The Authority
ONEIDA-HERKIMER SOLID WASTE AUTHORITY

Financial Report

December 31, 2019 and 2018

Oneida-Herkimer
Solid Waste Management Authority

Financial Report

December 31, 2019 and 2018

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 Financial Statements

We have audited the accompanying 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, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31, 2019 and 2018, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 3 to 13, and the schedules of proportionate share of the net pension liability on page 38, local government pension contributions on page 39, and other postemployment benefits liability on page 39 be presented to supplement the basic financial statements. Such information, 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. 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 Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The introduction and statistical information included within management's discussion and analysis are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 4, 2020, 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 4, 2020

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
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Preserving the environment through integrated recovery and disposal.

MANAGEMENT'S DISCUSSION & ANALYSIS
DECEMBER 31, 2019 AND 2018

Introduction

On behalf of the Oneida-Herkimer Solid Waste Management Authority (the Authority), I am pleased to submit this 2019 Annual Financial Report developed in compliance with accounting standards generally accepted in the United States of America. This year marked the 31st anniversary since the formation of the Authority.

The Authority's financial position remains in excellent condition. While lowering rates and keeping expenses in check, the Authority continued to provide a full range of services to handle all categories of waste generated by the region's individuals, businesses, industries and institutions. The Authority continued its emphasis on reduction and recycling. The Authority Board continues to remain committed to maintaining and enhancing the region's self-reliant integrated solid waste management system.

This past year was another financially successful year for the Authority. The improving local economy has increased waste generated and corresponding revenue. Tipping fee revenues realized in 2019 were $19,095,556, an increase of $1,495,976 or 8.50% from 2018.

The Authority paid down $2,395,000 in long-term debt in 2019. Total revenue bond debt outstanding at December 31, 2019 was $20,067,593. Over the past five years, the Authority has reduced long-term revenue bond debt by $16,862,407 all while lowering its rates by 28% since 2006.

Although 2019 recycling sales revenue was down due to the global commodity markets, the Authority continues to accept Oneida-Herkimer recyclables at no charge. Even with sales revenue down, recyclables processing revenue was up, totaling $824,838. This additional revenue realized for processing Fulton, Lewis and Oswego Counties' recyclables, led to an increase in revenue diversification and less reliance on tipping fees to cover Authority expenses.

I am pleased to report that 2019 marked the opening 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 produce electricity at Oneida County's Wastewater Treatment Facility. The Facility opened and became fully operational in June 2019. In 2019, the Facility accepted and diverted 1,351.51 tons of organic food waste from the landfill. This project had a budgeted cost of $3,400,000 and was paid with current operating revenues and grants. No borrowings were used to finance any part of this project.

I am proud of the accomplishments and hard 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

Oneida-Herkimer
Solid Waste Management Authority

Management's Discussion and Analysis
December 31, 2019 and 2018

Authority Profile

The Oneida-Herkimer Solid Waste Management 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 2019 budget was $25.17 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 nine 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 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.

Authority Board of Directors

Name	Business Affiliation
Kenneth A. Long, Chairman	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; Vice 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	Town of Verona Dairy Farmer and former Oneida County Legislator and Member of the Agricultural Economic Development Committee
James M. D'Onofrio *Chair- FOIL Appeals Committee*	President of Arlott Office Products and Member of Oneida County Board of Legislators
James A. Franco *FOIL Appeals Committee*	Part-time 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
Richard G. Redmond	Vice President of Facility Operations for Mohawk Valley Garden at the Adirondack Bank Center at the Utica Memorial Auditorium; 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, 2019 and 2018, and other significant pertinent financial information.

The 2019 financial report continues to reflect the strong operating results of the Authority. The Authority has increased its net position by $5.50 million and $5.39 million for the years ended December 31, 2019 and 2018, respectively. This was the result of several factors including:

- Revenues increased $2,803,785 or 10.28% in comparison to 2018.
- The Authority's tipping fee revenues exceeded budget by $4,310,807. The Authority exceeded budget expectations for asbestos, soil/cover, sludge, municipal solid waste and C&D material.
- The Authority earned $1,327,744 in recycling sales during 2019, which was $522,256 under the 2019 budget.
- The Authority sold Landfill Gas and shared in a Power Purchase Agreement, per its contract with Waste Management Renewable Energy, and generated $322,253 in revenue.
- The Authority sold carbon credits resulting in $474,965 of revenue during 2019.
- In 2019, the Authority processed recyclables for Oswego, Lewis, and Fulton Counties. The Authority earned $824,838 in processing fees.
- Operating expenses increased by 12.99% in comparison to 2018, mainly due to an increase in depreciation and changes related to landfill closure and post closure liability.
- Salaries/wages, overtime and benefits increased 1.41% from 2018.
- Interest expense decreased by $76,988 from 2018, resulting from scheduled debt principal payments.
- The Authority also funded reserves for landfill equipment in the amount of $450,000 for 2019 and for the extension of the landfill liner in the amount of $1,550,000.
- 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.

