The Authority
ONEIDA-HERKIMER SOLID WASTE AUTHORITY

Financial Report

December 31, 2022 and 2021

Oneida-Herkimer
Solid Waste Management Authority

Financial Report

December 31, 2022 and 2021

C O N T E N T S

Independent Auditor's Report

Board of Directors
Oneida-Herkimer Solid Waste Management Authority
Utica, New York

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Oneida-Herkimer Solid Waste Management Authority (Authority), a component unit of the County of Oneida, New York, as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31, 2022 and 2021, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the authority's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis (MD&A) on pages 4 to 13, the schedules of proportionate share of the net pension liability on page 40, local government pension contributions on page 41, and other postemployment benefits liability on page 42 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Required Supplementary Information - Continued

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 2023, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

BST+Co.CPAs, LLP

Albany, New York
March 8, 2023

The Authority
ONEIDA-HERKIMER SOLID WASTE AUTHORITY
30 YEARS OF SERVICE

1600 Genesee Street, Utica, New York 13502
T 315.733.1224 | F 315.733.2305
ohswa.org

Preserving the environment through integrated recovery and disposal.

Management's Discussion and Analysis

December 31, 2022, and 2021

Introduction

On behalf of the Oneida-Herkimer Solid Waste Management Authority (the Authority), I am pleased to submit this 2022 Annual Financial Report developed in compliance with accounting standards generally accepted in the United States of America. This year marked the 34th anniversary since the formation of the Authority.

2022 was another excellent year for the Authority. The Authority remains financially stable and strong, ending 2022 with a positive change in net position of $6,063,570. One driver in the year's positive return was the EPA demolition of the Charlestown Complex located in Utica, NY. The Authority received 29,481 tons of direct haul asbestos. Furthermore, development in Oneida and Herkimer Counties continues to provide tonnage growth for the Authority.

In 2022, the Authority paid down principal on the only debt issue in the amount of $1,690,000. The remaining principal of $9,307,593 will be paid in full by April 1, 2026.

The recycling markets in 2022 contracted in comparison to 2021. For 2022, the Authority earned $2,630,836 in recycling sales which was a decline of $724,923 from 2021. The Authority continues to accept Oneida-Herkimer recyclables at no charge.

The Authority realized $501,311 in landfill gas revenue through a Landfill Gas Purchase Agreement with Waste Management Renewable Energy (WMRE) in 2022. The landfill gas revenue realized was $184,024 more than 2021. The increased landfill gas revenue included $176,255 in electricity sales revenue sharing with WMRE which is triggered when the electricity sales price exceeds an agreed upon price. In 2022, the Authority realized revenue through this sharing agreement for the first time in many years.

2022 marked the third full year of operation of the Authority's Food2Energy Facility. This Facility allows us to accept bagged and packaged non-edible food waste and divert it from disposal at the Regional Landfill. The Facility produces an organic slurry which is used to generate electricity at Oneida County's Wastewater Treatment Facility. The Facility opened and became fully operational in June 2019. In 2022, the Facility accepted and diverted 4,575 tons of organic food waste from the landfill. This was an increase from 2021 of 753 tons or 19.7%.

I am proud of the accomplishments and arduous work from the employees and my fellow colleagues on the Authority Board. While we continue to manage the region's waste and recyclables in a safe, reliable, and efficient manner, I invite you to review this summary of our operations, and feel free to call anytime.

Kenneth A. Long
Chairman

Authority Profile

The Oneida-Herkimer Solid Waste Management Authority (Authority) was created by the State Legislature at the request of the two Counties by passage of Article 8, Title 13-FF of the New York Public Authority Law on September 1, 1988. The Authority is authorized to provide waste management services and to develop appropriate solid waste management facilities for the benefit of Oneida and Herkimer Counties.

The Authority has developed a comprehensive, integrated system of facilities to serve all the residents, businesses, industries, and institutions of Oneida and Herkimer Counties.

The Authority's 2022 budget was $27.8 million and covered expenses for disposal of waste, recycling, household hazardous waste, composting, public education, administration, collection of waste, and recyclables in the City of Utica and Villages of Ilion, Frankfort, Herkimer, Mohawk, and Dolgeville, capital purchases, operations, maintenance, and debt service. The Authority currently owns ten operational solid waste management facilities and one closed facility. These facilities are as follows: an administration facility, a recycling center, three solid waste transfer stations, a source separated organics processing facility, a green waste composting facility, a land clearing debris facility, a household hazardous waste facility, and a regional landfill; and a closed ash landfill.

The Authority's revenue structure is primarily a fee for service system. A system tip fee is charged for all non-recyclable waste delivered to the Authority to cover the majority of expenses in the Authority budget. The Authority receives the remaining revenue from other sources, such as investments, sale of recyclables, grants, sale of carbon credits, sale of landfill gas, and other user fees. The Authority receives no funds from the Counties.

Name	Business Affiliation
Kenneth A. Long, Chairman	Retired Business Manager of Central Valley Central School District and former Herkimer County Legislator
Vincent J. Bono, Vice Chairman *Vice Chairman, Audit Committee* *Vice Chair, Finance Committee*	Partner in Bono Brothers LLC, Property Management Group; Chairman of the Herkimer County Legislature; and Chairman of the Herkimer County Industrial Development Agency
Harry A. Hertline, Treasurer *Chairman, Finance Committee* *Chairman, Audit Committee*	Korean War Air Force Veteran, Retired GE Unit Contract Manager, and former Minority Leader Oneida County Board of Legislators
Neil C. Angell *Audit Committee* *Finance Committee*	Town of Verona Dairy Farmer and former Oneida County Legislator; and former Member of the Agricultural Economic Development Committee
James M. D'Onofrio *Chair- FOIL Appeals Committee*	President of Arlott Office Products and Member of the Oneida County Board of Legislators
James A. Franco *FOIL Appeals Committee*	Retired DPW Superintendent, Village of Herkimer

Authority Profile - Continued

Name	Business Affiliation
Barbara Freeman *Chair, Governance Committee* *FOIL Appeals Committee*	Retired Teacher; Member, Village and Town of Boonville Environmental Councils
Nancy Novak *Governance Committee*	Manager Safety & Regulatory Compliance at Bonide Products, Inc.; Member, Mohawk Valley Environmental Information Exchange and Mohawk Valley Safety Professional Consortium; and Co-leader, Girl Scouts USA
Richard G. Redmond	Senior Vice President of Facility Operations for Mohawk Valley Garden and Decorated Retired Major, U.S. Army
James Williams *Governance Committee*	Retired from the United States Postal Service; Vietnam War Army Veteran; and Member of the Ava Town Planning Board

Responsibility and Controls

The Authority has prepared and is responsible for the financial statements and related information included in this report. A system of internal accounting controls is maintained to provide reasonable assurance that assets are safeguarded and that the books and records reflect only authorized transactions. Limitations exist in any system of internal controls. However, based on recognition that the cost of the system should not exceed its benefits, management believes its system of internal accounting controls maintains an appropriate cost/benefit relationship.

The Authority's system of internal accounting controls is evaluated on an ongoing basis by the Authority's financial staff. Independent external auditors also consider certain elements of the internal control system in order to determine their auditing procedures for the purpose of expressing an opinion on the financial statements, but not for the purposes of expressing an opinion on internal control over financial reporting.

The Finance Committee of the Authority Board of Directors is composed of three members of the Board who are not employees and who provide a broad overview of management's financial reporting and control functions. This Committee meets regularly with management to discuss financial issues.

The Audit Committee of the Authority Board of Directors is composed of three members of the Board who are not employees and who have responsibilities, including the hiring of the independent auditor, the compensation to be paid to the auditing firm, and to meet with the independent auditor regarding the Authority's annual audit.

Audit Assurance

Since the Authority has been established, we have received an unmodified opinion with each annual independent audit commonly referred to as a clean opinion. The current unmodified opinion from our auditors, BST & Co. CPAs, LLP, is included in this report.

Financial Highlights

This section of the report presents management's discussion and analysis of the Authority's financial position as of December 31, 2022 and 2021, and other significant pertinent financial information.

The 2022 financial report continues to reflect the strong operating results of the Authority. The Authority has increased its net position by $6.06 million and $6.44 million for the years ended December 31, 2022 and 2021, respectively. This was the result of several factors including:

- Overall revenues increased $911,147 or 2.99% in comparison to 2021.

- The Authority's tipping fee revenues exceeded budget by $5,145,413. The Authority exceeded budget expectations for direct haul special waste, asbestos, source separated organics, municipal solid waste, and C&D material.

- The Authority earned $2,630,836 in recycling sales during 2022, which was $724,923 less than 2021. The decline is attributed to declines in market values of recyclable materials.

- The Authority sold Landfill Gas and shared in a Power Purchase Agreement, per its contract with Waste Management Renewable Energy, and generated $501,311 in revenue.

