

**ULSTER COUNTY RESOURCE  
RECOVERY AGENCY**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2022 AND 2021**



**Teal, Becker & Chiamonte™**  
CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

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Ulster County Resource Recovery Agency

# Year in Review 2021-2022

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To The Board Of Directors  
Ulster County Resource Recovery Agency  
Kingston, New York

## **Independent Auditors' Report**

### **Report on the Audits of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the business-type activities of the Ulster County Resource Recovery Agency, a component Unit of the County of Ulster (the Agency), as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities of the Ulster County Resource Recovery Agency, as of December 31, 2022 and 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditors' Responsibilities for the Audits of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits 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 Ulster County Resource Recovery Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Ulster County Resource Recovery Agency's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension information on pages 4 through 19 and 41 and 42 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2023 on our consideration of the Ulster County Resource Recovery Agency'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 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 Agency's internal control over financial reporting and compliance.

*Paul Becker & Charamonte, CPAs PC*

Albany, New York  
March 27, 2023



## What is the Agency?

In 1986, the Ulster County Legislature obtained authorization from the State Legislature for the creation of the Ulster County Resource Recovery Agency (the "Agency"), a public benefit corporation which was formed for the purpose of developing, financing, and implementing a comprehensive Countywide solid waste management program. In the mid-1980's, after new initiatives to close non-complying existing landfills were undertaken by the NYSDEC and strict requirements for the siting, construction, and operation of new disposal facilities were enacted, many communities found it beyond their financial and managerial capability to continue to dispose of waste in traditional ways. Consequently, many of the local municipalities in Ulster County requested that the Ulster County government assume the responsibility for solid waste management, and the Agency was created by the New York State Legislature pursuant to Chapter 936 of the Public Authorities Law approved December of 1986. The Agency's organizational structure consists of a five-member Board of Directors, an Executive Director, Agency Counsel, and thirty administrative and operations personnel.

### Mission Statement

To protect public health and the environment and to promote sustainable materials management practices in Ulster County by efficiently managing solid waste materials with a focus on resource conservation.



## Communications & Public Outreach

*Ulster County Recycles* is a county-wide outreach education and community engagement program administered by UCRRA's Recycling Outreach Team. The Agency proudly fosters environmental literacy in the communities we serve, believing that educating the public about recycling, composting, and waste reduction has incredible social, environmental, and economic impacts. By promoting literacy in these areas, UCRRA strives to help build resilient communities that engage youth and citizens to demonstrate concern for the environment, so residents and community leaders can act on the environmental challenges of the future.

UCRRA offers free programs and resources for residents, businesses, schools, landlords, and other facilities in Ulster County. The ROT collects program tracking data to help evaluate the success of these strategies and presents the following results for 2022:

- The Recycling Outreach team completed **101.75** hours of direct community programming in 2022 that included: **25 classes/public speaking engagements, 26 facility tours, 9 tabling events, 7 interviews, 3 site visits to improve recycling practices, and 2 community installations at local libraries. These programs reached approximately 868 adult participants and 328 youth participants.**
- The program grew indirect outreach strategies as well; **4,474 newsletter subscribers** received quarterly e-news. @UCRRA social media audience grew to **1,168 followers on Facebook and 1,010 followers on Instagram, and a combined reach of over 19,500 impressions** on social media platforms. @UCRRA on YouTube grew to **23 subscribers and the channel had 2,739 total views over 26.4 hours of streaming.**
- Monthly Public Service Announcements for UCRRA Services were aired across two local radio stations (reaching over **70,000 estimated listeners**) and print advertising reached an estimated **45,000+ local readers**. In February and March a digital streaming OTT campaign targeting Ulster County viewers on Roku, Sling, Tubitv, Pluto tv, as well as authenticated cable subscriptions reached **136,191 impressions**.
- The Recycling Outreach Team received **56 requests for media kits** that were sent by mail to various community partners and facilities, and they **distributed an additional 764 kits** at programs tours and events.
- The team responded to **120 questions** through its website contact us form, **1,628 questions** through the Recycling Hotline, totaling **130 hours** of community engagement over the phone.