Table A-1
Condensed Statements of Net Position

	December 31,				
	2019	2019 vs. 2018	2018	2018 vs. 2017	2017
ASSETS AND DEFERRED OUTFLOWS					
Current assets	$ 37,617,753	9.30%	$ 34,417,090	4.27%	$ 33,007,171
Restricted assets	10,674,907	2.83%	10,380,855	0.97%	10,281,438
Capital assets, net	45,808,283	0.72%	45,481,239	2.84%	44,226,197
Total assets	94,100,943		90,279,184		87,514,806
Deferred outflows	1,166,801	-37.99%	1,881,632	53.27%	1,227,632
Total assets and deferred outflows	**$ 95,267,744**		**$ 92,160,816**		**$ 88,742,438**
LIABILITIES, DEFERRED INFLOWS, AND NET POSITION					
Current liabilities	$ 4,513,032	15.92%	$ 3,893,118	-12.03%	$ 4,425,448
Long-term liabilities	24,984,493	-7.59%	27,037,712	-9.86%	29,995,899
Total liabilities	29,497,525	-4.63%	30,930,830	-10.14%	34,421,347
Deferred inflows	1,544,026	-38.55%	2,512,504	153.49%	991,165
Net investment in capital assets	32,251,509		29,372,807		25,766,311
Net position, restricted	1,303,336		1,134,983		1,122,046
Net position, unrestricted	30,671,348		28,209,692		26,441,569
Total net position	64,226,193	9.38%	58,717,482	10.10%	53,329,926
Total liabilities, deferred inflows, and net position	**$ 95,267,744**	**3.37%**	**$ 92,160,816**	**3.85%**	**$ 88,742,438**

Total assets have increased $6.6 million since 2017, and long-term liabilities have decreased approximately 17% during the same period principally due to early defeasance of the 2007 bond issue and scheduled payments on the Authority's long-term bonds.

Total net position has grown $10.9 million since the end of 2017 as a result of favorable operations of the Landfill, consistent waste tonnage, diversification of revenues and a tight control over Authority expenses.

Financial Analysis – Continued

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

	Years Ended December 31,				
	2019	2019 vs. 2018	2018	2018 vs. 2017	2017
Operating revenue	$ 27,399,819	5.51%	$ 25,968,834	-0.21%	$ 26,023,193
Nonoperating revenue	2,690,873	104.15%	1,318,073	174.75%	479,728
Total revenues	30,090,692	10.28%	27,286,907	2.96%	26,502,921
Depreciation expense	4,240,443	19.53%	3,547,652	2.27%	3,468,782
Other operating expense	19,769,161	11.68%	17,702,334	8.86%	16,262,043
Nonoperating expense	572,377	-11.86%	649,365	-19.69%	808,574
Total expenses	24,581,981	12.25%	21,899,351	6.62%	20,539,399
Change in net position	**5,508,711**	**2.25%**	**5,387,556**	**-9.66%**	**5,963,522**
NET POSITION, ***beginning of year***	58,717,482	10.10%	53,329,926	11.10%	48,003,557
NET POSITION, ***end of year*, *as originally stated***	-		-		53,967,079
Effect of adoption of GASB 75	-		-		(637,153)
NET POSITION, ***end of year*, *as restated***	**$ 64,226,193**	**9.38%**	**$ 58,717,482**	**10.10%**	**$ 53,329,926**

The Authority's overall revenues increased 14% or $3,587,771 from 2017. The Authority's overall expenses increased 20% or $4,042,582 from 2017.

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 2019 and 2018 budgets are compared to actual results in Table A-3.

Budgetary Highlights – Continued

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

	Year Ended December 31, 2019		
	Actual	**Amended Budget**	**$ Change**
Operating revenue	$ 27,399,819	$ 23,183,893	$ 4,215,926
Nonoperating revenue	2,690,873	519,360	2,171,513
Total revenues	30,090,692	23,703,253	6,387,439
Operating expenses			
Salaries, wages and benefits	6,482,478	7,152,417	(669,939)
Contractual services	7,055,793	6,523,577	532,216
Materials and supplies	1,329,428	1,374,925	(45,497)
Utilities	286,845	316,600	(29,755)
Repairs and maintenance	257,386	208,900	48,486
Host community benefits	731,237	718,000	13,237
Leachate disposal	733,306	552,500	180,806
Insurance	194,491	192,291	2,200
Other rental	67,941	68,756	(815)
Depreciation	4,240,443	-	4,240,443
Change in post-closure accrual estimate	1,736,226	-	1,736,226
Debt service	-	2,979,597	(2,979,597)
Capital Projects	-	483,000	(483,000)
Reserves	-	2,000,000	(2,000,000)
Contingency		401,148	(401,148)
Other operating expense	894,030	731,542	162,488
Nonoperating expenses	572,377	-	572,377
Total expenses	24,581,981	23,703,253	878,728
Change in net position	**$ 5,508,711**	**$ -**	**$ 5,508,711**