- The Authority sold carbon credits resulting in $808,970 of revenue during 2022.

- In 2022, the Authority processed recyclables for Oswego, Lewis, and Fulton Counties. The Authority earned $841,230 in processing fees.

- Interest expense decreased by $105,681 from 2021, resulting from scheduled debt principal payments and the redemption of the 2011 Revenue Bond issue.

- The Authority also funded reserves for landfill equipment in the amount of $800,000 for 2022 and for the extension of the landfill liner in the amount of $1,600,000.

- The Authority, once again, fully funded its closure and post-closure funds for the Ash Landfill and Regional Landfill.

Financial Analysis

The statements of net position and statements of revenues, expenses, and changes in net position and other selected information provide information to management for analysis and planning. These two statements report the Authority's net position and changes in net position.

Financial Analysis - Continued

Table A-1
Condensed Statements of Net Position

	December 31,				
	2022	2022 vs. 2021	2021	2021 vs. 2020	2020
ASSETS AND DEFERRED OUTFLOWS					
Current assets	$ 45,681,966	13.64%	$ 40,197,341	-1.19%	$ 40,682,557
Noncurrent assets	57,469,991	-1.15%	58,140,696	0.15%	58,052,973
Total assets	103,151,957		98,338,037		98,735,530
Deferred outflows	2,988,065	-24.87%	3,977,305	22.89%	3,236,520
Total assets and deferred outflows	**$ 106,140,022**		**$ 102,315,342**		**$ 101,972,050**
LIABILITIES, DEFERRED INFLOWS, AND NET POSITION					
Current liabilities	$ 4,292,204	-4.74%	$ 4,505,640	-12.19%	$ 5,131,191
Long-term liabilities	14,584,456	-11.89%	16,553,168	-34.25%	25,175,469
Total liabilities	18,876,660	-10.36%	21,058,808	-30.51%	30,306,660
Deferred inflows	4,685,773	-1.20%	4,742,515	198.31%	1,589,790
Net investment in capital assets	42,997,453		42,976,217		36,232,425
Net position, restricted	1,079,223		1,183,323		1,380,923
Net position, unrestricted	38,500,913		32,354,479		32,462,252
Total net position	82,577,589	7.92%	76,514,019	9.19%	70,075,600
Total liabilities, deferred inflows, and net position	**$ 106,140,022**	**3.74%**	**$ 102,315,342**	**0.34%**	**$ 101,972,050**

Total assets have increased $4.4 million since 2020, and long-term liabilities have decreased approximately 42.1% during the same period principally due to early redemption of the 2007 and 2011 bond issues and scheduled payments on the Authority's long-term bonds.

Total net position has grown $12.5 million since the end of 2020 as a result of favorable operations of the Landfill, consistent waste tonnage, diversification of revenues, and a tight control over Authority expenses.

Table A-2
Condensed Statements of Revenues, Expenses, and Changes in Net Position

	Years Ended December 31,				
	2022	2022 vs. 2021	2021	2021 vs. 2020	2020
Operating revenue	$ 31,292,169	9.02%	$ 28,702,612	0.47%	$ 28,567,702
Nonoperating revenue	140,855	-92.26%	1,819,265	104.14%	891,188
Total revenues	31,433,024	2.99%	30,521,877	3.61%	29,458,890
Depreciation expense	4,908,165	6.12%	4,625,287	2.91%	4,494,626
Other operating expense	20,300,584	5.78%	19,191,785	3.09%	18,616,233
Nonoperating expense	160,705	-39.67%	266,386	-46.58%	498,624
Total expenses	25,369,454	5.34%	24,083,458	2.01%	23,609,483
Change in net position	**6,063,570**	**-5.82%**	**6,438,419**	**10.07%**	**5,849,407**
NET POSITION, ***beginning of year***	76,514,019	9.19%	70,075,600	9.11%	64,226,193
NET POSITION, ***end of year***	**$ 82,577,589**		**$ 76,514,019**		**$ 70,075,600**

Financial Analysis - Continued

The Authority's overall revenues increased 2.99% or $911,147 from 2021. The Authority's overall expenses increased 5.34% or $1,285,996 from 2021, due in part to record high inflation experienced across the country.

Budgetary Highlights

The Authority Board of Directors adopts an annual operating budget and a five-year capital plan after thorough review by the Audit and Finance Committee of the Authority Board and a public hearing. Management periodically reviews the budget and informs the Board and Finance Committee if it becomes apparent that the budget as adopted is not in line with actual revenue and expenditures. Variations from the budget are dealt with through budget transfers or amendments. Transfer amounts under $5,000 are approved by the Treasurer of the Board. Those in excess of $5,000 are approved by resolution of the full Board.

The 2022 and 2021 budgets are compared to actual results in Table A-3.

Table A-3
Condensed Statement of Revenues, Expenses, and Changes in Net Position vs. Budget

	Year Ended December 31, 2022		
	Actual	Amended Budget	$ Change
Operating revenue	$ 31,292,169	$ 23,709,800	$ 7,582,369
Nonoperating revenue	140,855	821,900	(681,045)
Total revenues	31,433,024	24,531,700	6,901,324
Operating expenses			
Salaries, wages and benefits	6,767,587	8,032,428	(1,264,841)
Contractual services	7,112,747	7,115,054	(2,307)
Materials and supplies	2,566,128	1,839,610	726,518
Utilities	307,170	318,350	(11,180)
Repairs and maintenance	305,007	246,500	58,507
Host community benefits	730,466	732,000	(1,534)
Leachate disposal	741,362	-	741,362
Insurance	259,440	261,324	(1,884)
Depreciation	4,908,165	-	4,908,165
Change in post-closure accrual estimate	255,831	-	255,831
Debt service	-	1,850,777	(1,850,777)
Capital Projects	-	1,359,000	(1,359,000)
Reserves	-	2,400,000	(2,400,000)
Contingency	-	328,401	(328,401)
Bad debts	217,283	216,066	1,217
Other operating expense	1,037,563	634,150	403,413
Nonoperating expense - interest	160,705	-	160,705
Total expenses	25,369,454	25,333,660	35,794
Change in net position	**$ 6,063,570**	**$ (801,960)**	**$ 6,865,530**

Budgetary Highlights - Continued

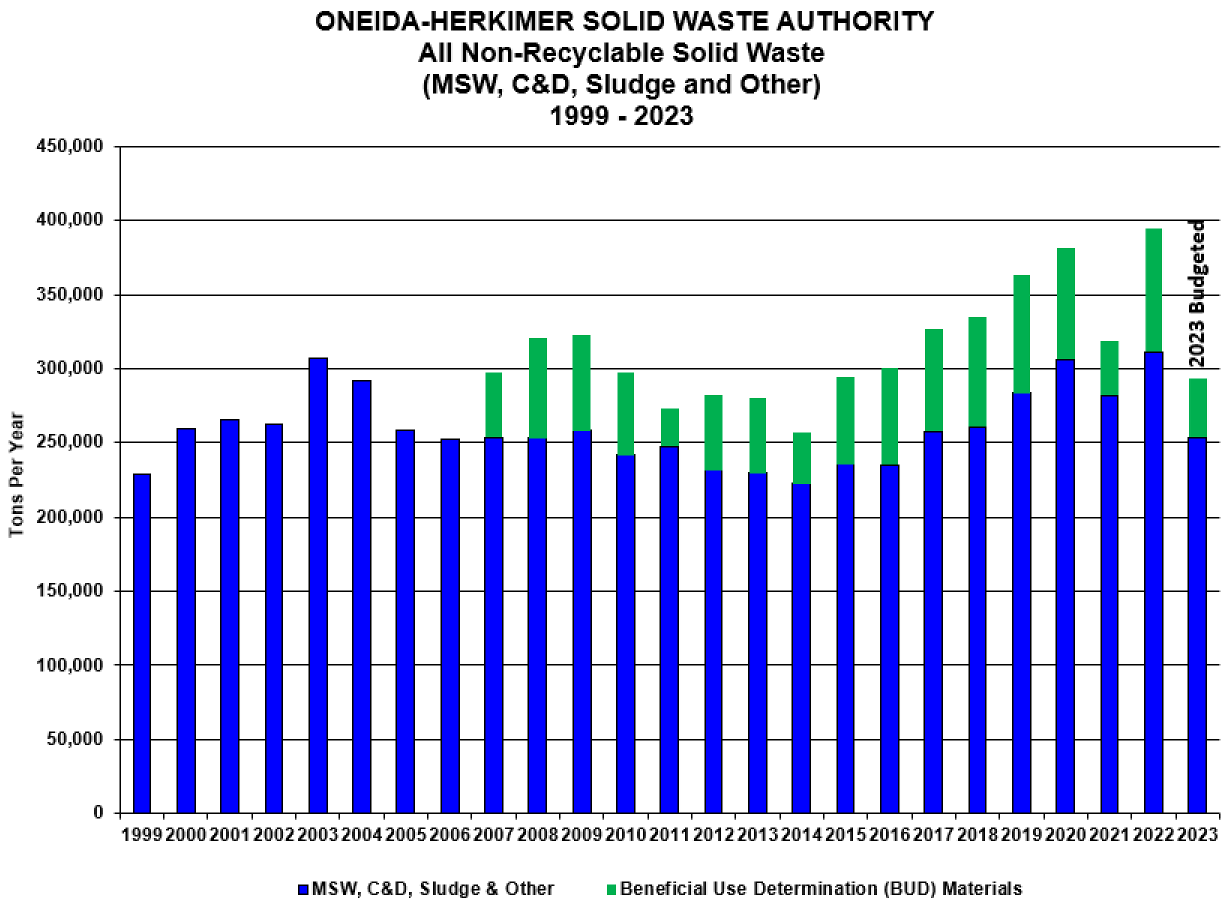
Table A-3
Condensed Statement of Revenues, Expenses, and Changes in Net Position vs. Budget