## **Household Hazardous Waste (HHW)** **& Pharmaceutical Program**

Hazardous wastes are substances that are toxic, flammable, chemically reactive, or corrosive. These hazardous substances should not be discarded in the trash or introduced into municipal water supplies by being poured down drains. The Agency offers HHW Collection Events as a safe, convenient, and free way for Ulster County households to dispose of hazardous materials such as: fluorescent lightbulbs, rechargeable batteries, paints and stains, cleaning chemicals, and more.

New York State Paint Stewardship Law was enacted December 16, 2019, and the Paint Care NY Program launched May 1, 2022. It is now even more convenient to recycle paint in New York State.

*PaintCare is funded by a fee (referred to as the PaintCare fee) which is applied to the purchase price of new paint sold in each state that has passed a paint stewardship law. The fee is paid to PaintCare by paint manufacturers and is then added to the wholesale and retail purchase price of paint, passing the cost of managing leftover paint to everyone who buys and uses it. The fee funds all aspects of the paint stewardship program. This includes paint collection, transportation, recycling, public outreach, and program administration.*

The Paint Care Program may lower the cost of the HHW service overtime, as the cost of paint and architectural coatings collected at events is now covered in full by the Paint Care Program. The Agency expanded its HHW service to include latex paint in addition to its collection of oil and lead based paints. Four other paint recycling drop off locations are now available throughout the County and there is no charge for dropping off paint at a PaintCare drop-off site.

In 2022, the Agency conducted four HHW Collection Events - in April, June, August, and October, at its two facilities in Kingston and New Paltz. Nine hundred and seventy seven (977) Ulster County residents participated in this program and approximately 93,960 lbs. of toxic wastes were recovered including; 52,650 lbs. paint, 15,350 lbs. flammable liquids, 13,250 lbs. pesticides, 8,645 lbs. of acids, caustics, ammonia, and aerosols, 3,835 lbs. of fluorescent lamps, 35 lbs. mercury containing devices, 195 lbs. of PCB containing material and other materials.

Our vendor, Clean Harbors, is North America's leading provider of environmental and industrial services. Clean Harbors provides collection, packaging, transportation, recycling, treatment, and disposal services at over 100 company-owned recycling, incineration, landfill, wastewater, or other treatment facilities. All materials collected are chemically neutralized, treated, and safely disposed in the most environmentally responsible way possible.



## Organics Recycling (Composting) Program

Organic materials (such as food and yard waste) make up a significant portion of the municipal solid waste stream and can be recycled by composting. The Agency operates one of only 2 municipally-operated Extended Aerated Static Pile (EASP) composting facilities in New York State. In 2022, the Agency celebrated its ten year compost program anniversary and was awarded the US Composting Council's Small Scale Compost Manufacturer of the Year Award.

The Agency accepts source-separated organics (food waste and food scraps) from commercial entities (such as restaurants, grocery stores, food processors, schools, or other institutional waste generators) at a cost 80.5% lower than the cost to dispose of trash. The food scraps are blended with wood chips, added to a forced aeration composting system, and undergoes a 90 day process cycle. The end product is a finished compost which the Agency sells in bulk.

The Agency processed **4,320** tons of source separated organics in 2022. If this food waste were instead managed as municipal solid waste, it would have cost the public an estimated **\$453,600** in solid waste tipping fees. By composting this material, the Agency **reduced hauling of 132** tractor trailer transport trips to the landfill (35 tons per vehicle). This represents a conservation of **12,540 gallons** of diesel fuel. The Agency also processed 1,138 tons of yard waste and 2,025 tons of woodchips through its composting operation.

The Agency produced **4,685 tons of compost and sold 2,708** tons of compost in 2022. Compost is as a valuable soil amendment that can be used to grow trees and shrubs, fruit/vegetable/flower gardens, lawn and turfgrass, or can be used in other landscaping and stormwater management applications. UCRRA's Grow Ulster Green Compost is sold to the general public, to landscapers, farmers, and hobby gardeners for use growing vegetables, flowers, trees/shrubs, turf, and in accordance with the Compost Sales Policy approved by the Agency's Board of Directors.