Oneida-Herkimer
Solid Waste Management Authority

Management's Discussion and Analysis
December 31, 2019 and 2018

Budgetary Highlights – Continued

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

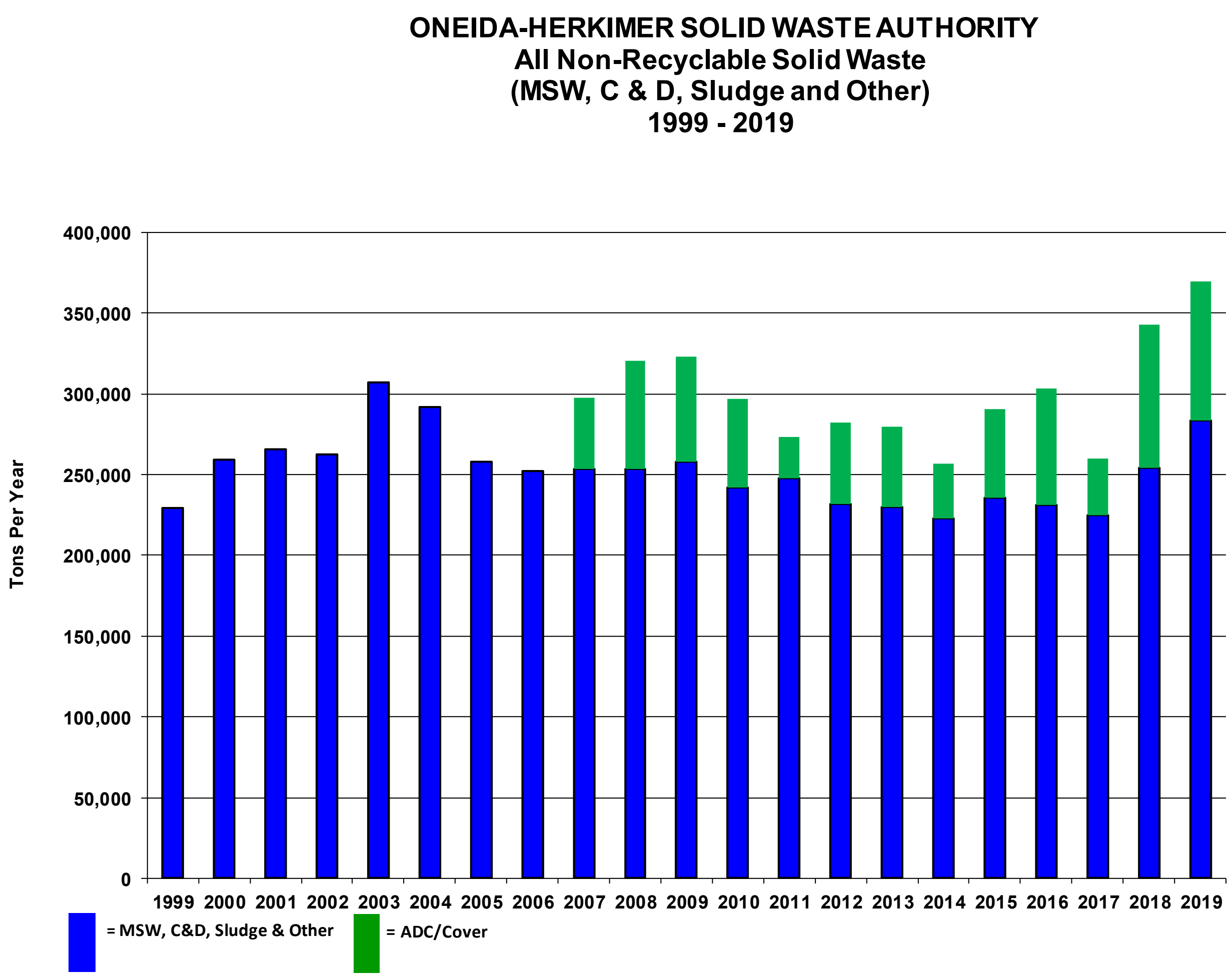
	Year Ended December 31, 2018		
	Actual	**Amended Budget**	**$ Change**
Operating revenue	$ 25,968,834	$ 23,182,915	$ 2,785,919
Nonoperating revenue	1,318,073	2,102,750	(784,677)
Total revenues	27,286,907	25,285,665	2,001,242
Operating expenses			
Salaries, wages and benefits	6,392,733	6,682,891	(290,158)
Contractual services	6,809,809	5,919,673	890,136
Materials and supplies	1,394,024	1,291,600	102,424
Utilities	277,588	293,600	(16,012)
Repairs and maintenance	233,419	233,900	(481)
Host community benefits	721,981	709,000	12,981
Leachate disposal	598,310	490,000	108,310
Insurance	197,709	182,026	15,683
Other rental	68,142	66,650	1,492
Depreciation	3,547,652	-	3,547,652
Change in post-closure accrual estimate	154,285	-	154,285
Debt service	-	3,000,545	(3,000,545)
Capital Projects	-	3,470,000	(3,470,000)
Reserves	-	2,050,000	(2,050,000)
Contingency	-	232,430	(232,430)
Other operating expense	854,334	663,350	190,984
Nonoperating expenses	649,365	-	649,365
Total expenses	21,899,351	25,285,665	(3,386,314)
Change in net position	**$ 5,387,556**	**$ -**	**$ 5,387,556**

Budgetary Highlights – Continued

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 2019 and 2018 amended budgets. These adjustments are as follows:

	Year Ended December 31, 2019	Year Ended December 31, 2018
Change in net position	$ 5,508,711	$ 5,387,556
Deduct: scheduled principal payments made on bonds	(2,395,000)	(2,315,000)
Add: depreciation expense	4,240,443	3,547,652
Deduct: acquisition of capital assets	(4,570,868)	(4,802,694)
Budget surplus	$ 2,783,286	$ 1,817,514

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.

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 2019 and 2018, the Authority had $45.8 million and $45.5 million, respectively, invested in capital assets as indicated in Table A-4.

Table A-4
Capital Assets

	December 31,				
	2019	2019 vs. 2018	2018	2018 vs. 2017	2017
Land	$ 3,393,056	3.74%	$ 3,270,675	0.00%	$ 3,270,675
Land improvements	48,922,952	11.02%	44,067,658	0.81%	43,711,437
Building and improvements	25,790,776	12.16%	22,995,207	1.30%	22,701,074
Machinery and equipment	11,886,793	13.87%	10,438,945	2.57%	10,177,151
Vehicles	9,886,831	6.49%	9,284,173	-2.35%	9,507,941
Office equipment	349,813	6.68%	327,919	21.64%	269,587
	100,230,221	10.89%	90,384,577	0.83%	89,637,865
Less accumulated depreciation and amortization	54,492,879	7.87%	50,518,004	6.09%	47,620,029
Capital assets in service, net	45,737,342	14.73%	39,866,573	-5.12%	42,017,836
Construction work in progress	70,941		5,614,666		2,208,361
Total capital assets, net	$ 45,808,283	0.72%	$ 45,481,239	2.84%	$ 44,226,197

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 $1,291,000 and $6,920,000 per year. The funds for capital projects are covered by the system tipping fees and reserves.

