

ONEIDA-HERKIMER SOLID WASTE AUTHORITY

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JOINT FINANCE COMMITTEE/AUDIT COMMITTEE MEETING MINUTES MARCH 25, 2013

Committee Members Present: Harry Hertline, Treasurer; Neil Angell, Board Vice Chairman; and Robert Roberts

Absent: Ken Long

Guests: William Rabbia, Executive Director, Pat Donovan, Comptroller, Joseph Artessa, Principal Accounting Supervisor, William Freitag (Bollam, Sheedy, Torani & Co.)

The joint Finance Committee/Audit Committee meeting began at 3:30 PM.

Bill Freitag from the Authority's independent auditor, Bollam, Sheedy & Torani presented the 2012 audit.

Mr. Freitag reviewed the Independent Auditor's report:

- a) The independent auditors report format is changed from prior years to reflect new industry standards.
- b) The Authority received an unqualified opinion, which is the industry's best opinion that can be received.
- c) There were no audit adjustments for 2012.
- d) There were no disagreements with management or difficulty in preparing the audit.

The Committee reviewed page 12, the Statement of Revenues, Expenses & Changes in Net Assets. Mr. Freitag indicated that the change in Net Assets (Net income) for 2012 was \$4,740,294 which is a small increase over 2011. Overall operating revenues decreased by about 1.6% while operating expenses decreased by 4%.

The Committee also reviewed the balance sheet. Mr. Freitag indicated that the Authority's finances are sound and the balance sheet has about \$13.5 million in unrestricted cash which is about nine months of operating expenses (exclusive of debt service). Total current assets increased by about \$2.6 million which was the result of the Authority's surplus. Fixed assets were down about \$1.6 million. The liabilities and net assets reflect what is owed and the Authority's equity. The Authority has \$47,910,000 of outstanding bonds and approximately \$3.3 million in accrued post-closure costs for the landfill and ash landfill. The equity section (Net Assets) improved by the Authority's change in Net Assets of \$4,740,294.

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Mr. Freitag also outlined several other key operating ratios including:

- Current ratio (current assets ÷ current liabilities) for the Authority is about 2.1 to 1 which is outstanding.
- ROR – The 2012 rate of return on its assets was about 10% which is also a very good return.

Mr. Freitag indicated the notes to the financials have stayed relatively the same for 2012 with the numbers updated in each note. He discussed Note #2 Restricted Assets and Note #6 which summarizes the Authority's outstanding bonds.

Executive Director William Rabbia, Comptroller Pat Donovan and Principal Accounting Supervisor Joseph Artessa excused themselves at 4:10 PM so that the Committee could discuss any issues with Bill Freitag.

The joint meeting ended at 4:25 PM.

Meeting Minutes Prepared by:

Patrick Donovan
Comptroller