UCRRA is a proud partner of the US Composting Council's certified STA Compost Program. The Agency's compost bears the Seal of Testing Assurance. Compost is sampled quarterly and tested at a certified agronomy laboratory in Delaware. Compost Technical Data Sheets are available online at [www.ucrra.org](http://www.ucrra.org)



## Electronics Recycling

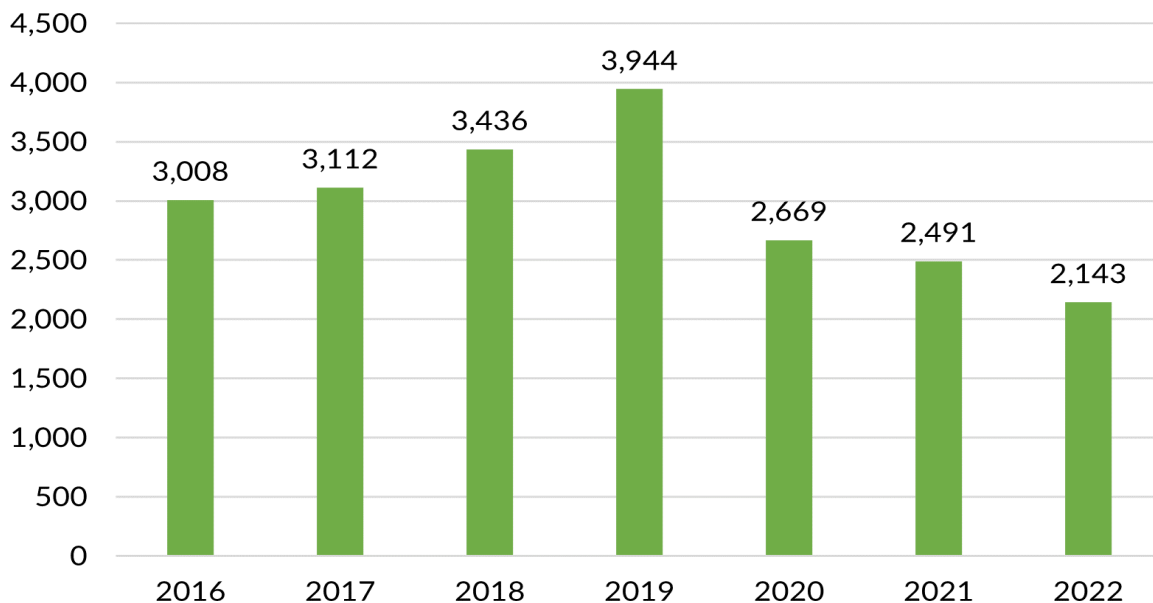
NYS consumers are required to recycle many electronic waste items, such as computers, computer peripherals, televisions, small scale servers, small electronic equipment, etc., in an environmentally responsible manner in accordance with the New York State Electronic Equipment Recycling and Reuse Act (Environmental Conservation Law, Article 27, Title 26).

In 2022, the Agency accepted electronic items for free, every Saturday from April through November, 8:00 AM - 2:00 PM outside of the Main Office. Additionally, the Agency also practices waste diversion of any electronics that are tipped for disposal at the transfer stations.

All electronics are consolidated and exported to Electronics Recyclers International (ERI) in Holliston, MA and Plainfield, IN. The Agency's electronics recycling program has been very successful. In 2022, UCRRA recycled **188 tons** of electronic devices, including **2,336 units of televisions and 2,879 units of computers** as well as various other office equipment and small electronic devices.

The electronics recycling program is open to residents (regardless of Ulster County residency status), businesses (<50 employees) local government entities, and non profit organizations (<75 employees). Residents represented 99.07% of the total E-Waste program users.

