

Preserving the environment through integrated recovery and disposal.

MEMORANDUM

TO: Authority Board of Directors
FROM: William A. Rabbia, Executive Director
Joseph M. Artessa, Comptroller
DATE: August 4, 2023
RE: Second Quarter Financial Reports – 2023

Enclosed for your review and comment are the Authority's Balance Sheet and Income Statement for the six months ended June 30, 2023. Also enclosed is the Authority's Investment Report for the six months ended June 30, 2023. The Investment Report provides a format that details the quarterly activity of all Authority cash accounts and investments.

The financial report is broken down into two separate components:

- Authority operations
- Local community systems (Utica, Ilion, Mohawk, Dolgeville, Herkimer, Frankfort)

The Authority's overall operations have generated an operating surplus for the first six months of \$901,203. The Authority's operations (exclusive of City of Utica and Villages) have generated an operating surplus for the first six months of \$750,754. This is a decrease of \$1,367,200 in comparison to 2022 first six-month results. In 2022, the Authority realized extraordinary tonnage from multiple projects including NYS Remediation projects and the Environmental Protection Agency cleanup at the Charlestown Complex.

The Authority has generated \$11,379,935 of revenues for the first six months of 2023. This is 50.89% of the 2023 budgeted revenues and represents a decrease of \$1,292,297 from 2022 first six-month revenues. System Tipping Fees and Sales of Recyclables are the revenue lines that have decreased in comparison to 2022. System Tip Fees are \$1,045,004 less than 2022 and Sales of Recyclables revenue is \$766,636 less than 2022 through the first six months. Please refer to Summary Chart #1.

The overall material received by the Authority in the first six months of 2023 decreased from 2022. Overall material received in first six months of 2023 was 144,861 tons compared to 181,327 tons for 2022. The percentage of material received compared to the budgeted tonnage was 49.34% for 2023 compared to 63.16% for 2022. Please refer to Summary Chart #2. Please note, June 2022 was the beginning of the Environmental Protection Agency cleanup at the Charlestown Complex. This project was a major reason for the decline in tonnage of material received in the second quarter of 2023.

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THE AUTHORITY:



MEMORANDUM

August 4, 2023

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Authority expenses for the six months of 2023 are \$10,629,181. This is an increase of \$74,903 or .71% in comparison to 2022 second quarter. Most expense items are conforming to 2023 budget expectations.

The following are expense highlights:

- Contracted services increased by \$160,490 from first six months of 2022. The reason for the increase in contracted services from 2022 to 2023 is the additional cost for the City of Utica Collection contract.
- Depreciation increased \$194,285 from 2022 due to additional equipment purchased.
- Disposal fees decreased by \$34,142 for first six months in comparison to 2022. The decrease is due to less waste received from the villages.

In addition to the Authority's operating budget, we are also responsible for the solid waste systems of the City of Utica and Villages of Ilion, Frankfort, Mohawk, Herkimer, and Dolgeville. Each of these systems uses a pay-as-you-go system incorporating service fees, toters, and bag systems to pay for collection and disposal expenses. Each municipality is accounted for separately in order to ensure revenues/expenses are charged according to the respective community. Please refer to Summary Chart #3.

The Authority pays close attention to the financial condition of each community. It is the responsibility of each community to set fees to cover expenses and any annual shortfalls. The Authority also conducts a semi-annual audit of all toters in each community to ensure residents are billed for appropriate services.

WAR/JMA/

Enclosures

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SUMMARY CHART #1

Revenue	2023 Budget	2023 6 mo. Actual	% of Revenue Received
System Tip Fees	\$16,196,300	\$8,578,221	52.96%
Sale of Recyclables	\$2,556,000	\$912,774	35.71%
Out of County Recyclables	\$875,700	\$435,600	49.74%
Interest Earnings	\$750,000	\$578,430	77.12%
Carbon Credits	\$595,000	\$297,500	50.00%
Sale of Landfill Gas	\$320,000	\$145,303	45.41%
State Grants	\$190,000	\$50,000	26.32%
Miscellaneous	\$877,000	\$382,107	43.57%
Total	\$22,360,000	\$11,379,935	50.89%

Revenue	2022 Budget	2022 6 mo. Actual	% of Revenue Received
System Tip Fees	\$15,981,300	\$9,623,225	60.22%
Sale of Recyclables	\$2,641,000	\$1,679,410	63.59%
Out of County Recyclables	\$890,000	\$404,589	45.46%
Interest Earnings	\$340,700	\$5,494	1.61%
Carbon Credits	\$540,000	\$270,000	50.00%
Sale of Landfill Gas	\$320,000	\$161,382	50.43%
State Grants	\$215,000	\$65,000	30.23%
Miscellaneous	\$953,000	\$463,132	48.60%
Total	\$21,881,000	\$12,672,232	57.91%

