
**Recology Sunset Scavenger and Recology Golden Gate**  
**October 2025 - March 2026**

		Crosswalk	Regulated Projection - Rate	Regulated Actual - Rate	\$ Variance - Rate	Percentage Variance - Rate
<b>SOURCES</b>	Residential	See Table 1	\$ 56,936,853	\$ 57,410,943	\$ 474,090	1%
	Apartment	See Table 1	46,332,048	47,171,406	839,358	2%
	Commercial	See Table 1	82,993,806	83,179,108	185,302	0%
	Commercial Compactors	See Table 1	13,055,989	13,004,306	(51,683)	0%
	Debris Box	See Table 1	1,083,760	1,261,511	177,751	16%
	<b>Total Revenue from Ratepayers</b>		<b>\$ 200,402,456</b>	<b>\$ 202,027,274</b>	<b>\$ 1,624,818</b>	<b>1%</b>
	CalRecycle	See Table 1	\$ 263,636	\$ -	\$ (263,636)	-100%
	Miscellaneous Income	See Table 1	204,278	174,159	(30,119)	-15%
	Interest Income	See Table 1	154,259	111,250	(43,009)	-28%
	2022 Notional Balancing Account Amortization	See Table 1	142,434	142,434	-	0%
	Impound Account Amortization	See Table 1	197,688	213,803	16,115	8%
	Programmatic Reserve Amortization	See Table 1	1,147,277	1,197,808	50,531	4%
	Zero Waste Capital Reserve Amortization	See Table 1	1,819,909	1,882,899	62,990	3%
	<b>Total Non Ratepayer Rate Revenue</b>		<b>\$ 3,929,481</b>	<b>\$ 3,722,353</b>	<b>\$ (207,128)</b>	<b>-5%</b>
<b>Total Rate Related Revenue</b>		<b>\$ 204,331,937</b>	<b>\$ 205,749,627</b>	<b>\$ 1,417,690</b>	<b>1%</b>	
<b>(a) Total Sources for OR Calculation</b>		<b>\$ 204,331,937</b>	<b>\$ 205,749,627</b>	<b>\$ 1,417,690</b>	<b>1%</b>	
<b>USES</b>	Impound Account Funding (Not OR Eligible)	See Table 1	\$ 13,287,175	\$ 13,175,943	\$ (111,232)	-1%
	Programmatic Reserve Funding (Not OR Eligible)	See Table 1	25,000	25,000	-	0%
	Business Taxes (Not OR Eligible)	See Table 4(B)	3,169,226	4,250,741	1,081,514	34%
	Disposal (Not OR Eligible)	See Table 4(B)	32,525,214	33,215,195	689,982	2%
	Processing (Not OR Eligible)	See Table 4(B)	30,627,702	30,927,944	300,243	1%
	Licenses & Permits (Not OR Eligible)	See Table 4(B)	1,303,025	1,274,360	(28,665)	-2%
	<b>(b) OR Eligible Expenses</b>	See Table 4(B)	<b>112,295,902</b>	<b>110,772,680</b>	<b>(1,523,222)</b>	<b>-1%</b>
<b>(c) Total Uses</b>		<b>\$ 193,233,244</b>	<b>\$ 193,641,864</b>	<b>\$ 408,620</b>	<b>0%</b>	
<b>(d) NET PROFIT = (a) less (c)</b>		<b>\$ 11,098,693</b>	<b>\$ 12,107,763</b>	<b>\$ 1,009,070</b>	<b>9%</b>	
<b>OPERATING RATIO ON PROFIT ELIGIBLE EXPENSES</b> = 100% less ((d) divided by ((b) plus (d)))			<b>91.0%</b>	<b>90.1%</b>		
<b>OPERATING RATIO ON ALL EXPENSES</b> = 100% less ((d) divided by ((c) plus (d)))			<b>94.6%</b>	<b>94.1%</b>		
<b>PROFIT MARGIN ON ALL EXPENSES</b> = (d) divided by (a)			<b>5.4%</b>	<b>5.9%</b>		

**Table 7**  
**Statement of Operating Ratios and Profit Margin Subject to Rates**  
**Recology San Francisco**  
**October 2025 - March 2026**

