

Preserving the environment through integrated recovery and disposal.

MEMORANDUM

TO: Authority Board of Directors

FROM: William A. Rabbia, Executive Director
Joseph M. Artessa, Comptroller

DATE: November 7, 2023

RE: Third Quarter Financial Reports – 2023

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

The financial report is broken down into two separate components:

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

The Authority's operations (exclusive of City of Utica and Villages) have generated an operating surplus for the first nine months of \$758,691. This is a decrease of \$3,954,313 in comparison to 2022's first nine-month results. The Authority incurred Landfill Cell Closure costs in the amount of \$1,461,926 for the first 9 months of 2023. Landfill Cell Closure costs are expensed when incurred. Without the closure costs, the Authority's operating surplus for the first nine months would have been \$2,220,617. The Authority last incurred Landfill Cell Closure expenses in 2019.

The Authority has generated \$18,720,929 of revenues for the first nine months of 2023. This is 83.73% of the 2023 budgeted revenues and represents a decrease of \$1,941,482 from 2022 first nine-month revenues. Interest Earned and Carbon Credits are the revenue lines that have increased in comparison to 2022. Interest Earned is \$1,263,325 more than 2022 through the first nine months. Please refer to Summary Chart #1.

The overall material received by the Authority in the first nine months of 2023 decreased from 2022. Overall material received in the first nine months of 2023 was 249,580 tons compared to 318,394 tons for 2022. The percentage of material received compared to the budgeted tonnage was 85.01% for 2023 compared to 110.90% for 2022. Please refer to Summary Chart #2. For the months of June through September 2022, the Authority received 29,816.26 tons of material from the Environmental Protection Agency cleanup at the Charlestown Complex.

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GET SOCIAL WITH THE AUTHORITY:



MEMORANDUM

November 7, 2023

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Authority expenses for the nine months of 2023 were \$17,920,133. This is an increase of \$1,970,726 or 12.36% in comparison to 2022 third quarter. Without the Landfill Cell Closure expense of \$1,461,926, the increase would have been \$508,800 or 3.19% in comparison to 2022 third quarter. Most other expense items are conforming to 2023 budget expectations.

The following are expense highlights:

- Materials and Supplies expenses have decreased \$58,142 in comparison to 2022. The cost of fuel has stabilized in comparison to the first nine months of 2022.
- Salaries, wages, and benefits lines have increased \$2,113 in comparison to 2022. This increase includes Collective Bargaining Agreement approved salary increases for 2023.
- Contracted services increased by \$373,664 from the first nine months of 2022. The primary reason for the increase in contracted services from 2022 to 2023 is the new Village and City of Utica collection contracts.
- Depreciation increased \$593,231 from 2022 third quarter due to a new cell placed in service in third quarter 2023.

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

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

WAR/JMA/

Enclosures

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SUMMARY CHART #1

Revenue	2023 Budget	2023 9 mo. Actual	% of Revenue Received
System Tip Fees	\$16,196,300	\$14,058,605	86.80%
Sale of Recyclables	\$2,556,000	\$1,288,303	50.40%
Out of County Recyclables	\$875,700	\$665,993	76.05%
Interest Earnings	\$750,000	\$963,839	128.51%
Carbon Credits	\$595,000	\$446,250	75.00%
Sale of Landfill Gas	\$320,000	\$246,933	77.17%
State Grants	\$190,000	\$302,334	159.12%
Miscellaneous	\$877,000	\$748,672	85.37%
Total	\$22,360,000	\$18,720,929	83.73%

Revenue	2022 Budget	2022 9 mo. Actual	% of Revenue Received
System Tip Fees	\$15,981,300	\$16,598,689	103.86%
Sale of Recyclables	\$2,641,000	\$2,258,337	85.51%
Out of County Recyclables	\$890,000	\$632,333	71.05%
Interest Earnings	\$340,700	(\$299,486)	-87.90%
Carbon Credits	\$540,000	\$405,000	75.00%
Sale of Landfill Gas	\$320,000	\$264,352	82.61%
State Grants	\$215,000	\$90,057	41.89%
Miscellaneous	\$953,000	\$713,129	74.83%
Total	\$21,881,000	\$20,662,411	94.43%