Debt Administration

The Authority had $20,067,593 and $22,462,593 in outstanding Revenue Bonds at December 31, 2019 and 2018, 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 2019 and 2018. 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: ohswa.org

Management Staff

William A. Rabbia, Executive Director
Joseph M. Artessa, Comptroller
James V. Biamonte, Environmental Coordinator
Pasquale A. Lisandrelli, Principal Accounting Supervisor
Andrew J. Opperman, Solid Waste Engineer

Oneida-Herkimer
Solid Waste Management Authority

Statements of Net Position

	December 31, 2019	December 31, 2018
ASSETS AND DEFERRED OUTFLOWS		
CURRENT ASSETS		
Cash and cash equivalents	$ 5,455,810	$ 6,655,659
Investments	27,462,239	23,837,183
Accrued interest receivable	308,006	148,204
Receivables, net	3,954,109	3,406,980
Prepaid expenses and other assets	437,589	369,064
Total current assets	37,617,753	34,417,090
RESTRICTED ASSETS		
Cash and cash equivalents	2,812,872	2,370,565
Investments	7,827,469	7,983,335
Accrued interest receivable	34,566	26,955
Total restricted assets	10,674,907	10,380,855
NON-CURRENT ASSETS		
Capital assets, net	45,808,283	45,481,239
DEFERRED OUTFLOWS	1,166,801	1,881,632
	$ 95,267,744	**$ 92,160,816**
LIABILITIES, DEFERRED INFLOWS, AND NET POSITION		
CURRENT LIABILITIES		
Current installments of revenue bonds	$ 2,475,000	$ 2,395,000
Accounts payable and accrued liabilities	1,916,878	1,368,480
Accrued interest payable	121,154	129,638
Total current liabilities	4,513,032	3,893,118
LONG-TERM LIABILITIES		
Revenue bonds, less current installments	17,592,593	20,067,593
Premium on revenue bonds, net	20,304	28,041
Accrued closure and post-closure costs	3,955,863	3,942,821
Net pension liability	1,028,066	461,847
Accrued postemployment benefits	2,387,667	2,537,410
Total long-term liabilities	24,984,493	27,037,712
Total liabilities	29,497,525	30,930,830
DEFERRED INFLOWS	1,544,026	2,512,504
NET POSITION		
Net investment in capital assets	32,251,509	29,372,807
Restricted	1,303,336	1,134,983
Unrestricted	30,671,348	28,209,692
Total net position	64,226,193	58,717,482
	$ 95,267,744	**$ 92,160,816**

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, 2019	2018
OPERATING REVENUES		
Tipping fees, net	$ 19,095,556	$ 17,599,580
Solid waste service charge, City of Utica	2,277,358	2,217,297
Refuse bag sales	2,401,552	2,223,950
Toter revenues	774,331	752,727
Recyclable sales	1,327,744	1,783,408
Carbon credit sales	474,965	432,221
Landfill gas sales	322,253	332,837
Miscellaneous	726,060	626,814
	27,399,819	25,968,834
OPERATING EXPENSES		
Salaries, wages and benefits	6,482,478	6,392,733
Contractual services	7,055,793	6,809,809
Materials and supplies	1,329,428	1,394,024
Utilities	286,845	277,588
Repairs and maintenance	257,386	233,419
Host community benefits	731,237	721,981
Leachate disposal	733,306	598,310
Insurance	194,491	197,709
Other rental	67,941	68,142
Depreciation	4,240,443	3,547,652
Change in post-closure accrual estimate	1,736,226	154,285
Other	894,030	854,334
	24,009,604	21,249,986
Operating income	**3,390,215**	**4,718,848**
NONOPERATING REVENUES (EXPENSES)		
Interest income	1,029,765	585,989
Interest expense	(572,377)	(649,365)
Operating grants	1,661,108	732,084
	2,118,496	668,708
Change in net position	**5,508,711**	**5,387,556**
NET POSITION, ***beginning of year***	58,717,482	53,329,926
NET POSITION, ***end of year***	**$ 64,226,193**	**$ 58,717,482**

See accompanying Notes to Financial Statements.

Oneida-Herkimer
Solid Waste Management Authority

Statements of Cash Flows

	Years Ended December 31, 2019	2018
CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES		
Received from customers	$ 25,814,111	$27,304,899
Paid to suppliers and vendors	(12,577,708)	(11,481,867)
Paid to employees, including benefits	(5,351,171)	(7,742,693)
	7,885,232	**8,080,339**
CASH FLOWS PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES		
Payments of revenue bond principal	(2,395,000)	(2,315,000)
Interest paid	(588,598)	(689,545)
Proceeds from sale of capital assets	54,616	55,348
Acquisition of capital assets	(4,570,868)	(4,802,694)
Operating grants and other revenues	1,463,914	168,291
	(6,035,936)	**(7,583,600)**
CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES		
Interest received	862,352	569,342
Proceeds from sale of investments	18,343,641	22,334,241
Purchase of investments	(21,812,831)	(26,343,735)
	(2,606,838)	**(3,440,152)**
Net decrease in cash and cash equivalents	**(757,542)**	**(2,943,413)**
CASH AND CASH EQUIVALENTS, *beginning of year*	9,026,224	11,969,637
CASH AND CASH EQUIVALENTS, *end of year*	**$ 8,268,682**	**$ 9,026,224**
CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income	$ 3,390,215	$4,718,848
Adjustments to reconcile operating income to net cash provided (used) by operating activities		
Depreciation	4,240,443	3,547,652
Provision for bad debts	216,060	249,781
Gain on sale of capital assets	(51,235)	(55,348)
Change in assets and liabilities		
Receivables	(565,995)	(129,926)
Prepaid expenses and other assets	(68,525)	17,330
Deferred outflows	714,831	(654,000)
Accounts payable and accrued liabilities	548,398	(580,989)
Deferred inflows	(968,478)	1,521,339
Accrued closure and post-closure costs	13,042	141,612
Net pension liability	566,219	(868,242)
Accrued postemployment benefits	(149,743)	172,282
	$ 7,885,232	**$ 8,080,339**