SUMMARY CHART #2

Waste Class	2023 Projected Tons	2023 6-Months Actual Tons	% of Tons Received
Municipal Solid Waste	159,000	82,533	51.91%
Construction & Demolition	51,600	30,012	58.16%
Alt. Daily Cover	40,000	7,804	19.51%
Sludge	24,000	11,407	47.53%
Local Solid Waste	7,000	3,423	48.90%
Asbestos	4,500	4,579	101.75%
Direct Haul Special Waste	3,000	2,577	85.91%
Source Separated Organics	4,500	2,527	56.15%
Total	293,600	144,861	49.34%

Waste Class	2022 Projected Tons	2022 6-Months Actual Tons	% of Tons Received
Municipal Solid Waste	157,500	80,881	51.35%
Construction & Demolition	51,600	31,825	61.68%
Alt. Daily Cover	35,000	40,712	116.32%
Sludge	24,000	11,400	47.50%
Local Solid Waste	7,000	3,378	48.26%
Asbestos	4,500	8,400	186.66%
Direct Haul Special Waste	3,000	2,735	91.17%
Source Separated Organics	4,500	1,996	44.35%
Total	287,100	181,327	63.16%

SUMMARY CHART #3

Community	2023 Revenue-6 mo.	2023 Expenses-6 mo.	Surplus/ Deficit
Utica	\$2,344,815	\$2,218,818	\$125,997
Ilion	\$315,858	\$293,696	\$22,162
Frankfort	\$90,945	\$81,193	\$9,752
Mohawk	\$101,863	\$101,253	\$610
Herkimer	\$246,767	\$265,082	(\$18,315) #
Dolgeville	\$80,332	\$70,090	\$10,242
Total	\$3,180,580	\$3,030,131	\$150,449

Community	2022 Revenue-6 mo.	2022 Expenses-6 mo.	Surplus/ Deficit
Utica	\$2,262,325	\$2,354,968	(\$92,643) *
Ilion	\$302,739	\$279,762	\$22,977
Frankfort	\$88,435	\$81,151	\$7,284
Mohawk	\$103,742	\$94,550	\$9,192
Herkimer	\$256,511	\$237,053	\$19,458
Dolgeville	\$80,043	\$69,328	\$10,715
Total	\$3,093,795	\$3,116,812	(\$23,017) *

#- Represents \$32,980 request from Village of Herkimer from Prior Years Reserves

*- Represents \$230,396 request from City of Utica from Prior Years Reserves

VILLAGE OF ILION

DATE	32	64	95	TOTALS
1/15/2023	394	632	172	1198
2/15/2023	389	628	169	1186
3/15/2023	390	630	174	1194
4/15/2023	393	636	181	1210
5/15/2023	393	633	177	1203
6/15/2023	397	635	179	1211
				0
				0
				0
				0
				0
				0
				0

VILLAGE OF MOHAWK

DATE	32	64	95	TOTALS
1/15/2023	127	216	41	384
2/15/2023	129	212	42	383
3/15/2023	128	215	43	386
4/15/2023	128	216	42	386
5/15/2023	127	216	43	386
6/15/2023	127	219	45	391
				0
				0
				0
				0
				0
				0
				0

VILLAGE OF DOLGEVILLE

DATE	32	64	95	TOTALS
1/15/2023	135	156	45	336
2/15/2023	133	156	41	330
3/15/2023	134	158	44	336
4/15/2023	134	159	45	338
5/15/2023	134	156	47	337
6/15/2023	134	159	48	341
				0
				0
				0
				0
				0
				0

VILLAGE OF HERKIMER

DATE	32	64	95	TOTALS
1/15/2023	446	615	173	1234
2/15/2023	442	604	171	1217
3/15/2023	440	608	172	1220
4/15/2023	448	617	173	1238
5/15/2023	447	610	170	1227
6/15/2023	448	624	169	1241
				0
				0
				0
				0
				0
				0

VILLAGE TOTALS

Month	Total Totes
JANUARY	3556
FEBRUARY	3517
MARCH	3541
APRIL	3578
MAY	3548
JUNE	3592
JULY	0
AUGUST	0
SEPTEMBER	0
OCTOBER	0
NOVEMBER	0
DECEMBER	0

VILLAGE OF FRANKFORT

DATE	32	64	95	TOTAL
1/15/2023	144	196	64	404
2/15/2023	141	198	62	401
3/15/2023	140	200	65	405
4/15/2023	139	205	62	406
5/15/2023	136	201	58	395
6/15/2023	140	209	59	408
				0
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				0
				0
				0
				0