SUMMARY CHART #2

Waste Class	2023 Projected Tons	2023 6-Months Actual Tons	% of Tons Received
Municipal Solid Waste	159,000	127,437	80.15%
Construction & Demolition	51,600	48,093	93.20%
Alt. Daily Cover	40,000	35,469	88.67%
Sludge	24,000	16,907	70.44%
Local Solid Waste	7,000	6,012	85.88%
Asbestos	4,500	7,525	167.22%
Direct Haul Special Waste	3,000	4,004	133.45%
Source Separated Organics	4,500	4,135	91.88%
Total	293,600	249,580	85.01%

Waste Class	2022 Projected Tons	2022 9-Months Actual Tons	% of Tons Received
Municipal Solid Waste	157,500	125,020	79.38%
Construction & Demolition	51,600	48,162	93.34%
Alt. Daily Cover	35,000	78,342	223.83%
Sludge	24,000	16,627	69.28%
Local Solid Waste	7,000	6,153	87.90%
Asbestos	4,500	36,060	801.34%
Direct Haul Special Waste	3,000	4,822	160.74%
Source Separated Organics	4,500	3,207	71.28%
Total	287,100	318,394	110.90%

SUMMARY CHART #3

Community	2023 Revenue-9 mo.	2023 Expenses-9 mo.	Surplus/ Deficit
Utica	\$3,534,692	\$3,373,923	\$160,768
Ilion	\$481,546	\$487,192	(\$5,646) !
Frankfort	\$135,032	\$122,959	\$12,073
Mohawk	\$148,611	\$148,414	\$197
Herkimer	\$364,747	\$392,058	(\$27,311) #
Dolgeville	\$116,971	\$109,962	\$7,009
Total	\$4,781,598	\$4,634,507	\$147,091

Community	2022 Revenue-9 mo.	2022 Expenses-9 mo.	Surplus/ Deficit
Utica	\$3,355,058	\$3,409,984	(\$54,926) *
Ilion	\$453,038	\$420,760	\$32,278
Frankfort	\$133,292	\$120,670	\$12,622
Mohawk	\$154,557	\$143,672	\$10,885
Herkimer	\$373,897	\$358,621	\$15,276
Dolgeville	\$118,863	\$103,905	\$14,958
Total	\$4,588,705	\$4,557,612	\$31,093 *

!- Represents \$9,125 request from Village of Ilion from Prior Years Reserves

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

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

Oneida-Herkimer Solid Waste Authority
Comparative Consolidated Balance Sheet
For the 9 Months Ended September 30,

	<u>2023</u>	<u>2022</u>
<u>Assets</u>		
<u>Current Assets</u>		
Cash	\$ 5,722,110	\$ 6,523,982
Investments	26,196,265	27,522,191
Accounts Receivable	4,890,483	5,495,363
Interest Receivable	235,041	235,497
Prepaid Expenses	507,507	653,777
Deferred Outflows- Pension/Contributions	2,862,737	3,847,301
	40,414,143	44,278,111
<u>Restricted Assets</u>		
Cash- Landfill Closure Funds	4,041,133	3,937,314
Cash and Investments	11,970,872	10,122,941
	16,012,005	14,060,255
<u>Other Assets</u>		
Net Pension Asset	1,186,531	-
Property, Plant & Equipment, Net	49,362,306	48,227,195
	50,548,837	48,227,195
Total Assets	106,974,985	106,565,560
<u>Liabilities And Equity</u>		
<u>Current Liabilities</u>		
Accounts Payable and Accrued Liabilities	\$ 2,818,287	\$ 2,674,943
Accrued Interest Payable	69,889	82,028
Deferred Revenue	1,559,520	1,362,792
	4,447,696	4,119,763
<u>Long Term Liabilities</u>		
Revenue Bonds Payable	7,572,593	9,307,593
Accrued Landfill Closure Costs	3,984,576	4,018,249
Accrued Postemployment Benefits- GASB 45	2,489,738	3,018,721
Deferred Inflows- Pension	957,446	646,208
Net Pension Liability/Deferred Inflows	4,039,565	4,196,913
	19,043,918	21,187,684
<u>Equity</u>		
Retained Earnings - Current Year	905,782	4,744,097
Retained Earnings - Prior Year	82,577,589	76,514,016
	83,483,371	81,258,113
Total Liabilities	23,491,614	25,307,447
Total Liabilities and Equities	\$ 106,974,985	\$ 106,565,560