	Year Ended December 31, 2021		
	Actual	Amended Budget	$ Change
Operating revenue	$ 28,702,612	$ 23,709,800	$ 4,992,812
Nonoperating revenue	1,819,265	821,900	997,365
Total revenues	30,521,877	24,531,700	5,990,177
Operating expenses			
Salaries, wages and benefits	7,076,247	7,721,981	(645,734)
Contractual services	7,355,618	7,164,400	191,218
Materials and supplies	1,440,851	1,580,941	(140,090)
Utilities	290,177	308,950	(18,773)
Repairs and maintenance	284,649	230,200	54,449
Host community benefits	737,749	724,000	13,749
Leachate disposal	627,812	-	627,812
Insurance	211,742	226,421	(14,679)
Depreciation	4,625,287	-	4,625,287
Change in post-closure accrual estimate	136,125	-	136,125
Debt service	-	2,877,369	(2,877,369)
Capital Projects	-	413,700	(413,700)
Reserves	-	2,400,000	(2,400,000)
Contingency		207,048	(207,048)
Bad debts	216,742	216,066	676
Other operating expense	814,073	460,624	353,449
Nonoperating expenses	266,386	-	266,386
Total expenses	24,083,458	24,531,700	(448,242)
Change in net position	**$ 6,438,419**	**$ -**	**$ 6,438,419**

To make an accurate comparison of actual expenditures to budget, the items discussed above, as well as principal payments on outstanding bonds, depreciation and amortization, and acquisition of capital assets, need to be adjusted to allow for comparison with the 2022 and 2021 amended budgets. These adjustments are as follows:

	Year Ended December 31,	
	2022	2021
Change in net position	$ 6,063,570	$ 6,438,419
Deduct: scheduled principal payments made on bonds	(1,690,000)	(1,645,000)
Add: depreciation expense	4,908,165	4,625,287
Deduct: acquisition of capital assets	(3,173,484)	(6,817,025)
Budget surplus	$ 6,108,251	$ 2,601,681

General Trends and Significant Events



Flow Control

United Haulers Assoc. Inc., et al. v. Oneida-Herkimer Solid Waste Management Authority, et al. - 95-CV-0516, U.S. Dist. Ct., N.D.N.Y., Mordue, J.

In 1995, the Authority and the Counties of Oneida and Herkimer were sued by six local waste hauling firms. They alleged, among other things, that the laws which require them to use specific facilities are in violation of the Commerce Clause of the U.S. Constitution. The laws are legislative acts of each of the Counties. Pursuant to certain Agreements made in May 1989 and December 1989 between the Authority and the Counties, the Authority is charged with the disposal of solid waste and recyclables in the Counties and with the administration of an integrated system of waste management in accordance with New York State law. The Local Laws operate to ensure the continuity of the integrated system.

During 2007, the case was finally and definitively decided.

The Oneida and Herkimer Counties Solid Waste Management Laws were upheld by the United States Supreme Court in a Decision issued April 30, 2007. The Decision written by Chief Justice John Roberts validates the integrated solid waste management system owned and operated by the Oneida-Herkimer Solid Waste Management Authority.

Flow Control - Continued

The Court recognized that local communities are entitled to develop the kinds of facilities and programs that meet their unique needs, and those local communities can set up a fee structure that encourages waste reduction, recycling, and detoxification.

Capital Assets

At the end of 2022 and 2021, the Authority had $47.7 million and $49.5 million, respectively, invested in capital assets, net of accumulated depreciation, as indicated in Table A-4.

Table A-4
Capital Assets

	December 31,				
	2022	2021 vs. 2020	2021	2020 vs. 2019	2019
Land	$ 3,393,056	0.00%	$ 3,393,056	0.00%	$ 3,393,056
Land improvements	50,203,026	0.77%	49,821,649	1.17%	49,246,106
Building and improvements	28,670,288	2.78%	27,896,112	0.83%	27,665,633
Machinery and equipment	13,140,545	6.35%	12,356,033	1.35%	12,191,029
Vehicles	11,729,031	10.37%	10,627,262	7.51%	9,885,291
Office equipment	374,070	0.00%	374,070	3.47%	361,508
	107,510,016	2.91%	104,468,182	1.68%	102,742,623
Less accumulated depreciation and amortization	66,124,848	7.26%	61,651,720	5.89%	58,221,498
Capital assets in service, net	41,385,168	-3.34%	42,816,462	-3.83%	44,521,125
Construction work in progress	6,309,685		6,639,309		2,756,630
Total capital assets, net	$ 47,694,853	-3.56%	$ 49,455,771	4.61%	$ 47,277,755

The Authority adopted a five-year capital plan with the passage of its annual budget. The five-year plan forecasts spending on capital projects between $2,712,000 and $7,725,000 per year. The funds for capital projects are covered by the system tipping fees and reserves.

Debt Administration

The Authority had $9,307,593 and $10,977,593 in outstanding Revenue Bonds at December 31, 2022 and 2021, respectively. Although Oneida and Herkimer Counties guarantee debt service payments in the event that the Authority defaults, the Authority is contractually obligated to set its rates to cover 100% of debt service and operating expenses. Since its inception, the Authority has always raised sufficient revenue to cover operating expenditures, capital purchases, and debt service payments. Because the United States Supreme Court affirmed the County laws and validated the Authority's system, and because the Authority has fostered an extensive working relationship with generators and haulers, and because the Authority has significantly diversified its operations, management is confident that revenues will continue to be sufficient to maintain the integrated solid waste system without assistance from either County. The Authority has never made a request of the Counties for a subsidy.

Final Comments

The preceding report summarizes the financial activity for the Authority during 2022 and 2021. The management and staff of the Authority are happy to answer any other questions that may arise after reviewing this report. We can be reached as follows:

Phone: (315)733-1224
7:30 AM - 5:00 PM
Website: www.ohswa.org

Management Staff

William A. Rabbia, Executive Director
Joshua J. Olbrys, Deputy Executive Director
Joseph M. Artessa, Comptroller
Pasquale A. Lisandrelli, Principal Accounting Supervisor
Andrew J. Opperman, Solid Waste Engineer

Oneida-Herkimer
Solid Waste Management Authority

Statements of Net Position

	December 31, 2022	December 31, 2021
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS		
Cash and cash equivalents	$ 8,957,871	$ 9,543,433
Investments	31,408,212	25,015,468
Receivables		
Trade, net	4,361,369	4,808,844
Accrued interest	200,732	272,861
Prepaid expenses and other assets	753,782	556,735
Total current assets	45,681,966	40,197,341
NON-CURRENT ASSETS		
Restricted assets		
Cash and cash equivalents	1,674,819	1,997,920
Investments	6,892,698	6,675,500
Accrued interest receivable	21,090	11,505
Net pension asset	1,186,531	-
Capital assets, net	47,694,853	49,455,771
Total non-current assets	57,469,991	58,140,696
DEFERRED OUTFLOWS OF RESOURCES	2,988,065	3,977,305
	$ 106,140,022	**$ 102,315,342**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		
CURRENT LIABILITIES		
Current installments of revenue bonds	$ 1,735,000	$ 1,690,000
Accounts payable and accrued liabilities	1,720,476	1,987,673
Accrued interest payable	30,424	31,746
Unearned revenue	806,304	796,221
Total current liabilities	4,292,204	4,505,640
LONG-TERM LIABILITIES		
Revenue bonds, less current installments	7,572,593	9,307,593
Accrued closure and post-closure costs	3,993,142	4,038,563
Net pension liability	-	14,354
Accrued postemployment benefits	3,018,721	3,192,658
Total long-term liabilities	14,584,456	16,553,168
Total liabilities	18,876,660	21,058,808
DEFERRED INFLOWS OF RESOURCES	4,685,773	4,742,515
NET POSITION		
Net investment in capital assets	42,997,453	42,976,217
Restricted	1,079,223	1,183,323
Unrestricted	38,500,913	32,354,479
Total net position	82,577,589	76,514,019
	$ 106,140,022	**$ 102,315,342**

See accompanying Notes to Financial Statements.