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 nine facilities, the Western Transfer Station (WTS), the Eastern Transfer Station (ETS), Materials Recovery Facility (MRF), 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 $1,521,389 and $1,492,569 for the years ended December 31, 2019 and 2018, 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

Accounts receivable 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 $262,050 and $362,083 at December 31, 2019 and 2018, respectively. Accounts receivable are written off when deemed uncollectible. During 2019 and 2018, the Authority wrote off $216,060 and $211,613, respectively, of City of Utica user fees. Recoveries of accounts receivable previously written off are recorded as a recovery of bad debt when received.

An account 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 accounts receivable 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 $1,000 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.

Interest expenses incurred during construction of assets are capitalized. 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 inflows include revenues billed 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. Deferred outflows and inflows also include changes in assumptions related to the net pension liability (Note 6) and post-employment benefits (Note 7).

The components of deferred outflows and inflows are as follows:

	December 31, 2019	December 31, 2018
Deferred outflows of resources		
Net pension liability related	$ 905,347	$ 1,577,482
Other post employment benefits related	261,454	304,150
	$ 1,166,801	$ 1,881,632
Deferred inflows of resources		
Net pension liability related	$ 361,907	$ 1,508,166
Other post employment benefits related	383,945	214,179
Unearned revenue	798,174	790,159
	$ 1,544,026	$ 2,512,504

i. 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, 2019 and 2018, the Authority accrued $3,955,863 and $3,942,821, respectively, for estimated closure and post-closure

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

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

costs. Due to changes in technology or changes in regulations, actual costs may be different from the current accrual. In compliance with NYSDEC requirements, $4,109,218 and $3,971,698 in certificates of deposit and U.S. Agency securities have been restricted by the Authority for this purpose at December 31, 2019 and 2018, respectively.

j. Tax Status

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

k. Subsequent Events

The Authority has evaluated subsequent events for potential recognition or disclosure through March 4, 2020 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 NYS DEC, the use of certain Authority assets is restricted for specific purposes as summarized below:

	December 31, 2019	December 31, 2018
Debt Service Reserve Fund		
Contingency fund to be utilized in case of default	$ 3,172,693	$ 3,134,250
Construction Projects Fund and Bond Redemption and Improvement Fund		
Additional capital expenditures which may be incurred by the Authority	1,115,415	1,079,150
Other Funds		
Restricted assets required for debt service	2,243,015	2,168,802
Restricted assets for post-closure monitoring costs	4,109,218	3,971,698
Accrued interest on restricted assets	34,566	26,955
	$ 10,674,907	$ 10,380,855

Note 3 - Investments

Fair value of the Authority's investments and related maturities at December 31, 2019 and 2018 is as follows:

	December 31, 2019			
		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	5,495,881	2,419,059	3,076,822	-
Federal Agency Securities	304,328	49,948	164,578	89,802
	$ 7,827,469	$ 2,469,007	$ 3,241,400	$ 89,802
Unrestricted Investments				
U.S Treasury Notes	$ 3,394,567	$ 3,394,567	$ -	$ -
Certificates of Deposit	24,067,672	5,542,961	18,524,711	-
	$ 27,462,239	$ 8,937,528	$ 18,524,711	$ -

	December 31, 2018			
		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	5,566,447	1,487,606	4,078,841	-
Federal Agency Securities	389,628	49,650	194,856	145,122
	$ 7,983,335	$ 1,537,256	$ 4,273,697	$ 2,172,382
Unrestricted Investments				
U.S Treasury Notes	$ 11,707,638	$ 8,721,038	$ 2,986,600	$ -
Certificates of Deposit	12,129,545	9,913,226	2,216,319	-
	$ 23,837,183	$ 18,634,264	$ 5,202,919	$ -

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.

Note 3 - Investments - Continued

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, 2019 and 2018, certificates of deposit held at two and three financial institutions accounted for approximately 67% and 48% of investments, respectively. No other issuer, excluding the U.S. federal government, 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.

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.

Note 3 - Investments - Continued

e. *Fair Value of Financial Instruments - Continued*

Following is a description of the valuation methodologies used for assets measured at fair value at December 31, 2019 and 2018:

Certificate 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 and U.S. Treasury Notes: 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.

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

	December 31, 2019			
	Level 1	Level 2	Level 3	Total
Certificates of Deposit	$ -	$ 29,563,553	$ -	$ 29,563,553
Federal Agency Securities	-	304,328	-	304,328
U.S. Treasury Bond State and Local Government Series	-	2,027,260	-	2,027,260
U.S Treasury Notes	-	3,394,567	-	3,394,567
Total investments	$ -	$ 35,289,708	$ -	$ 35,289,708

	December 31, 2018			
	Level 1	Level 2	Level 3	Total
Certificates of Deposit	$ -	$ 17,695,992	$ -	$ 17,695,992
Federal Agency Securities	-	389,628	-	389,628
U.S. Treasury Bond State and Local Government Series		2,027,260		2,027,260
U.S Treasury Notes	-	11,707,638	-	11,707,638
Total investments	$ -	$ 31,820,518	$ -	$ 31,820,518