Oneida-Herkimer Solid Waste Authority
Comparative Consolidated Income Statement
For the 9 Months Ended September 30,

	<u>2022</u>	<u>2023</u>	<u>2023</u>
	Actual	Actual	Budget ¹
Income And Expenses			
<u>Operating Revenue</u>			
Tip Fee Revenue	\$ 16,598,689	\$ 14,058,605	\$ 12,147,225
Service Charge & Toter Revenue	2,530,150	2,717,803	2,781,804
Sale of Refuse Bags	2,002,104	1,989,714	2,138,083
Recyclable Sales	2,258,337	1,288,303	1,917,000
Landfill Gas	264,352	246,933	240,000
Tipping Fees/Recyclables	632,333	665,993	656,775
Sale of Carbon Credits	405,000	446,250	446,250
Misc. Operating Revenue	617,974	668,226	576,825
Solar Array	149,324	150,684	123,750
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***Total Operating Revenue	25,458,263	22,232,511	21,027,712
<u>Operating Expenses</u>			
Salaries, Wages, and Benefits	5,428,765	5,430,878	6,214,197
Contractual Services	5,309,389	5,683,053	5,788,377
Depreciation & Amortization	3,656,028	4,249,259	0
Disposal Fees	1,688,101	1,700,786	1,758,713
Other Operating Expense	1,261,541	1,365,363	1,309,283
Materials & Supplies	1,867,562	1,809,420	2,059,087
Utilities	228,856	225,858	265,425
Repairs & Maintenance	207,067	174,023	213,000
Insurance	194,664	212,719	238,869
Other Rental	64,881	75,489	66,844
Solar Array	61,140	60,820	61,875
Budgetary Contingency/Capital Projects	189,038	1,461,926	2,352,532
	-----	-----	-----
*** Total Operating Expenses	20,157,032	22,449,594	20,328,202
<u>Non-Operating Revenue & (Expense)</u>			
Interest Income	(297,204)	967,682	565,538
Interest Expense	(119,591)	(105,046)	(1,407,549) ²
Operating Grants	90,057	302,334	142,500
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*** Total Non-Operating Revenue & (Expenses)	(326,738)	1,164,970	(699,511)
Change In Net Assets	4,974,493	947,887	(0)
Net Assets, Beginning of Year	76,514,016	82,577,589	
Return of Prior Years Surplus	(230,396)	(42,105) ³	
Net Assets, End of Quarter	\$ 81,258,113	\$ 83,483,371	-----

1- Represents 75% of annual budget.

2- Principal payments on Debt are included in budget.

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

3- Village of Herkimer & Village of Ilion requested prior year surplus.

VILLAGE OF ILION

DATE	32	64	95	TOTALS
1/15/2023	394	632	172	1198
2/15/2023	389	628	169	1186
3/15/2023	390	630	174	1194
4/15/2023	393	636	181	1210
5/15/2023	393	633	177	1203
6/15/2023	397	635	179	1211
7/15/2023	399	642	177	1218
8/15/2023	403	634	173	1210
9/15/2023	408	637	173	1218
				0
				0
				0

VILLAGE OF MOHAWK

DATE	32	64	95	TOTALS
1/15/2023	127	216	41	384
2/15/2023	129	212	42	383
3/15/2023	128	215	43	386
4/15/2023	128	216	42	386
5/15/2023	127	216	43	386
6/15/2023	127	219	45	391
7/15/2023	123	220	45	388
8/15/2023	122	216	43	381
9/15/2023	121	219	43	383
				0
				0
				0

VILLAGE OF DOLGEVILLE

DATE	32	64	95	TOTALS
1/15/2023	135	156	45	336
2/15/2023	133	156	41	330
3/15/2023	134	158	44	336
4/15/2023	134	159	45	338
5/15/2023	134	156	47	337
6/15/2023	134	159	48	341
7/15/2023	134	159	49	342
8/15/2023	135	155	48	338
9/15/2023	135	155	47	337
				0
				0
				0