		Crosswalk	Projection	Actual	\$ Variance	Percentage Variance
<b>SOURCES</b>	Tipping Fee Revenue	See Table 2	\$ 75,714,777	\$ 75,953,758	\$ 238,981	0%
	Net Recycling Revenue	See Table 2	9,402,936	10,531,117	1,128,181	12%
	Other Revenue	See Table 2	1,327,153	1,294,461	(32,692)	-2%
	<b>Revenue</b>		<b>\$ 86,444,866</b>	<b>\$ 87,779,336</b>	<b>\$ 1,334,470</b>	<b>2%</b>
	<b>(a) Total Sources</b>		<b>\$ 86,444,866</b>	<b>\$ 87,779,336</b>	<b>\$ 1,334,470</b>	<b>2%</b>
<b>USES</b>	Business Taxes (Not OR Eligible)	See Table 5(B)	\$ 1,511,081	\$ 681,633	\$ (829,448)	-55%
	I/C Processing & Disposal (Not OR Eligible)	See Table 5(B)	13,994,413	14,956,665	962,252	7%
	Licenses & Permits (Not OR Eligible)	See Table 5(B)	2,563,764	2,585,101	21,337	1%
	<b>(b) OR Eligible Expenses</b>	See Table 5(B)	<b>62,222,474</b>	<b>60,647,604</b>	<b>(1,574,869)</b>	<b>-3%</b>
	<b>(c) Total Uses</b>		<b>\$ 80,291,732</b>	<b>\$ 78,871,003</b>	<b>\$ (1,420,728)</b>	<b>-2%</b>
<b>(d) NET PROFIT = (a) less (c)</b>			<b>\$ 6,153,134</b>	<b>\$ 8,908,333</b>	<b>\$ 2,755,198</b>	<b>45%</b>
<b>OPERATING RATIO ON PROFIT ELIGIBLE EXPENSES</b> = 100% less ((d) divided by ((b) plus (d)))			<b>91.0%</b>	<b>87.2%</b>		
<b>OPERATING RATIO ON ALL EXPENSES</b> = 100% less ((d) divided by ((c) plus (d)))			<b>92.9%</b>	<b>89.9%</b>		
<b>PROFIT MARGIN ON ALL EXPENSES</b> = (d) divided by (a)			<b>7.1%</b>	<b>10.1%</b>		

**Table 8**  
**Statement of Operating Ratios and Profit Margin Subject to Rates**  
**Combined San Francisco Companies**  
**October 2025 - March 2026**

	Crosswalk	Projection	Actual	\$ Variance	Percentage Variance
RSS & RGG OR Eligible Expenses	See Table 6	\$ 112,295,902	\$ 110,772,680	\$ (1,523,222)	-1%
RSF OR Eligible Expenses	See Table 7	62,222,474	60,647,604	(1,574,869)	-3%
<b>(b) Combined Recology OR Eligible Expenses</b>		<b>\$ 174,518,376</b>	<b>\$ 171,420,285</b>	<b>\$ (3,098,091)</b>	<b>-2%</b>
RSS & RGG Total Uses	See Table 6	\$ 193,233,244	\$ 193,641,864	\$ 408,620	0%
RSF Total Uses	See Table 7	80,291,732	78,871,003	(1,420,728)	-2%
<b>(c) Combined Recology Total Uses</b>		<b>\$ 273,524,976</b>	<b>\$ 272,512,867</b>	<b>\$ (1,012,108)</b>	<b>0%</b>
RSS & RGG Net Profit	See Table 6	\$ 11,098,693	\$ 12,107,763	\$ 1,009,070	9%
RSF Net Profit	See Table 7	6,153,134	8,908,333	2,755,198	45%
<b>(d) Combined Recology Net Profit</b>		<b>\$ 17,251,827</b>	<b>\$ 21,016,096</b>	<b>\$ 3,764,268</b>	<b>22%</b>
<b>COMBINED OPERATING RATIO ON PROFIT ELIGIBLE EXPENSES</b> = 100% less ((d) divided by ((b) plus (d)))		<b>91.0%</b>	<b>89.1%</b>		
<b>COMBINED OPERATING RATIO ON ALL EXPENSES</b> = 100% less ((d) divided by ((c) plus (d)))		<b>94.1%</b>	<b>92.8%</b>		
<b>PROFIT MARGIN ON ALL EXPENSES</b> = (d) divided by ((c) plus (d))		<b>5.9%</b>	<b>7.2%</b>		

<b>Above/Below Target Profit Calculation</b>	
Combined Recology Actual Net Profit	<b>\$ 21,016,096</b>
Target Profit ((b) divided by 91% less (b))	16,953,655
100% of Above/Below Target Surplus (Shortfall)	<b>\$ 4,062,441</b>

**Table 9**  
**Amortization of ZWI Funds for Capital Expenditures**  
**Recology San Francisco**  
**October 2025 - March 2026**