Oneida-Herkimer
Solid Waste Management Authority

Statements of Revenues, Expenses, and Changes In Net Position

	Years Ended December 31, 2022	2021
OPERATING REVENUES		
Tipping fees, net	$ 20,453,439	$ 17,473,052
Solid waste service charge, City of Utica	2,302,605	2,271,822
Refuse bag sales	2,623,507	2,844,415
Toter revenues	1,038,939	1,008,949
Recyclable sales	2,630,836	3,355,759
Carbon credit sales	808,970	590,538
Landfill gas sales	501,311	317,287
Miscellaneous	932,562	840,790
	31,292,169	28,702,612
OPERATING EXPENSES		
Salaries, wages and benefits	6,767,587	7,076,247
Contractual services	7,112,747	7,355,618
Materials and supplies	2,566,128	1,440,851
Utilities	307,170	290,177
Repairs and maintenance	305,007	284,649
Host community benefits	730,466	737,749
Leachate disposal	741,362	627,812
Insurance	259,440	211,742
Depreciation	4,908,165	4,625,287
Change in post-closure accrual estimate	255,831	136,125
Other	1,254,846	1,030,815
	25,208,749	23,817,072
Operating income	**6,083,420**	**4,885,540**
NONOPERATING REVENUES (EXPENSES)		
Investment (loss) income	(54,845)	524,382
Interest expense	(160,705)	(266,386)
Operating grants	195,700	1,294,883
	(19,850)	1,552,879
Change in net position	**6,063,570**	**6,438,419**
NET POSITION, ***beginning of year***	76,514,019	70,075,600
NET POSITION, ***end of year***	**$ 82,577,589**	**$ 76,514,019**

See accompanying Notes to Financial Statements.

Oneida-Herkimer
Solid Waste Management Authority

Statements of Cash Flows

	Years Ended December 31, 2022	2021
CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES		
Received from customers	$ 31,749,727	$ 26,677,837
Paid to suppliers and vendors	(14,192,465)	(12,697,882)
Paid to employees, including benefits	(7,209,911)	(6,836,503)
	10,347,351	**7,143,452**
CASH FLOWS PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES		
Payments of revenue bond principal	(1,690,000)	(6,595,000)
Interest paid	(162,027)	(341,843)
Proceeds from sale of capital assets	176,040	175,152
Acquisition of capital assets	(3,173,484)	(6,817,025)
Operating grants and other revenues	195,700	1,294,883
	(4,653,771)	**(12,283,833)**
CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES		
Interest received	759,217	567,776
Proceeds from investment maturities	15,161,783	13,233,786
Purchase of investments	(22,523,243)	(14,041,964)
	(6,602,243)	**(240,402)**
Net decrease in cash and cash equivalents	**(908,663)**	**(5,380,783)**
CASH AND CASH EQUIVALENTS, *beginning of year*	11,541,353	16,922,136
CASH AND CASH EQUIVALENTS, *end of year*	**$ 10,632,690**	**$ 11,541,353**
CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income	$ 6,083,420	$ 4,885,540
Adjustments to reconcile operating income to net cash provided (used) by operating activities		
Depreciation	4,908,165	4,625,287
Provision for bad debts	217,283	216,742
Gain on disposal of capital assets	(149,803)	(161,430)
Change in assets and liabilities		
Receivables	230,192	(2,241,517)
Prepaid expenses and other assets	(197,047)	(15,715)
Deferred outflows	989,240	(740,785)
Accounts payable and accrued liabilities	(267,197)	(495,040)
Unearned revenues	10,083	12,348
Deferred inflows	(56,742)	3,936,598
Accrued closure and post-closure costs	(45,421)	89,841
Net pension asset/liability	(1,200,885)	(3,783,031)
Accrued postemployment benefits	(173,937)	814,614
	$ 10,347,351	**$ 7,143,452**

See accompanying Notes to Financial Statements.

Note 1 - Organization and Summary of Significant Accounting Policies

a. Nature of Business

The Oneida-Herkimer Solid Waste Management Authority, a component unit of Oneida County, New York (Authority), was created September 1, 1988, as a public benefit corporation under New York State Public Authorities Law §2049, by the New York State Legislature with powers to construct, operate, and maintain solid waste management facilities for the benefit of Oneida and Herkimer Counties (the Counties).

The Authority owns and operates ten facilities, the Western Transfer Station (WTS), the Eastern Transfer Station (ETS), Materials Recovery Facility (MRF), Source Separated Organics Processing Facility (SSO), Green Waste Compost Site (GWC), Household Hazardous Waste Facility (HHW), the Webb Transfer Station, Regional Landfill Facility (RLF), the Land Clearing Debris Facility, Administration Building, and owns one closed facility, the Ash Landfill (ALF) (closed during 1998).

b. Basis of Accounting and Presentation of Financial Statements

The Authority's financial statements are prepared using the accrual basis in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

All activities of the Authority are accounted for within a single proprietary (enterprise) fund. Proprietary funds are used to account for operations that are: (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The accounting and financial reporting treatment applied to the Authority is determined by its measurement focus. The transactions of the Authority are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and deferred outflows, and liabilities and deferred inflows associated with the operations are included on the statements of net position.

Net position is classified as follows:

- Net investment in capital assets consists of capital assets, net of accumulated depreciation reduced by the net outstanding debt balances.

- Restricted net position has externally placed constraints on use.

- Unrestricted net position consists of assets and deferred outflows and liabilities and deferred inflows that do not meet the definition of "restricted net position" or "net investment in capital assets."

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

b. Basis of Accounting and Presentation of Financial Statements - *Continued*

Revenues are recognized when earned, and expenses are recognized when incurred. The Authority distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the disposal of solid waste. The principal operating revenues of the Authority are charges to customers for user services. Tipping fees are presented net of disposal fees incurred by the Authority in relation to the waste brought to the Authority's facilities. Disposal fees totaled $1,514,504 and $1,641,323 for the years ended December 31, 2022 and 2021, respectively. Operating expenses include the cost of personnel and contractual services, materials and supplies, utilities, change in post-closure accrual estimate, administrative expenses, depreciation on capital assets, and other costs related to solid waste administration. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

c. Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, and deferred inflows and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates.

d. Fair Value Measurement

The Authority reports certain assets at fair value, which is defined as the price that would be received to sell an asset in an orderly transaction between market participants on the measurement date.

e. Cash and Cash Equivalents

Cash and cash equivalents consist of cash deposits in banks and other short-term investments, whether unrestricted or restricted, with a maturity of three months or less from the date of purchase. Short-term investments consist of money market funds with underlying investments in obligations of the U.S. government and repurchase agreements.

Statutes authorize the Authority to maintain deposits with financial institutions and to invest in certificates of deposit, obligations of New York State, the United States Government, and its agencies, and repurchase agreements collateralized by U.S. obligations.

Cash deposits with financial institutions are either covered by the Federal Deposit Insurance Corporation (FDIC) or collateralized by securities held by the pledging bank's trust department in the Authority's name, or U.S. Government and/or federal agency securities held by the Trustee. Cash equivalents in money market funds and investments are held in the Authority's name by their custodian and, therefore, not subject to custodial risk.

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

f. Receivables, Net

Trade receivables are carried at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts on a periodic basis. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. The allowance for doubtful accounts was $263,101 and $262,546 at December 31, 2022 and 2021, respectively. Trade receivables are written off when deemed uncollectible. During 2022 and 2021, the Authority wrote off $217,283 and $216,742, respectively, of City of Utica user fees. Recoveries of trade receivables previously written off are recorded as a recovery of bad debt when received.

A trade receivable is considered to be past due if any portion of the receivable balance is outstanding for more than 30 days. Interest is charged on trade receivables that are outstanding for more than 30 days and is recognized as it is charged. After the receivable becomes past due, accrual of interest continues until the receivable is written off, or a payment agreement is reached with the customer.

g. Capital Assets, Net

Capital assets, net, are recorded at cost, except for contributed property and equipment, which are recorded at fair value. Expenditures for acquisitions, renewals, and betterments are capitalized, whereas maintenance and repair costs are expensed as incurred. The Authority uses a capitalization threshold of $5,000 to analyze expenditures for capitalization. When equipment is retired or otherwise disposed of, the appropriate accounts are relieved of costs and accumulated depreciation, and any resultant gain or loss is credited or charged to income.

Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated useful lives, using the straight-line method. The estimated useful lives used in determining depreciation are as follows:

Plant	20 years
Machinery and equipment	3 - 20 years
Vehicles	5 years
Land improvements	15 years
Regional landfill	10 - 50 years

Long-lived assets to be held and used are tested for recoverability whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the excess of the asset’s carrying amount over its fair value.