### Total E-Waste Program Users





# Overview of the Financial Statements

## Statements Of Net Position

The Statements of Net Position presents the assets, liabilities, and net position of the Agency at the end of each year. The purpose of the Statements of Net Position is to present to the readers of the financial statements a fiscal snapshot of the Agency. From the data presented, readers of the Statements of Net Position are able to determine the assets available to continue the operations of the Agency. They are also able to determine how much the Agency owes vendors, employees, and others. Finally, the Statements of Net Position provide a picture of the net position (assets minus liabilities and deferred outflows of resources) and their availability for use by the Agency.

## Condensed Statements Of Net Position

	2022	2021	2020
<b>Assets:</b>			
Current assets	\$11,052,550	\$11,569,482	\$10,775,684
Non-Current assets	<u>12,061,751</u>	<u>11,434,134</u>	<u>11,834,818</u>
Total assets:	<u>23,114,301</u>	<u>23,003,616</u>	<u>22,610,502</u>
Deferred outflows of resources	<u>1,275,665</u>	<u>1,698,237</u>	<u>1,361,335</u>
<b>Liabilities:</b>			
Current liabilities	2,989,137	2,994,181	3,025,331
Non-Current liabilities	<u>3,112,825</u>	<u>3,807,095</u>	<u>6,904,781</u>
Total liabilities:	<u>6,101,962</u>	<u>6,801,276</u>	<u>9,930,112</u>
Deferred inflows of resources	<u>2,160,533</u>	<u>2,169,127</u>	<u>126,320</u>
<b>Net position:</b>			
Net investment in capital assets	8,971,604	8,271,854	7,958,167
Unrestricted	3,397,105	3,941,633	2,579,787
Restricted	<u>3,758,762</u>	<u>3,517,963</u>	<u>3,377,451</u>
<b>Total Net Position:</b>	<u>\$16,127,471</u>	<u>\$15,731,450</u>	<u>\$13,915,405</u>



## Capital Activities

### 2022

Construction related projects were put on hiatus during 2022 as the Board of Directors searched for a new Executive Director prior to any work being done. Projects on hiatus included the recycling education center and compost bagging operation building. In the absence of construction projects, the Agency procured new heavy equipment and upgraded its IT and security camera infrastructure.

The following capital assets were purchased in 2022:

- Security camera infrastructure upgrades
- Additional security cameras installed
- Scale deck for New Paltz scale
- Additional and new lighting at Materials Recovery Facility
- New CAT mini excavator
- Installation of a storage pallet racking system at Vehicle Maintenance Facility
- (15) New 40 yard open top roll off containers
- New CAT 950M wheel loader
- New CAT 272D3 skidsteer
- Complete refurbishing of CAT 320CL excavator
- Installation of Two-Factor authentication software

### 2021

The Agency completed its expansion of its compost operation in preparation of new laws being implemented by Ulster County and New York State in the area of organics diversion. Construction continues on a new recycling education center and compost bagging operation. Construction was delayed as the Agency needed approvals from NYS DEC for its permit renewal and related modifications.

The following capital assets were purchased in 2021:

- Completion of concrete padding for expansion of composting operation
- New leachate tanker trailer
- New entrance gate located closer to the main road



## **Capital Activities (continued)**

- Installation of 36' X 36' building that will house the recycling education center and compost bagging operation
- Installation of gutters on the new recycling ed/compost bagging building and the Materials Recovery Facility
- New 550 gallon diesel fuel tank installed inside the vehicle maintenance facility for equipment fueling
- Installation of secondary containment monitors at the pump house for fire safety
- Installation of scale weight scoreboards at the New Paltz scale for better customer service/communication

For additional information about the Agency's capital activities, see "Note 4 – Capital Assets" in the Notes to Financial Statements.

## **Long Term Debt Activities**

The Agency issued no debt during 2022 and 2021.

The Agency's 2002 Refunding Bond payments became interest heavy beginning in 2019, resulting in a substantial increase in interest expense. Over the past four years, average interest expense is \$1,081,081, or \$397,665 per year higher than it was in 2018.

For additional information about the Agency's capital activities, see "Note 7 – Long Term Debt" in the Notes to Financial Statements.