<b>Capital Expenditure Project</b>	<b>ZWI Funds Received</b>	<b>Date Received</b>	<b>Amortization Start Date</b>	<b>ZWI Funds to be Amortized</b>	<b>Cumulative Amortization End of Prior Rate Year</b>	<b>Amortization in Current Report</b>	<b>Cumulative Amortization as of this Report</b>	<b>Remaining Balance</b>
Improvements for Pier 96 - RY14	\$ 2,621,225	2/10/2016	10/1/2016	\$ 2,621,225	\$ (2,621,225)	\$ -	\$ (2,621,225)	\$ -
Improvements for Pier 96 - RY15	3,157,691	2/10/2016	10/1/2016	3,157,691	(3,157,691)	-	(3,157,691)	-
Improvements for Pier 96 - RY16	3,200,551	9/21/2016	10/1/2016	3,200,551	(3,200,551)	-	(3,200,551)	-
Recycle Central Improvement - 2017	3,247,569	9/29/2017	10/1/2016	2,152,069	(2,152,069)	-	(2,152,069)	-
Recycle Central Improvement - 2017			10/1/2017	1,095,500	(1,027,051)	(25,289)	(1,052,340)	43,160
Pier 96 Upgrade Project	2,927,507	11/19/2019	10/1/2019	2,927,507	(1,680,887)	(146,045)	(1,826,932)	1,100,575
Pier 96 Baler Project	437,776	3/31/2020	4/1/2020	437,776	(240,449)	(21,859)	(262,308)	175,468
Tunnel Ave iMRF Upgrade Project	391,174	6/30/2020	10/1/2020	391,174	(239,099)	(24,932)	(264,031)	127,143
Tunnel Ave iMRF Upgrade Project	1,699,530	6/30/2020	10/1/2020	1,699,530	(1,038,815)	(108,324)	(1,147,139)	552,391
Tunnel Ave iMRF Upgrade Project	527,966	7/17/2020	10/1/2020	527,966	(322,713)	(33,651)	(356,364)	171,602
Tunnel Ave iMRF Upgrade Project	1,610,589	9/30/2020	10/1/2020	1,610,589	(984,451)	(102,655)	(1,087,106)	523,483
Tunnel Ave iMRF Upgrade Project	3,895,174	11/30/2020	10/1/2020	3,895,174	(2,380,872)	(248,270)	(2,629,142)	1,266,032
<b>Total</b>	<b>\$ 23,716,752</b>			<b>\$ 23,716,752</b>	<b>\$ (19,045,873)</b>	<b>\$ (711,025)</b>	<b>\$ (19,756,898)</b>	<b>\$ 3,959,854</b>

\*Funds were released from the ZWI account to offset the cost of capital expenditures incurred by Recology San Francisco.

\*\*The funds received are being amortized and recorded as negative expenses in Table 5 over the same period as the related capital expenditure project assets.

**Table 10**  
**Programmatic Reserve**  
**Recology Sunset Scavenger and Recology Golden Gate**  
**October 2025 - March 2026**

	<b>Actual</b>
Beginning Balance 10/1/2025	\$ 2,390,975
Funding	25,000
Disbursement	(2,407,355)
Interest	16,619
<b>Ending Balance 3/31/2026</b>	<b>\$ 25,239</b>

**Table 11**  
**Zero Waste Capital Reserve**  
**Recology San Francisco**  
**October 2025 - March 2026**

	<b>Actual</b>
Beginning Balance 10/1/2025	\$ 3,758,454
Disbursements	(3,784,153)
Interest	25,699
<b>Ending Balance 3/31/2026</b>	<b>\$ -</b>

**APPENDIX A**  
**Combined San Francisco Companies**  
**Bank Account Details**

Deposits, Disbursements and Balances for RY2026 Q2

**Table A-1**

<b>Bank Account Details</b>	<b>Reserve Fund</b>	<b>Impound</b>	<b>Programmatic Reserve</b>	<b>Zero Waste Capital Reserve</b>
Beginning Balance 10/1/2025	\$ 11,403,114	\$ 425,402	\$ 2,390,975	\$ 3,758,454
Deposits	-	13,235,288	25,000	-
Disbursements	-	(13,668,404)	(2,407,355)	(3,784,153)
Interest	210,087	11,376	16,619	25,699
Administrative Fees	(3,650)	-	-	-
<b>Ending Balance 03/31/2026</b>	<b>\$ 11,609,551</b>	<b>\$ 3,662</b>	<b>\$ 25,239</b>	<b>\$ -</b>

*\*Includes amounts approved through the rate-setting process to offset rates for RY2026*

Interest for RY2026 Q2

**Table A-2**

<b>Interest</b>	<b>Reserve Fund</b>	<b>Impound</b>	<b>Programmatic Reserve</b>	<b>Zero Waste Capital Reserve</b>
Oct-25	\$ 38,365	\$ 2,825	\$ 8,184	\$ 12,857
Nov-25	35,912	5,982	6,951	10,893
Dec-25	35,607	636	1,252	1,949
Jan-26	34,660	636	21	-
Feb-26	31,194	636	29	-
Mar-26	34,349	661	182	-
<b>Total</b>	<b>\$ 210,087</b>	<b>\$ 11,376</b>	<b>\$ 16,619</b>	<b>\$ 25,699</b>