Constructed assets financed with the proceeds of tax-exempt debt (if those funds are externally restricted to finance the acquisitions of the asset or used to service the related debt) include capitalized interest to the extent that interest cost (including any related financing costs) over the asset construction period exceeds interest earned on related interest-bearing investments acquired with proceeds of the related tax-exempt borrowing.

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

h. Bond Issuance Costs, Deferred Inflows, and Deferred Outflows

Bond issuance costs, other than prepaid insurance costs, are expensed as incurred in the statements of revenues, expenses, and changes in net position.

Deferred outflows of resources are defined as a consumption of assets by the Authority that is applicable to a future reporting period. Deferred inflows of resources are defined as an acquisition of assets by the Authority that is applicable to a future reporting period. Deferred outflows of resources increase net position, similar to assets, and deferred inflows of resources decrease net position, similar to liabilities.

Deferred outflows and inflows include changes in assumptions related to the net pension asset/liability (Note 6) and post-employment benefits (Note 7).

The components of deferred outflows and inflows are as follows:

	December 31,	
	2022	2021
Deferred outflows of resources		
Net pension asset/liability related	$ 2,505,520	$ 3,364,756
Other post employment benefits related	482,545	612,549
	$ 2,988,065	$ 3,977,305
Deferred inflows of resources		
Net pension asset/liability related	$ 4,039,565	$ 4,182,559
Other post employment benefits related	646,208	559,956
	$ 4,685,773	$ 4,742,515

i. Unearned Revenues

Unearned revenues include billings in advance under contracts with the City of Utica and the Villages of Ilion, Frankfort, Herkimer, Mohawk, and Dolgeville (Note 8). Revenues are recognized as income in the period in which the related services are rendered. In the prior years, advance billings were presented as a component of deferred inflows of resources. The Authority has determined that these amounts are most accurately presented as unearned revenues within liabilities.

j. Accrued Closure and Post-Closure Monitoring Costs

The Authority maintains the Ash Landfill (ALF) which reached full capacity at December 31, 1996, and the Regional Landfill (RLF), which began operating in late 2006. Based upon engineering estimates and actual usage, the Regional Landfill has a useful life of over seventy years. The Authority complies with the landfill closure and post-closure regulations of the New York State Department of Environmental Conservation (NYSDEC). At December 31, 2022 and 2021, the Authority accrued $3,993,142 and $4,038,563, respectively, for estimated closure and post-closure costs. The costs include equipment, final cover and post closure monitoring and maintenance incurred near or after the date the Authority stops accepting waste. Due to changes in technology or changes in regulations, actual costs may be different from the current accrual.

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

j. Accrued Closure and Post-Closure Monitoring Costs - Continued

In compliance with NYSDEC requirements, $3,957,224 and $4,155,381 in certificates of deposit and U.S. Agency securities have been restricted by the Authority for this purpose at December 31, 2022 and 2021, respectively.

k. Tax Status

The Authority is exempt from federal, state, and local income taxes.

l. Subsequent Events

The Authority has evaluated subsequent events for potential recognition or disclosure through March 8, 2023 the date the financial statements were available to be issued.

Note 2 - Restricted Assets

In accordance with the terms of the Authority's bond indentures and requirements set by the NYSDEC, the use of certain Authority assets is restricted for specific purposes as summarized below:

	December 31, 2022	December 31, 2021
Debt Service Reserve Fund		
Contingency fund to be utilized in case of default	$ 2,027,361	$ 2,027,261
Construction Projects Fund and Bond Redemption and Improvement Fund		
Additional capital expenditures which may be incurred by the Authority	1,094,050	1,055,000
Other Funds		
Restricted - debt service	1,488,882	1,435,778
Restricted - closure and post-closure monitoring costs	3,957,224	4,155,381
Accrued interest on restricted assets	21,090	11,505
	$ 8,588,607	$ 8,684,925

Note 3 - Investments

Fair value of the Authority's investments and related maturities at December 31, 2022 and 2021 is as follows:

	December 31, 2022			
		Investment Maturities (in Years)		
Restricted Investments	Fair Value	Less than 1	1 to 5	6 to 10
U.S. Treasury Bond State and Local Government Series	$ 2,027,260	$ -	$ 2,027,260	$ -
Certificates of Deposit	4,480,626	969,633	3,510,993	-
Federal Agency Securities	384,812	48,012	202,311	134,489
	$ 6,892,698	$ 1,017,645	$ 5,740,564	$ 134,489
Unrestricted Investments				
Certificates of Deposit	$ 31,408,212	$ 8,623,996	$ 22,784,216	$ -

Note 3 - Investments - Continued

	December 31, 2021			
		Investment Maturities (in Years)		
Restricted Investments	Fair Value	Less than 1	1 to 5	6 to 10
U.S. Treasury Bond State and Local Government Series	$ 2,027,260	$ -	$ 2,027,260	$ -
Certificates of Deposit	4,195,980	634,403	3,561,577	-
Federal Agency Securities	452,260	19,988	223,230	209,042
	$ 6,675,500	$ 654,391	$ 5,812,067	$ 209,042
Unrestricted Investments				
Certificates of Deposit	$ 25,015,468	$ 18,099,581	$ 6,915,887	$ -

a. Credit Risk

All of the Authority's investment related deposits with financial institutions were either covered by FDIC insurance or fully collateralized by authorized investments of the pledging financial institution.

The Authority's investment policy limits investments to time deposit accounts, certificates of deposit, obligations of the United States of America, obligations guaranteed by the United States of America, obligations of the State of New York, obligations of certain municipalities, schools districts, or other district corporations, obligations of public authorities, public housing authorities, urban renewal agencies and industrial development agencies that are authorized by State statutes, certifications of participations, and investments with agencies of the Federal government. All of the Authority's investments had a credit rating AA or higher by major rating agencies.

b. Custodial Credit Risk

Investments are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held either by: (a) the counterparty; or (b) the counterparty's trust department or agent but not in the government's name. All of the Authority's investments are held under its name with the custodian.

c. Interest Rate Risk

The fair value of the Authority's fixed maturity investments fluctuates in response to changes in market interest rates. Fair values of interest rate-sensitive instruments may be affected by the creditworthiness of the issuer, prepayment options, the liquidity of the instrument, and other general market conditions. The Authority plans to hold its restricted investments to maturity, which minimizes the occurrence of loss on investments.

d. Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the Authority's investment in single issues. At December 31, 2022 and 2021, certificates of deposit held at four financial institutions accounted for approximately 93% and 92% of investments, respectively. No other issuer makes up more than 10% of the Authority's investment portfolio. All certificates of deposit are fully collateralized. Management of the Authority monitors the credit ratings associated with its underlying investments.

Note 3 - Investments - Continued

e. Fair Value of Financial Instruments

The framework for measuring fair value includes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1) and the lowest priority to unobservable inputs (Level 3).

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that the Authority has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets in active markets;
- Quoted prices for identical or similar assets in inactive markets;
- Inputs other than quoted prices that are observable for the asset;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset.

Level 3 Inputs to the valuation methodology are unobservable inputs and significant to the fair value measurement.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value at December 31, 2022 and 2021:

- Certificates of deposits: Valued under a discounted cash flows approach that maximizes observable inputs, such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks.
- Federal Agency Securities*:* Valued based on observable prices for the particular security, or when prices are not observable, the valuation is based on prices of comparable securities or the present value of expected future cash flows.
- U.S. Treasury Bond State and Local Government Series*:* The fair value is determined by the bond trustee and cost approximates fair value.