VILLAGE OF HERKIMER

DATE	32	64	95	TOTALS
1/15/2023	446	615	173	1234
2/15/2023	442	604	171	1217
3/15/2023	440	608	172	1220
4/15/2023	448	617	173	1238
5/15/2023	447	610	170	1227
6/15/2023	448	624	169	1241
7/15/2023	451	626	174	1251
8/15/2023	450	617	172	1239
9/15/2023	450	620	174	1244
				0
				0
				0

VILLAGE TOTALS

Month	Total Totes
JANUARY	3556
FEBRUARY	3517
MARCH	3541
APRIL	3578
MAY	3548
JUNE	3592
JULY	3606
AUGUST	3580
SEPTEMBER	3596
OCTOBER	0
NOVEMBER	0
DECEMBER	0

VILLAGE OF FRANKFORT

DATE	32	64	95	TOTAL
1/15/2023	144	196	64	404
2/15/2023	141	198	62	401
3/15/2023	140	200	65	405
4/15/2023	139	205	62	406
5/15/2023	136	201	58	395
6/15/2023	140	209	59	408
7/15/2023	140	207	60	407
8/15/2023	139	210	63	412
9/15/2023	140	210	64	414
				0
				0
				0

ONEIDA-HERKIMER SOLID WASTE AUTHORITY QUARTERLY INVESTMENT REPORT

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

The investments associated with unexpended bond proceeds and debt service requirements are held by our Trustee. These investments include treasury bonds and treasury bills. In addition, the Authority invested in certificates of deposit (CD). Each CD is FDIC insured and the rates range from .20% to 4.95% with maturities in 2023, 2024, and 2025. The rate on the remaining unexpended cash balances is 5.22%. See Schedule A for a full review of the quarterly activity.

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

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

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

Schedule A

Acct #	Fund	Balance as 07/01/2023	Deposits	Interest	Withdrawals	Ending Balance 9/30/2023	Interest Rate
157383	DSRF-06	\$2,027,391	\$0	\$2	\$0	\$2,027,393	2.270%
157385	DSF-06	\$685,508	\$466,500	\$9,125	\$18,931	\$1,142,202	Note 1
657173	BRIF	\$3,165,675	\$0	\$22,675	\$0	\$3,188,350	Note 1
	Total	\$5,878,574	\$466,500	\$31,802	\$18,931	\$6,357,945	

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

Schedule B

Fund	Balance as 7/1/2023	Deposits/ CD or Treasury maturities/ Transfers	Interest/ Market Return	Withdrawals/CD purchases/ Transfers out/ Market Return	Ending Balance 9/30/2023	Interest Rate
Revenue	\$4,000,143	\$8,255,376	\$898	(\$8,881,230)	\$3,375,188	0.100%
Revenue-CD'S	\$6,154,987	\$0	\$39,501	(\$1,574,757)	\$4,619,731	.80%-3.95%
RBC- US Treasury Notes/CD	\$20,391,397	\$957,203	\$202,685	\$0	\$21,551,286	.375%-5.25% 2
Operating	\$654,691	\$7,936,009	\$163	(\$7,861,757)	\$729,106	0.100%
Utica	\$2,285,283	\$565,120	\$486	(\$1,096,375)	\$1,754,515	0.100%
Utica-CD	\$188,546	\$0	\$1,757	\$0	\$190,303	3.699%
Ilion	\$215,706	\$92,307	\$32	(\$118,925)	\$189,121	0.100%
RLF Liner Ext	\$155,742	\$1,825,000	\$2,096	(\$1,658,860)	\$323,978	1.000%
RLF Liner Ext- RBC-US Treasury Notes/ CD's	\$5,284,700	\$2,827,522	\$85,892	(\$2,884,456)	\$5,313,657	2.373%-5.00% 2
ALF Closure	\$416,921	\$0	\$0	(\$5,561)	\$411,360	1
RLF Closure	\$3,594,132	\$0	\$35,642	\$0	\$3,629,774	1
Total	\$43,342,249	\$22,458,538	\$369,151	(\$24,081,921)	\$42,088,018	

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

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