Oneida-Herkimer Solid Waste Authority
Comparative Consolidated Balance Sheet
For the 6 Months Ended June 30,

	<u>2023</u>	<u>2022</u>
<u>Assets</u>		
<u>Current Assets</u>		
Cash	\$ 6,882,963	\$ 9,595,901
Investments	26,599,537	25,848,301
Accounts Receivable	4,308,417	4,604,448
Interest Receivable	165,605	260,173
Prepaid Expenses	686,908	757,530
Deferred Outflows- Pension/Contributions	2,862,737	3,847,301
	-----	-----
Total Current Assets	41,506,167	44,913,654
<u>Restricted Assets</u>		
Cash- Landfill Closure Funds	4,011,053	3,989,785
Cash and Investments	11,288,426	6,544,573
	-----	-----
Total Restricted Assets	15,299,479	10,534,358
<u>Other Assets</u>		
Net Pension Asset	1,186,531	
Property, Plant & Equipment	48,705,041	48,591,312
	-----	-----
Total Other Assets	49,891,572	48,591,312
Total Assets	\$ 106,697,218	\$ 104,039,324
	=====	=====
<u>Liabilities And Equity</u>		
<u>Current Liabilities</u>		
Accounts Payable and Accrued Liabilities	\$ 1,912,705	\$ 2,255,207
Accrued Interest Payable	53,805	65,433
Deferred Revenue	2,206,324	1,918,296
	-----	-----
Total Current Liabilities	4,172,834	4,238,936
<u>Long Term Liabilities</u>		
Revenue Bonds Payable	7,572,593	9,307,593
Revenue Bonds Premium	0	0
Accrued Landfill Closure Costs	3,986,251	4,022,000
Accrued Postemployment Benefits- GASB 75	2,489,738	3,018,721
Deferred Inflows- Pension	957,446	646,208
Net Pension Liability	4,039,565	4,196,913
	-----	-----
Total Long Term Liabilities	19,045,593	21,191,435
<u>Equity</u>		
Retained Earnings - Current Year	901,203	2,094,937
Retained Earnings - Prior Year	82,577,588	76,514,016
	-----	-----
Total Retained Earnings	83,478,791	78,608,953
Total Liabilities	23,218,427	25,430,371
Total Liabilities and Equities	\$ 106,697,218	\$ 104,039,324
	=====	=====

Oneida-Herkimer Solid Waste Authority
Comparative Consolidated Income Statement
For the 6 Months Ended June 30,

	2022 Actual	2023 Actual	2023 Budget	1
Income And Expenses				
Operating Revenue				
Tip Fee Revenue	\$ 9,623,225	\$ 8,578,221	\$ 8,098,150	
Service Charge & Toter Revenue	1,709,438	1,798,193	1,854,536	
Sale of Refuse Bags	1,339,510	1,333,144	1,425,389	
Recyclable Sales	1,679,410	912,774	1,278,000	
Landfill Gas	161,382	145,303	160,000	
Tipping Fees/Recyclables	404,589	435,600	437,850	
Sale of Carbon Credits	270,000	297,500	297,500	
Misc. Operating Revenue	419,681	339,779	384,550	
Solar Array	86,880	90,015	82,500	
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***Total Operating Revenue	15,694,115	13,930,529	14,018,475	
Operating Expenses				
Salaries, Wages, and Benefits	\$ 3,661,567	\$ 3,603,585	\$ 4,142,798	
Contractual Services	3,475,253	3,635,743	3,858,918	
Depreciation & Amortization	2,414,664	2,608,949		
Disposal Fees	1,125,371	1,091,229	1,172,475	
Other Operating Expense	727,152	897,773	872,855	
Materials & Supplies	1,319,618	1,157,136	1,372,725	
Utilities	164,127	159,999	176,950	
Repairs & Maintenance	144,461	112,068	142,000	
Insurance	129,361	141,926	159,246	
Other Rental	43,700	53,550	44,562	
Solar Array	38,703	37,990	41,250	
Budgetary Contingency/Capital Projects	116,989	56,353	1,568,355	
	-----	-----	-----	
*** Total Operating Expenses	13,360,965	13,556,301	13,552,134	
Non-Operating Revenue & (Expense)				
Interest Income	6,912	579,986	377,025	
Interest Expense	(79,728)	(70,031)	(938,366)	2
Trustee Fees & Arbitrage Rebate	0	0	0	
Operating Grants	65,000	50,000	95,000	
	-----	-----	-----	
*** Total Non-Operating Revenue & (Expenses)	(7,816)	559,955	(466,341)	
Change In Net Assets	2,325,334	934,183	(0)	
Net Assets, Beginning of Year	76,514,016	82,577,589		
Return of Prior Years Surplus	(230,396)	(32,980)	3	
Net Assets, End of Quarter	\$ 78,839,350	\$ 83,478,791	-----	
	=====	=====	=====	

1- Represents 50% of annual budget.