The methods described above may produce a fair value calculation that may not be reflective of future fair values. Furthermore, while the Authority believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Oneida-Herkimer
Solid Waste Management Authority

Notes to Financial Statements
December 31, 2022 and 2021

Note 3 - Investments - Continued

e. Fair Value of Financial Instruments - Continued

A summary of assets measured at fair value on a recurring basis is summarized below:

	December 31, 2022			
	Level 1	Level 2	Level 3	Total
Certificates of Deposit	$ -	$ 35,888,838	$ -	$ 35,888,838
Federal Agency Securities	-	384,812	-	384,812
U.S. Treasury Bond State and Local Government Series	-	2,027,260	-	2,027,260
Total investments	$ -	$ 38,300,910	$ -	$ 38,300,910

	December 31, 2021			
	Level 1	Level 2	Level 3	Total
Certificates of Deposit	$ -	$ 29,211,448	$ -	$ 29,211,448
Federal Agency Securities	-	452,260	-	452,260
U.S. Treasury Bond State and Local Government Series		2,027,260		2,027,260
Total investments	$ -	$ 31,690,968	$ -	$ 31,690,968

Note 4 - Capital Asset, Net

Capital assets, net, summarized by facility are as follows:

	December 31, 2022				
	MRF, GWC, and HHW	ETS and WTS	Regional Landfill	Other	Total
Capital assets not being depreciated					
Land	$ -	$ -	$ 2,996,086	$ 396,970	$ 3,393,056
Construction in progress	51,853	-	6,257,832	-	6,309,685
Total capital assets not being depreciated	51,853	-	9,253,918	396,970	9,702,741
Capital assets being depreciated					
Land improvements	897,813	731,836	48,520,317	53,060	50,203,026
Buildings and improvements	8,125,030	13,304,232	6,865,346	375,680	28,670,288
Equipment and machinery	9,868,424	1,741,338	1,411,519	119,264	13,140,545
Vehicles	1,988,331	2,146,256	6,856,276	738,168	11,729,031
Office equipment	39,130	20,908	81,512	232,520	374,070
	20,918,728	17,944,570	63,734,970	1,518,692	104,116,960
Less accumulated depreciation	14,370,204	11,236,625	39,181,700	1,336,319	66,124,848
Total capital assets being depreciated	6,548,524	6,707,945	24,553,270	182,373	37,992,112
Total capital assets, net	$ 6,600,377	$ 6,707,945	$ 33,807,188	$ 579,343	$ 47,694,853

Note 4 - Capital Asset, Net - Continued

	December 31, 2021				
	MRF, GWC, and HHW	ETS and WTS	Regional Landfill	Other	Total
Capital assets not being depreciated					
Land	$ -	$ -	$ 2,996,086	$ 396,970	$ 3,393,056
Construction in progress	665,613	-	5,973,696	-	6,639,309
Total capital assets not being depreciated	665,613	-	8,969,782	396,970	10,032,365
Capital assets being depreciated					
Land improvements	855,735	689,758	48,223,096	53,060	49,821,649
Buildings and improvements	8,069,445	12,661,878	6,848,139	316,650	27,896,112
Equipment and machinery	9,443,911	1,522,367	1,268,131	121,624	12,356,033
Vehicles	1,914,326	2,045,157	5,929,611	738,168	10,627,262
Office equipment	39,130	20,908	81,512	232,520	374,070
	20,322,547	16,940,068	62,350,489	1,462,022	101,075,126
Less accumulated depreciation	13,389,649	10,655,547	36,326,573	1,279,951	61,651,720
Total capital assets being depreciated	6,932,898	6,284,521	26,023,916	182,071	39,423,406
Total capital assets, net	$ 7,598,511	$ 6,284,521	$ 34,993,698	$ 579,041	$ 49,455,771

A summary of changes in the Authority's capital assets for the years ended December 31, 2022 and 2021 is as follows:

	Balance December 31, 2021	Additions	Retirements/ Disposals	Balance December 31, 2022
Capital assets not being depreciated				
Land	$ 3,393,056	$ -	$ -	$ 3,393,056
Construction in progress	6,639,309	572,971	(902,595)	6,309,685
Total capital assets not being depreciated	10,032,365	572,971	(902,595)	9,702,741
Capital assets being depreciated				
Land improvements	49,821,649	381,377	-	50,203,026
Buildings and improvements	27,896,112	774,176	-	28,670,288
Equipment and machinery	12,356,033	840,301	(55,789)	13,140,545
Vehicles	10,627,262	1,507,254	(405,485)	11,729,031
Office equipment	374,070	-	-	374,070
	101,075,126	3,503,108	(461,274)	104,116,960
Less accumulated depreciation	61,651,720	4,908,165	(435,037)	66,124,848
Total capital assets being depreciated	39,423,406	(1,405,057)	(26,237)	37,992,112
Total capital assets, net	$ 49,455,771	$ (832,086)	$ (928,832)	$ 47,694,853

Note 4 - Capital Asset, Net - Continued

	Balance December 31, 2020	Additions	Retirements/ Disposals	Balance December 31, 2021
Capital assets not being depreciated				
Land	$ 3,393,056	$ -	$ -	$ 3,393,056
Construction in progress	2,756,630	4,447,593	(564,914)	6,639,309
Total capital assets not being depreciated	6,149,686	4,447,593	(564,914)	10,032,365
Capital assets being depreciated				
Land improvements	49,246,106	575,543	-	49,821,649
Buildings and improvements	27,665,633	230,479	-	27,896,112
Equipment and machinery	12,191,029	251,566	(86,562)	12,356,033
Vehicles	9,885,291	1,864,196	(1,122,225)	10,627,262
Office equipment	361,508	12,562	-	374,070
	99,349,567	2,934,346	(1,208,787)	101,075,126
Less accumulated depreciation	58,221,498	4,625,287	(1,195,065)	61,651,720
Total capital assets being depreciated	41,128,069	(1,690,941)	(13,722)	39,423,406
Total capital assets, net	$ 47,277,755	$ 2,756,652	$ (578,636)	$ 49,455,771

Construction in progress principally relates to costs incurred to construct cells at the Authority's RLF, which remains in progress.

Note 5 - Revenue Bonds

A summary of changes in the Authority's revenue bonds is as follows:

	Balance December 31, 2020	Additions	Reductions	Balance December 31, 2021	Additions	Reductions	Balance December 31, 2022
2011 Revenue Bonds	$ 4,950,000	$ -	$ (4,950,000)	$ -	$ -	$ -	$ -
2015 EFC Revenue Bonds	12,642,593	-	(1,645,000)	10,997,593	-	(1,690,000)	9,307,593
	$ 17,592,593	$ -	$ (6,595,000)	$ 10,997,593	$ -	$ (1,690,000)	$ 9,307,593

Revenue bonds of the Authority are summarized as follows:

2011 Revenue Bonds

The 2011 revenue bonds were originally issued at $10,725,000 to finance the design, acquisition, and installation of a single-stream recyclables processing system. Bond proceeds were also used to fund the debt service reserve fund and to fund costs incurred in connection with the issuance. Interest was payable semi-annually at interest rates ranging from 4% to 5%. Principal was fully repaid in April 2021.

Note 5 - Revenue Bonds - Continued

2015 EFC Revenue Bonds

The New York State Environmental Facilities Corporation (EFC) State Clean Water and Drinking Water Revolving Funds Revenue Bonds were originally issued in 2006 at $33,396,675 to finance certain improvements to the Authority's landfill located in the Town of Ava, New York and to refinance certain outstanding indebtedness of the Authority. The bonds were refunded in 2015.

Principal installments range from $1,645,000 to $3,962,593 and are payable annually on April 1 through 2026. Interest is payable semi-annually at interest rates ranging from 4.54% to 4.77%, gross of subsidy credit and refunding benefit. The Authority receives a subsidy credit and a refunding benefit toward its annual debt service cost and is charged an annual administrative fee by EFC. The Authority received a subsidy credit of $182,382 and $220,068 for the years ended December 31, 2022 and 2021, respectively, and a refunding benefit of $160,988 and $163,815 for the years ended December 31, 2022 and 2021, respectively.

Certain assets and all revenues of the Authority are pledged as collateral for the bonds. In addition, the Counties guarantee debt service payments by means of the Solid Waste Management Agreement (Agreement) between the Authority and the Counties.

Future debt service payments required on Revenue Bonds are as follows:

	Principal	Interest *	Total
For the year ending December 31,			
2023	1,735,000	400,663	2,135,663
2024	1,780,000	317,900	2,097,900
2025	1,830,000	232,429	2,062,429
2026	3,962,593	94,488	4,057,081
	9,307,593	$ 1,045,480	$ 10,353,073
Less current installments	1,735,000		
Revenue Bonds, less current installments	$ 7,572,593		

* EFC interest is reported gross of the subsidy credit and a refunding benefit, which over the remaining life of the bonds will be $797,920.

Note 6 - New York State Employees' Retirement System

Plan Description and Benefits Provided

The Authority participates in the New York State and Local Employees Retirement System (System), a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute.

The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at https://www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

Contributions

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3 percent of their salary for their entire length of service.

Under the authority of the System, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. The Authority's contributions for the current year and two preceding years were equal to 100 percent of the required contributions, and were as follows:

2022	$	694,977
2021		598,541
2020		567,018

Pension Asset/Liabilities, Pension Expense, and Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At December 31, 2022 and 2021, the Authority reported an asset and liability of $1,186,531 and $14,354 for its proportionate share of the net pension asset and liability, respectively. The net pension asset and liability were measured as of March 31, 2022 and 2021, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension asset and liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

Note 6 - New York State Employees' Retirement System - Continued

Pension Asset/Liabilities, Pension Expense, and Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions - Continued

At December 31, 2022 and 2021, the Authority's proportion was 0.0145149% and 0.0144157%, respectively.

For the years ended December 31, 2022 and 2021, the Authority recognized pension expense of $68,444 and $334,702, respectively.

The Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	December 31, 2022		December 31, 2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 89,858	$ 116,550	$ 175,305	$ -
Change of assumptions	1,980,188	33,414	2,639,290	49,778
Net difference between projected and actual investment earnings on pension plan investments	-	3,885,393	-	4,123,396
Changes in proportion and differences between employer contributions and proportionate share of contributions	56,132	4,208	28,928	9,385
Employer contributions subsequent to the measurement date	379,342	-	521,233	-
Total	$ 2,505,520	$ 4,039,565	$ 3,364,756	$ 4,182,559

Authority contributions subsequent to the measurement date are recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the year ending December 31,	
2023	$ (285,603)
2024	(426,967)
2025	(998,895)
2026	(201,922)
	$ (1,913,387)

Note 6 - New York State Employees' Retirement System - Continued

Actuarial Assumptions

The total pension liability at March 31, 2022 and 2021 was determined by using actuarial valuations as of April 1, 2021 and 2020, respectively, with update procedures used to roll forward the total pension liability to March 31, 2022 and 2021. The actuarial valuations used the following actuarial assumptions:

Actuarial Cost Method	Entry age normal
Inflation Rate	2.7 percent (2022); 2.7 percent (2021)
Salary Scale	4.4 percent (2022); 4.4 percent (2021), indexed by service
Investment rate of return,	
2022	5.90 percent compounded annually, net of expenses
2021	5.90 percent compounded annually, net of expenses
Cost of living adjustment	1.4 percent (2022); 1.4 percent (2021) annually
Decrement	
2022	Based on FY 2015-2020 experience
2021	Based on FY 2015-2020 experience
Mortality improvement	
2022	Society of Actuaries Scale MP-2020
2021	Society of Actuaries Scale MP-2020

The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2022 are summarized below:

Asset Type	Target Allocation	Long-Term Expected Real Rate
Domestic equity	32.00%	3.30%
International equity	15.00%	5.85%
Private equity	10.00%	6.50%
Real estate	9.00%	5.00%
Absolute return strategies	3.00%	4.10%
Credit	4.00%	3.78%
Real assets	3.00%	5.80%
Fixed Income	23.00%	0.00%
Cash	1.00%	-1.00%
	100.00%	

Note 6 - New York State Employees' Retirement System - Continued

Discount Rate

The discount rate used to calculate the total pension liability was 5.90% at December 31, 2022 and 2021, respectively. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Asset/Liability to the Discount Rate Assumption

The following presents the Authority's proportionate share of the net pension asset at December 31, 2022 calculated using the discount rate of 5.90%, as well as what the Authority's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (4.90%) or 1-percentage-point higher (6.90%) than the current rate:

	1% Decrease (4.9%)	Current Discount (5.9%)	1% Increase (6.9%)
Authority's proportionate share of the net pension liability (asset)	$ 3,054,119	$ (1,186,531)	$ (4,733,630)

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the Employee's Retirement System as of March 31, were as follows (dollars in thousands):

	2022	2021
Employers' total pension liability	$ 223,874,888	$ 220,680,157
Plan net position	(232,049,473)	(220,580,583)
Employers' net pension (asset) liability	$ (8,174,585)	$ 99,574
Ratio of plan net position to the employers' total pension liability	103.65%	99.95%

Note 7 - Other Postemployment Benefits (OPEB)

Pension Plan Fiduciary Net Position - Continued

The Authority provides health care benefits for eligible retired employees comprised of a 50% monthly premium contribution toward their health insurance costs. Eligible retirees may also have a spouse and dependents covered at the retired employees' expense. Healthcare benefits are provided through insurance companies whose premiums are based on the benefits provided.

The benefit plan is administered and accounted for as a single-employer defined benefit plan. A summary of active employees and retired employees covered under this benefit plan is as follows:

	December 31, 2022	December 31, 2021
Actives	16	20
Retirees	8	4
Total	24	24

The contribution requirements of benefit plan members and the Authority are established pursuant to applicable collective bargaining and employment agreements. The required rates of the employer and the members may vary depending on the applicable agreement. The Authority is not required to fund the benefit plan other than the pay-as-you-go amount necessary to provide current benefits to retirees. For the years ended December 31, 2022 and 2021, the Authority paid $55,923 and $36,349, respectively, on behalf of the plan members. The benefit plan does not issue a stand-alone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the benefit plan.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At December 31, 2022 and 2021, the Authority reported a liability of $3,018,721 and $3,192,658 for its OPEB liability, respectively. The OPEB liability was measured as of January 1, 2022 by an actuarial valuation as of that date. For the years ended December 31, 2022 and 2021, the Authority recognized OPEB expense of $114,754 and $563,561, respectively. The Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	December 31, 2022		December 31, 2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 432,232	$ -	$ 428,989
Changes of assumptions or other inputs	410,110	213,976	556,626	130,967
Employer contributions subsequent to the measurement date	72,435	-	55,923	-
	$ 482,545	$ 646,208	$ 612,549	$ 559,956

Note 7 - Other Postemployment Benefits (OPEB) - Continued

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - Continued

Authority contributions subsequent to the measurement date are recognized as a reduction of the OPEB liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending May 31,		
2023	$	(65,335)
2024		(69,122)
2025		(43,525)
2026		(16,529)
2027		(41,587)
Total	$	(236,098)

Actuarial Assumptions. The total OPEB liability was determined using the following actuarial assumptions, which are consistent from year to year, expect as noted:

Assumptions	Factor
Valuation Date	January 1, 2022
Measurement Date	January 1, 2022
Reporting Date	December 31, 2022
Actuarial Cost Method	Entry Age Normal - Level Percent of Pay
Discount Rate	
2022	2.06%
2021	2.12%
Health Care Cost Trend Rates	Society of Actuaries Long-Run Medical Cost Trend Model
Salary Scale	3.50%
Inflation	2.50%
Mortality	RPH-2014 Mortality Table for Health Annuitants, sex distinct, with generational mortality adjusted to 2006 using scale MP-2014, and projected forward with scale MP-2021

Note 7 - Other Postemployment Benefits (OPEB) - Continued

Schedule of Changes in Net OPEB Liability

	December 31, 2022	December 31, 2021
Beginning of the year	$ 3,192,658	$ 2,378,044
Charges for the year:		
Service cost	110,652	73,448
Interest	69,437	66,627
Changes to benefit terms	-	494,303
Differences between expected and actual experience	(150,562)	-
Changes in assumption and other inputs	(147,541)	219,837
Benefit payments	(55,923)	(39,601)
Net changes	(173,937)	814,614
End of year	$ 3,018,721	$ 3,192,658

Sensitivity of the Employer's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Trend Rate and Discount Rate

The following presents the OPEB Liability of the plan as of December 31, 2022 using current health care cost trend rates as well as what the OPEB liability would be if it were calculated using health care cost trend rates that are 1% lower and 1% higher than the current rate:

	1% Decrease	Current Trend Rate	1% Increase
Authority's proportionate share of the OPEB liability	$ 2,534,380	$ 3,018,721	$ 3,656,753

The following presents the OPEB liability of the plan as of December 31, 2022, calculated using the discount rate of 2.06%, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.06%) or 1-percentage-point higher (3.06%) than the current rate:

	1% Decrease (1.06%)	Discount Rate (2.06%)	1% Increase (3.06%)
Authority's proportionate share of the OPEB liability	$ 3,599,967	$ 3,018,721	$ 2,566,714

Note 8 - Commitments, Contingencies, Risks, and Uncertainties

a. City of Utica Contract

The Authority maintains a contract with the City of Utica (City) through March 31, 2033 to provide for collection of waste and recyclables and associated billing throughout the City. In accordance with the contract, and in recognition of the City being host to the Recycling Center, Eastern Transfer Station, and Green Waste Compost Facility, the Authority pays the City Host Community Benefits of $1 per ton for all materials delivered to those facilities as long as the Authority uses the Eastern Transfer Station for transport of waste out of the region, with a guaranteed minimum of $100,000 per year. The Authority made Host Community Benefit payments in the amount of $201,676 and $209,409 during the years ended December 31, 2022 and 2021, respectively. There was $49,776 and $51,989 due to the City at December 31, 2022 and 2021, respectively, which is included in accounts payable and accrued liabilities.

Under the Agreement, the Authority receives the City's solid waste service charge revenue to cover the costs of waste removal and the revenues generated from the sale of refuse bags to residents used to dispose of residential waste. For the years ended December 31, 2022 and 2021, the cost of waste removal was $4,422,654 and $4,279,740 offset by solid waste service charge revenues of $2,302,605 and $2,271,822 and refuse bag sales of $2,032,629 and $2,205,774, respectively.

b. Villages of Ilion, Frankfort, Herkimer, Dolgeville, and Mohawk Contracts

The Authority and the Villages of Ilion, Frankfort, Herkimer, Dolgeville, and Mohawk entered into separate agreements for the coordination of waste and recyclables collection, which expire at various times between March 2023 and December 2025. The Authority provides the coordination services for annual fees of between $4,000 and $8,000.