Administrative Fees for RY2026 Q2

**Table A-3**

<b>Administrative Fees</b>	<b>Reserve Fund</b>	<b>Impound</b>	<b>Programmatic Reserve</b>	<b>Zero Waste Capital Reserve</b>
Oct-25	\$ 610	\$ -	\$ -	\$ -
Nov-25	616	-	-	-
Dec-25	610	-	-	-
Jan-26	611	-	-	-
Feb-26	626	-	-	-
Mar-26	577	-	-	-
<b>Total</b>	<b>\$ 3,650</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Impound**

Deposit Detail for RY2026 Q2

**Table A-4**

<b>Deposit Detail</b>	<b>Total Deposit Amount</b>
Oct-25	\$ 2,214,529
Nov-25	2,214,529
Dec-25	2,214,529
Jan-26	2,191,858
Feb-26	2,187,368
Mar-26	2,212,475
<b>Total</b>	<b>\$ 13,235,288</b>

**Impound**

Disbursements for RY2026 Q2

**Table A-5**

<b>Payee</b>	<b>Date</b>	<b>ACH #</b>	<b>Total Disbursements</b>
City & County of San Francisco	10/23/2025	ACHPY13930652	\$ 2,214,529
City & County of San Francisco	11/24/2025	ACHPY14267052	2,214,529
City & County of San Francisco	12/23/2025	ACHPY14637587	2,214,529
City & County of San Francisco	1/23/2026	ACHPY15140371	2,191,858
City & County of San Francisco	2/23/2026	ACHPY15623765	2,187,369
City & County of San Francisco	3/23/2026	ACHPY16089593	2,212,474
<b>Total</b>			<b>\$ 13,235,288</b>

\*Impound disbursements allocated as follows:

San Francisco Environment Department - \$1,095,047 per month.

San Francisco Department of Public Works - \$1,042,499 per month.

Refuse Rate Administrator's Office - \$76,983 per month.

**Programmatic Reserve**

Deposit Detail for RY2026 Q2

**Table A-6**

<b>Deposit Detail</b>	<b>Total Deposit Amount</b>
Oct-25	\$ 4,167
Nov-25	4,167
Dec-25	4,167
Jan-26	4,167
Feb-26	4,167
Mar-26	4,165
<b>Total</b>	<b>\$ 25,000</b>

**APPENDIX B**  
**2022 Notional Balancing Account**  
**Combined San Francisco Companies**  
**As of March 31, 2026**

	<b>6 months ending 3/31/2026</b>
Beginning notional balancing account balance as of October 1, 2024	\$ 1,424,341
Amortization - RY2025	(284,868)
Amortization - RY2026 Year to Date	(142,434)
Ending notional balancing account balance as of March 31, 2026	<u>\$ 997,039</u>

**Notes:**

[1] Per the 2024 Rate Order, the 2022 Notional Balancing Account balance will be applied to offset rates, evenly distributed across five years, between RY2025 and RY2029.

**APPENDIX C**  
**2024 - 2025 Rate Order Notional Balancing Account**  
**Combined San Francisco Companies**  
**As of March 31, 2026**

	<b>6 months ending 3/31/2026</b>
<b><u>RY2024</u></b>	
50% of Above/Below Target Surplus (Shortfall) - RY2024	\$ (1,932,951)
Notional Interest since Inception	(61,558)
Ending notional balancing account balance as of March 31, 2026	<u>\$ (1,994,509)</u>
<b><u>RY2025</u></b>	
50% of Above/Below Target Surplus (Shortfall) - RY2025	\$ (7,057,118)
Notional Interest since Inception	(154,686)
Ending notional balancing account balance as of March 31, 2026	<u>\$ (7,211,804)</u>
<b>Total ending notional balancing account balance as of March 31, 2026</b>	<b><u>\$ (9,206,313)</u></b>

**APPENDIX D**  
**2026 - 2028 Rate Order Notional Balancing Account**  
**Combined San Francisco Companies**  
**As of March 31, 2026**

**6 months**  
**ending**  
**3/31/2026**

**RY2026**

100% of Above/Below Target Surplus (Shortfall)	\$ 4,062,441
Notional Interest for RY2026	<u>20,382</u>
Ending notional balancing account balance as of March 31, 2026	<u>\$ 4,082,823</u>

**APPENDIX E**  
**Non-Profit Disclosures**  
**Combined San Francisco Companies**  
**As of March 31, 2026**

*\*\*Refer to the Non-Profit Disclosure attachment\*\**

**APPENDIX F**  
**Contact Disclosures**  
**Combined San Francisco Companies**  
**As of March 31, 2026**

*\*\*No contacts to disclose\*\**