Note 4 - Capital Asset, Net

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

	December 31, 2019				
	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	70,941	-	-	-	70,941
Total capital assets not being depreciated	70,941	-	2,996,086	396,970	3,463,997
Capital assets being depreciated					
Land improvements	855,735	630,561	47,383,596	53,060	48,922,952
Buildings and improvements	7,934,016	10,749,205	6,790,905	316,650	25,790,776
Equipment and machinery	9,144,881	1,488,158	1,132,130	121,624	11,886,793
Vehicles	1,836,183	2,102,049	5,186,271	762,328	9,886,831
Office equipment	39,130	18,559	75,392	216,732	349,813
	19,809,945	14,988,532	60,568,294	1,470,394	96,837,165
Less accumulated depreciation	11,605,605	9,545,473	32,104,252	1,237,549	54,492,879
Total capital assets being depreciated	8,204,340	5,443,059	28,464,042	232,845	42,344,286
Total capital assets, net	$ 8,275,281	$ 5,443,059	$ 31,460,128	$ 629,815	$ 45,808,283

	December 31, 2018				
	MRF, GWC, and HHW	ETS and WTS	Regional Landfill	Other	Total
Capital assets not being depreciated					
Land	$ -	$ -	$ 2,873,705	$ 396,970	$ 3,270,675
Construction in progress	1,084,092	-	4,530,574	-	5,614,666
Total capital assets not being depreciated	1,084,092	-	7,404,279	396,970	8,885,341
Capital assets being depreciated					
Land improvements	841,827	518,685	42,654,086	53,060	44,067,658
Buildings and improvements	7,894,917	8,039,872	6,743,768	316,650	22,995,207
Equipment and machinery	8,965,513	418,370	925,689	129,373	10,438,945
Vehicles	1,920,622	1,451,556	5,105,537	806,458	9,284,173
Office equipment	35,611	17,279	66,837	208,192	327,919
	19,658,490	10,445,762	55,495,917	1,513,733	87,113,902
Less accumulated depreciation	10,808,394	9,077,796	29,429,593	1,202,221	50,518,004
Total capital assets being depreciated	8,850,096	1,367,966	26,066,324	311,512	36,595,898
Total capital assets, net	$ 9,934,188	$ 1,367,966	$ 33,470,603	$ 708,482	$ 45,481,239

Note 4 - Capital Asset, Net - Continued

A summary of changes in the Authority's capital assets for the years ended December 31, 2019 and 2018 is as follows:

	Balance December 31, 2018	Additions	Retirements/ Disposals	Balance December 31, 2019
Capital assets not being depreciated				
Land	$ 3,270,675	$ 122,381	$ -	$ 3,393,056
Construction in progress	5,614,666	2,760,456	(8,304,181)	70,941
Total capital assets not being depreciated	8,885,341	2,882,837	(8,304,181)	3,463,997
Capital assets being depreciated				
Land improvements	44,067,658	4,855,294	-	48,922,952
Buildings and improvements	22,995,207	2,795,569	-	25,790,776
Equipment and machinery	10,438,945	1,456,796	(8,948)	11,886,793
Vehicles	9,284,173	862,659	(260,001)	9,886,831
Office equipment	327,919	21,894	-	349,813
	87,113,902	9,992,212	(268,949)	96,837,165
Less accumulated depreciation	50,518,004	4,240,443	(265,568)	54,492,879
Total capital assets being depreciated	36,595,898	5,751,769	(3,381)	42,344,286
Total capital assets, net	$ 45,481,239	$ 8,634,606	$ (8,307,562)	$ 45,808,283

	Balance December 31, 2017	Additions	Retirements/ Disposals	Balance December 31, 2018
Capital assets not being depreciated				
Land	$ 3,270,675	$ -	$ -	$ 3,270,675
Construction in progress	2,208,361	4,062,034	(655,729)	5,614,666
Total capital assets not being depreciated	5,479,036	4,062,034	(655,729)	8,885,341
Capital assets being depreciated				
Land improvements	43,711,437	356,221	-	44,067,658
Buildings and improvements	22,701,074	320,402	(26,269)	22,995,207
Equipment and machinery	10,177,151	293,169	(31,375)	10,438,945
Vehicles	9,507,941	344,012	(567,780)	9,284,173
Office equipment	269,587	82,585	(24,253)	327,919
	86,367,190	1,396,389	(649,677)	87,113,902
Less accumulated depreciation	47,620,029	3,547,652	(649,677)	50,518,004
Total capital assets being depreciated	38,747,161	(2,151,263)	-	36,595,898
Total capital assets, net	$ 44,226,197	$ 1,910,771	$ (655,729)	$ 45,481,239

Construction in progress principally related to costs incurred to construct cells at the Authority's RLF and the source separated organics facility, which were placed in service during the year end December 31, 2019.

Note 5 - Revenue Bonds

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

	Balance December 31, 2017	Additions	Reductions	Balance December 31, 2018	Additions	Reductions	Balance December 31, 2019
2011 Revenue Bonds	$ 7,440,000	$ -	$ (790,000)	$ 6,650,000	$ -	$ (830,000)	$ 5,820,000
2015 EFC Revenue Bonds	17,337,593	-	(1,525,000)	15,812,593	-	(1,565,000)	14,247,593
	$ 24,777,593	$ -	$ (2,315,000)	$ 22,462,593	$ -	$ (2,395,000)	$ 20,067,593

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 is payable semi-annually at interest rates ranging from 4% to 5%. Remaining principal payments range from $870,000 to $1,080,000, payable annually on April 1 through 2025.

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 $1,605,000 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 $292,614 and $327,531 for the years ended December 31, 2019 and 2018, respectively, and a refunding benefit of $169,059 and $147,262 for the years ended December 31, 2019 and 2018, respectively.

All assets and 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.