The Authority receives revenue from the sale of refuse bags to residents used to dispose of residential waste, and from the rental of toters to Village residences. These revenues are then applied to the fees for delivery of waste to the Authority's transfer stations, fees for waste collection, and for the purchase of refuse bags.

In the event that revenues do not cover expenses related to this contract, the Villages will increase fees for refuse bags and toter rentals to cover future losses. For the years ended December 31, 2022 and 2021, the cost of waste removal was $1,570,689 and $1,510,642, offset by refuse bag sales of $590,878 and $638,641, and toter rental fees of $1,038,939 and $1,008,949, respectively.

c. Sale of Climate Reserve Tonnes

The Authority has entered into an agreement with a third party for the sale of Climate Reserve Tonnes (carbon credits). The agreement is in effect through July 2024. For the years ended December 31, 2022 and 2021, $808,970 and $590,538, respectively, was earned related to the sale of carbon credits.

Note 8 - Commitments, Contingencies, Risks, and Uncertainties - Continued

d. Landfill Gas and Facilities Site Lease and Landfill Gas Purchase Agreement

The Authority has entered into an agreement with a third party (Lessee) which provides for the Lessee to construct, own, and operate an electric generation facility on property adjacent to the Authority's landfill and gas extraction facilities. All landfill gas generated at the landfill is purchased by the Lessee who makes payments to the Authority based on the electricity generated and the electricity sold. The agreement continues for ten years after the commercial operation date (May 2012). Beyond the initial ten-year term, there is the option of two additional five-year renewals. For the years ended December 31, 2022 and 2021, $501,311 and $317,287, respectively, was earned related to the sale of landfill gas.

e. Host Community Benefit Agreements

In connection with the operation of the Regional Landfill Facility (RLF), the Authority has entered into various long-term agreements with certain municipalities impacted by the RLF. The agreements generally provide for minimum payments to the municipalities for a period of 25 years and contain provisions for additional or reduced payments in the event accepted tonnage varies from contractually stated amounts. Host community benefit expense was $460,000 in 2022 and 2021.

f. Intergovernmental Recycling Agreements

The Authority entered into an intergovernmental agreement with three counties whereby the Authority accepts, processes, and markets residential recyclable materials from the various counties. The agreements provide for fixed, per ton payments to the Authority through December 31, 2023 - Oswego County, December 31, 2026 - Fulton County and December 31, 2027 - Lewis County. Amounts received by the Authority from the sale of the recycled material are credited back to the counties using monthly averages received by the Authority from the sale of all recyclable commodities. Recyclable sales are reported net of amounts credited to the counties under these agreements. Processing fees for 2022 and 2021 were $841,230 and $922,748, respectively.

g. Litigation

The Authority is involved in certain suits and claims arising from a variety of sources. It is the opinion of management and counsel that the liabilities that may arise from such actions would not result in losses that would materially affect the financial position of the Authority or the results of its operations.

h. Environmental Risks

Certain facilities are subject to federal, state, and local regulations relating to the discharge of materials into the environment. Compliance with these provisions has not had, nor does the Authority expect such compliance to have, any material effect upon the capital expenditures or financial condition of the Authority. The Authority believes that its current practices and procedures for control and disposition of regulated wastes comply with applicable federal, state, and local requirements.

Note 9 - Accounting Standards Issued But Not Yet Implemented

GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The primary objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such an infrastructure or other capital assets (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which GASB defines in this statement as a PPP in which: (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this statement are effective for fiscal years beginning after June 15, 2022.

GASB Statement No. 96, Subscription-Based Information Technology Arrangements. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This statement: (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. Under this statement, a government generally should recognize a right-to-use subscription asset and a corresponding subscription liability. The requirements of this statement are effective for fiscal years beginning after June 15, 2022.

GASB Statement No. 99, *Omnibus 2022*. This statement addresses a variety of topics. The requirements of this statement related to the extension of the sue of LIBOR, accounting for Supplement Nutrition Assistance Program distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of the provisions of GASB Statement No. 34, *Basis Financial Statements and Management's Discussion and Analysis for State and Local Governments*, as amended, and terminology updates related to GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* (GASB 53), and GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, were effective upon issuance of the statement in April 2022. The requirements of this statement related to leases, PPPs, and SBITAs are effective for reporting periods beginning after June 15, 2022. The requirements of this statement related to financial guarantees and the classification of reporting of derivative instruments within the scope of GASB 53 are effective for reporting periods beginning after June 15, 2023.

Note 9 - Accounting Standards Issued But Not Yet Implemented - Continued

GASB Statement No. 100, *Accounting Changes and Error Corrections.* The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. This statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and change to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting – understandability, reliability, relevance, timeliness, consistency, and comparability. This statement also addresses corrections of errors in previously issued financial statements. This statement prescribes the accounting and financial reporting for (1) each type of accounting changes and (2) error corrections. This statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement. This statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements. This statement requires disclosures in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about quantitative effects of beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information and supplementary information. For periods that are earlier than those included in the basic financial statements, information presented as required supplementary information and supplementary information should be restated for error corrections, if practicable, but not for changes in accounting principles. The requirements of this statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

GASB Statement No. 101, *Compensated Absences.* This statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be

Note 9 - Accounting Standards Issued But Not Yet Implemented - Continued

included in a liability for compensated absences. This statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used. This statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities. With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. The requirements of this statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

Management has not estimated the extent of the potential impact of these statements on the Authority's financial statements.

Oneida-Herkimer
Solid Waste Management Authority

Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	$ 694,977	$ 598,541	$ 567,018	$ 571,218	$ 549,859	$ 540,463	$ 558,657	$ 699,094	$ 685,093	$ 602,389
Contributions in relation to the contractually required contribution	694,977	598,541	567,018	571,218	549,859	540,463	558,657	699,094	685,093	602,389
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Authority's covered-employee payroll	4,575,207	4,458,927	4,267,962	4,100,777	4,064,975	3,836,397	3,695,136	3,419,002	3,640,306	3,458,769
Contribution as a percentage of covered-employee payroll	15.19%	13.42%	13.29%	13.93%	13.53%	14.09%	15.12%	20.45%	18.82%	17.42%

See Independent Auditor's Report.

Oneida-Herkimer
Solid Waste Management Authority

Required Supplementary Information
Schedule of Local Government Pension Contributions

	2022	2021	2020	2019	2018	2017	2016	2015
Authority's proportion of the net pension (asset) liability	0.0145149%	0.0144157%	0.0143403%	0.0145098%	0.0143100%	0.0141556%	0.0148470%	0.0142362%
Authority's proportionate share of the net pension (asset) liability	$ (1,186,531)	$ 14,354	$ 3,797,385	$ 1,028,066	$ 461,847	$ 1,330,098	$ 2,276,668	$ 480,933
Authority's covered-employee payroll	$ 4,575,207	$ 4,458,927	$ 4,267,962	$ 4,100,777	$ 4,064,975	$ 3,836,397	$ 3,695,136	$ 3,419,002
Authority's proportionate share of the net pension (asset) liability as a percentage of its covered-employee payroll	25.93%	0.32%	88.97%	25.07%	11.36%	34.67%	61.61%	14.07%
Plan fiduciary net position as a percentage of the total pension liability	103.65%	99.95%	86.39%	96.30%	98.20%	94.70%	97.90%	97.90%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See Independent Auditor's Report.

Oneida-Herkimer
Solid Waste Management Authority

Required Supplementary Information
Schedule of Other Postemployment Benefits Liability

	2022	2021	2020	2019	2018
Beginning of the year	$ 3,192,658	$ 2,378,044	$ 2,387,667	$ 2,537,410	$ 2,365,128
Charges for the year					
Service cost	110,652	73,448	57,809	72,019	67,811
Interest	69,437	66,627	98,953	88,718	91,554
Changes to benefit terms	-	494,303	-	-	-
Differences between expected and actual experience	(150,562)	-	(498,831)	-	(254,514)
Changes in assumption and other inputs	(147,541)	219,837	396,388	(249,668)	289,164
Benefit payments	(55,923)	(39,601)	(63,942)	(60,812)	(21,733)
Net changes	(173,937)	814,614	(9,623)	(149,743)	172,282
End of year	$ 3,018,721	$ 3,192,658	$ 2,378,044	$ 2,387,667	$ 2,537,410
Covered payroll	1,262,913	1,463,987	1,451,516	1,407,237	1,299,431
OPEB liability as a percentage of covered payroll	239.03%	218.08%	163.83%	169.67%	195.27%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See Independent Auditor’s Report.

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Board of Directors
Oneida-Herkimer Solid Waste Management Authority
Utica, New York

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the financial statements of the Oneida-Herkimer Solid Waste Management Authority (Authority), a component unit of the County of Oneida, New York, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated March 8, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BST+Co.CPAs, LLP

Albany, New York
March 8, 2023