2- Principal payments on Debt are included in budget.

Principal payments are not expensed and are not part of actual results. Principal payments offset Bond Liability.

3- Village of Herkimer requested prior year surplus.

ONEIDA-HERKIMER SOLID WASTE AUTHORITY QUARTERLY INVESTMENT REPORT

This Investment Report covers the second quarter of 2023. This report is prepared in conformance with Section 10.2 of the Authority Bylaws.

The investments associated with unexpended bond proceeds and debt service requirements are held by our Trustee. These investments include treasury bonds and treasury bills. In addition, the Authority invested in certificates of deposit (CD). Each CD is FDIC insured and the rates range from .20% to 4.95% with maturities in 2023, 2024, and 2025. The rate on the remaining unexpended cash balances is 5.00%. See Schedule A for a full review of the quarterly activity.

The Authority also maintains several bank accounts and certificates of deposit with the Bank of Utica. These funds account for the deposit and disbursement of operating monies of the Authority. The individual accounts are FDIC insured up to \$250,000. The Authority also purchases CDs based upon cash flow needs. In the current interest rate environment, we are able to get a small percentage increase in our return by investing in United States Treasury Notes. The Bank of Utica provides us with a monthly collateral listing of pledged government securities in our name that exceed the insured value of our bank accounts and CDs.

In addition, the Authority is required to maintain closure accounts for the Ash Landfill and the Regional Landfill. The closure accounts are held by Trustees on behalf of the Authority. The securities/cash in these accounts are primarily government securities and certificates of deposit. See Schedule B for a full review of the quarterly activity.

For the second quarter of 2023, the Authority did not pay any broker for investment advice.

Schedule A

Acct #	Fund	Balance as 04/01/2023	Deposits	Interest	Withdrawals	Ending Balance 6/30/2023	Interest Rate
157383	DSRF-06	\$2,027,362	\$0	\$23,141	\$23,111	\$2,027,391	2.270%
157385	DSF-06	\$1,968,140	\$489,611	\$9,406	\$1,781,650	\$685,508	Note 1
657173	BRIF	\$3,142,132	\$0	\$23,543	\$0	\$3,165,675	Note 1
	Total	\$7,137,634	\$489,611	\$56,089	\$1,804,761	\$5,878,574	

1 Interest varies depending upon purchase of US Treasuries/Bonds and month end valuations.

Schedule B

Fund	Balance as 4/1/2023	Deposits/ CD or Treasury maturities/ Transfers	Interest/ Market Return	Withdrawals/CD purchases/ Transfers out/ Market Return	Ending Balance 6/30/2023	Interest Rate
Revenue	\$4,887,671	\$6,763,966	\$953	(\$7,652,447)	\$4,000,143	0.100%
Revenue-CD'S	\$7,125,127	\$0	\$90,015	(\$1,060,155)	\$6,154,987	.80%-3.95%
RBC- US Treasury Notes/CD	\$19,622,300	\$899,108	\$129,238	(\$259,249)	\$20,391,397	.375%-5.25% 2
Operating	\$385,653	\$6,737,815	\$137	(\$6,468,914)	\$654,691	0.100%
Utica	\$776,035	\$2,648,659	\$371	(\$1,139,783)	\$2,285,283	0.100%
Utica-CD	\$188,020	\$0	\$526	\$0	\$188,546	3.699%
Ilion	\$203,838	\$164,734	\$44	(\$152,910)	\$215,706	0.100%
RLF Liner Ext	\$561,231	\$400,000	\$1,787	(\$807,276)	\$155,742	1.500%
RLF Liner Ext- RBC-US Treasury Notes/ CD's	\$4,444,793	\$1,800,000	\$47,570	(\$1,007,663)	\$5,284,700	2.373%-5.15% 2
ALF Closure	\$418,715	\$0	\$0	(\$1,794)	\$416,921	1
RLF Closure	\$3,578,635	\$0	\$15,497	\$0	\$3,594,132	1
Total	\$42,192,018	\$19,414,281	\$286,139	(\$18,550,190)	\$43,342,249	

1 Interest varies depending upon purchase of US Treasuries/Bonds and month end valuations.

2 For Marketable Certificates of Deposit/ US Treasury Notes, until investment reaches Maturity the investment is recorded on books at market value. As long as investment is held to maturity, the face amount of said investment will be realized.