Note 5 - Revenue Bonds - Continued

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

	Principal	Interest *	Total
For the year ending December 31,			
2020	$ 2,475,000	$ 895,775	$ 3,370,775
2021	2,555,000	778,577	3,333,577
2022	2,635,000	658,144	3,293,144
2023	2,720,000	530,788	3,250,788
2024	2,810,000	397,650	3,207,650
2025 through 2026	6,872,593	353,917	7,226,510
	20,067,593	$ 3,614,851	$ 23,682,444
Less current installments	2,475,000		
Revenue Bonds, less current installments	$ 17,592,593		

* EFC interest is reported gross of the subsidy credit and a refunding benefit, which over the remaining life of the bonds will be $1,923,647

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.

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

Plan Description and Benefits Provided - Continued

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:

2019	$ 571,218
2018	549,859
2017	540,463

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

At December 31, 2019 and 2018, the Authority reported liabilities of $1,028,066 and $461,847 for its proportionate share of the net pension liability, respectively. The net pension liabilities were measured as of March 31, 2019 and 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension 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.

At December 31, 2019 and 2018, the Authority's proportion was 0.0145098% and 0.0143100%, respectively.

For the years ended December 31, 2019 and 2018, the Authority recognized pension expense of $660,164 and $541,645, respectively.

At December 31, 2019 and 2018, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	December 31, 2019		December 31, 2018	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 202,448	$ 69,012	$ 164,726	$ 136,123
Change of assumptions	258,414	-	306,243	-
Net difference between projected and actual investment earnings on pension plan investments	-	263,859	670,796	1,324,084
Changes in proportion and differences between employer contributions and proportionate share of contributions	19,221	29,036	7,303	47,959
Employer contributions subsequent to the measurement date	425,264	-	428,414	-
Total	$ 905,347	$ 361,907	$ 1,577,482	$ 1,508,166

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – Continued

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,		
2020	$	199,146
2021		(204,657)
2022		(17,630)
2023		141,317
	$	118,176

Actuarial Assumptions

The total pension liability at March 31, 2019 and 2018 was determined by using actuarial valuations as of April 1, 2018 and 2017, respectively, with update procedures used to roll forward the total pension liability to March 31, 2019 and 2018. The actuarial valuations used the following actuarial assumptions. The assumptions are consistent from year to year, except as noted:

Actuarial Cost Method	Entry age normal
Inflation Rate	2.5 percent
Salary Scale	
2019	4.2 percent, indexed by service
2018	3.8 percent, indexed by service
Investment rate of return, including inflation	7.00 percent compounded annually, net of expenses
Decrement	Based on FY 2010-2015 experience
Mortality improvement	Society of Actuaries Scale MP-2014

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, 2019 are summarized below:

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

Actuarial Assumptions - Continued

Asset Type	Target Allocation	Long-Term Expected Real Rate
Domestic equity	36.00%	4.55%
International equity	14.00%	6.35%
Private equity	10.00%	7.50%
Real estate	10.00%	5.55%
Absolute return strategies	2.00%	3.75%
Opportunistic portfolio	3.00%	5.68%
Real assets	3.00%	5.29%
Bonds and mortgages	17.00%	1.31%
Cash	1.00%	-0.25%
Inflation-Indexed bonds	4.00%	1.25%
	100.00%	

Discount Rate

The discount rate used to calculate the total pension liability was 7.00%. 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 Liability to the Discount Rate Assumption

The following presents the Authority's proportionate share of the net pension liability at December 31, 2019 calculated using the discount rate of 7.00%, 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 (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6%)	Current Discount (7%)	1% Increase (8%)
Authority's proportionate share of the net pension liability (asset)	$ 4,494,869	$ 1,028,066	$ (1,884,294)

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

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):

	2019	2018
Employers' total pension liability	$ 189,803,429	$ 183,400,590
Plan net position	(182,718,124)	(180,173,145)
Employers' net pension liability	$ 7,085,305	$ 3,227,445
Ratio of plan net position to the employers' total pension liability	96.3%	98.2%

Note 7 – Other Postemployment Benefits (OPEB)

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 as of December 31, 2019 is as follows:

Actives	18
Retirees	5
Total	23

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, 2019 and 2018, the Authority paid $32,170 and $35,079, 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.

Note 7 - Other Postemployment Benefits (OPEB) - Continued

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

At December 31, 2019 and 2018, the Authority reported a liability of $2,387,667 and $2,537,410 for its OPEB liability, respectively. The OPEB liability was measured as of January 1, 2018 by an actuarial valuation as of that date. For the years ended December 31, 2019 and 2018, the Authority recognized OPEB expense of $126,661 and $164,856, respectively. At December 31, 2019, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	December 31, 2019		December 31, 2018	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 173,844	$ -	$ 214,179
Changes of assumptions or other inputs	197,512	210,101	243,338	-
Employer contributions subsequent to the measurement date	63,942	-	60,812	-
	$ 261,454	$ 383,945	$ 304,150	$ 214,179

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,	
2020	$ (34,076)
2021	(34,076)
2022	(34,076)
2023	(34,076)
2024	(34,076)
Thereafter	(16,053)
Total	$ (186,433)

Actuarial Assumptions. The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, which are consistent from year to year, expect as noted:

Note 7 - Other Postemployment Benefits (OPEB) - Continued

Actuarial Assumptions – Continued

Assumptions	Factor
Valuation Date	January 1, 2018
Measurement Date	January 1, 2019
Reporting Date	December 31, 2019
Actuarial Cost Method	Entry Age Normal - Level Percent of Pay
Discount Rate	
2019	4.10%
2018	3.44%
Health Care Cost Trend Rates	Society of Actuaries Long-Run Medical Cost Trend Model
Salary Scale	3.50%
Inflation	2.20%
Mortality	RP-2014 No Collar Mortality table with generational mortality projections using MP-

The discount rate used to measure the liability was 4.10% based on the Bond Buyer 20-year general obligation bond index.

Schedule of Changes in Net OPEB Liability

	December 31, 2019	December 31, 2018
Beginning of the year	$ 2,537,410	$ 2,365,128
Charges for the year:		
Service cost	72,019	67,811
Interest	88,718	91,554
Differences between expected and actual experience	-	(254,514)
Changes in assumption and other inputs	(249,668)	289,164
Benefit payments	(60,812)	(21,733)
Net changes	(149,743)	172,282
End of year	$ 2,387,667	$ 2,537,410

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, 2019 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	$ 2,027,923	$ 2,387,667	$ 2,846,837

Note 7 - Other Postemployment Benefits (OPEB) - Continued

The following presents the OPEB liability of the plan as of December 31, 2019, calculated using the discount rate of 4.10%, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.10%) or 1-percentage-point higher (5.10%) than the current rate:

	1% Decrease (3.10%)	Current Discount Rate (4.10%)	1% Increase (5.10%)
Authority's proportionate share of the OPEB liability	$ 2,781,620	$ 2,387,667	$ 2,073,019

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, 2023 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 $202,494 and $200,641 during the years ended December 31, 2019 and 2018, respectively. There was $51,615 and $50,031 due to the City at December 31, 2019 and 2018, 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, 2019 and 2018, the cost of waste removal was $4,061,883 and $3,993,240 offset by solid waste service charge revenues of $2,276,128 and $2,215,136 and refuse bag sales of $1,858,587 and $1,664,462, 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 September 2020 and March 2023. 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.

Note 8 - Commitments, Contingencies, Risks, and Uncertainties

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

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, 2019 and 2018, the cost of waste removal was $1,297,282 and $1,261,291, offset by refuse bag sales of $542,965 and $559,488, and toter rental fees of $774,331 and $752,727, 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 December 2020. For the years ended December 31, 2019 and 2018, $474,965 and $432,221, respectively, was earned related to the sale of carbon credits.

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). For the years ended December 31, 2019 and 2018, $322,253 and $332,837, 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 and $455,000 in 2019 and 2018, respectively.

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 2020. 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 2019 and 2018 were $824,838 and $781,285, 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.

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

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. 87, *Leases* (GASB 87). GASB 87 establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about government's leasing activities. The requirements are effective for reporting periods beginning after December 15, 2019.

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of the Construction Period.* This statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements,* which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus.

As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this statement are effective for reporting periods beginning after December 15, 2019.

GASB Statement No. 91, *Conduit Debt Obligations*. This statement will provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The statement clarifies the existing definition of a conduit debt obligation; establishes that a conduit debt obligation is not a liability of the issuer; establishes standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improves required note disclosures. The statement also addresses arrangements, often characterized as leases, that are associated with conduit debt obligations, noting that issuers should not report those arrangements as leases, nor should they recognize a liability for the related conduit debt obligations or a receivable for the payments related to those arrangements. The requirements of this statement are effective for reporting periods beginning after December 15, 2020.

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

GASB Statement No. 92, *Omnibus 2020.* This statement addressed a variety of topics including leases, intra-entity transfers, fiduciary activities, public entity risks pools/reinsurance recoveries, fair value measurements, and derivative instrument terminology. Guidance related to leases, reinsurance recoveries and derivative instrument terminology was effective upon the standards issuance in January 2020. The remaining components of this standard are effective for periods beginning after June 15, 2020.

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually required contribution	$ 571,218	$ 549,859	$ 540,463	$ 558,657	$ 699,094	$ 685,093	$ 602,389	$ 545,793	$ 388,528	$ 239,807
Contributions in relation to the contractually required contribution	571,218	549,859	540,463	558,657	699,094	685,093	602,389	545,793	388,528	239,807
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Authority's covered-employee payroll	4,100,777	4,064,975	3,836,397	3,695,136	3,419,002	3,640,306	3,458,769	3,399,133	3,544,966	3,599,666
Contribution as a percentage of covered-employee payroll	13.93%	13.53%	14.63%	16.34%	19.20%	19.81%	17.72%	15.40%	10.79%	6.74%

See Independent Auditor's Report.

Oneida-Herkimer
Solid Waste Management Authority

Required Supplementary Information
Schedule of Local Government Pension Contributions

	2019	2018	2017	2016	2015
Authority's proportion of the net pension liability	0.0145098%	0.0143100%	0.0141556%	0.0148470%	0.0142362%
Authority's proportionate share of the net pension liability	$ 1,028,066	$ 461,847	$ 1,330,098	$ 2,276,668	$ 480,933
Authority's covered-employee payroll	$ 4,100,777	$ 4,064,975	$ 3,836,397	$ 3,695,136	$ 3,419,002
Authority's proportionate share of the net pension liability as a percentage of its covered-employee payroll	25.07%	11.36%	34.67%	61.61%	14.07%
Plan fiduciary net position as a percentage of the total pension liability	96.3%	98.2%	94.7%	97.9%	97.9%

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

	December 31, 2019	December 31, 2018
Beginning of the year	$ 2,537,410	$ 2,365,128
Charges for the year		
Service cost	72,019	67,811
Interest	88,718	91,554
Differences between expected and actual experience	-	(254,514)
Changes in assumption and other inputs	(249,668)	289,164
Benefit payments	(60,812)	(21,733)
Net changes	(149,743)	172,282
End of year	$ 2,387,667	$ 2,537,410
Covered payroll	1,407,237	1,299,431
OPEB liability as a percentage of covered payroll	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, 2019, 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 4, 2020.

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) to determine the 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 may exist that have not been identified.

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 determination of financial statement amounts. 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 4, 2020