## Ulster County Resource Recovery Agency

Management's Discussion & Analysis | December 31, 2022 and 2021

### Statements of Revenues, Expenses, and Changes in Net Position

Changes in total net position as presented on the Statements of Net Position are based on the activity presented in the Statements of Revenues, Expenses, and Changes in Net Position. The purpose of the statement is to present the revenue earned by the Agency, both operating and non-operating, and the expenses incurred by the Agency, operating and non-operating, and any other revenue, expenses, gains and losses earned or incurred by the Agency.

Generally speaking, operating revenue is received for providing goods and services to the various private customers and municipalities that use the Agency's facilities. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues, and to carry out the mission of the Agency.

### Condensed Statements of Revenues, Expenses,

	2022	2021	2020
Operating Revenue:			
Solid Waste Service Fees	\$18,591,710	\$17,097,941	\$15,874,337
Other Operating Revenue	<u>1,224,429</u>	<u>1,648,853</u>	<u>736,187</u>
	19,816,139	18,746,794	16,610,524
Non-Operating Revenue:			
Investment Income	152,185	133,880	170,340
Grant Revenue	180,180	193,901	272,666
Gain on Disposal of Assets	<u>32,496</u>	<u>1,500</u>	<u>6,212</u>
	<u>364,861</u>	<u>329,281</u>	<u>449,218</u>
Total revenue:	<u>20,181,000</u>	<u>19,076,075</u>	<u>17,059,742</u>
Operating Expenses:			
Cost of Sales and Services	13,353,135	11,340,194	10,021,995
Other Operating Expenses	<u>5,314,651</u>	<u>4,814,004</u>	<u>4,896,394</u>
	18,667,786	16,154,198	14,918,389
Non-Operating Expenses:			
Interest Expense	<u>1,117,193</u>	<u>1,105,832</u>	<u>1,061,112</u>
Total expenses:	<u>19,784,979</u>	<u>17,260,030</u>	<u>15,979,501</u>
Increase in net position	396,021	1,816,045	1,080,241
Net position:			
Beginning of year	<u>15,731,450</u>	<u>13,915,405</u>	<u>12,835,164</u>
<b>End Of Year</b>	<u>\$16,127,471</u>	<u>\$15,731,450</u>	<u>\$13,915,405</u>



## **Statements of Revenues, Expenses, and Changes in Net Position (continued)**

### **2022**

The Agency's net position improved by approximately \$400,000, from \$15.7 million at December 31, 2021 to \$16.1 million at December 31, 2022.

Total revenue in 2022 increased from the previous year by \$1.1 million. During 2022, the Agency experienced an overall increase in volume. In correlation, revenue increases were driven by volume.

Total expenses in 2022 increased from the previous year by \$2.5 million. During 2022, the Agency realized contractual increases for transportation and disposal of MSW/C&D/Sludge. The noted contractual rate increases and volume increases were the main contributors to the increase in expenditures.

### **2021**

The Agency's net position improved by \$1.8 million, from \$13.9 million at December 31, 2020 to \$15.7 million at December 31, 2021.

Total revenue in 2021 increased from the previous year by \$2.02 million. During 2021, the Agency experienced an overall increase in volume and dramatic increases in recycling markets. In correlation, revenue increases were driven by volume and recycling market improvements.

Total expenses in 2021 increased from the previous year by \$1.3 million. During 2021, the Agency realized contractual increases for transportation and disposal of MSW/C&D/Sludge. A majority of these increases were directly attributed to an increase in volume.





## Statements of Cash Flows

The final statement presented by the Agency is the statements of cash flows. The statements of cash flows present detailed information about the cash activities of the Agency during the year. The first section of the statements of cash flows deals with operating cash flows and shows the net cash provided by the operating activities of the Agency. The second section reflects the cash flows from grant activities. The third section reflects the cash flows from capital and related financing activities and shows capital construction and capital asset acquisition/disposal. The fourth section reflects cash flows from interest earned on investments.

Net cash decreased from 2021 to 2022 mainly due to the purchase of capital assets. Capital asset investments were almost twice as much as in 2022 as they were in 2021. An increase of approximately \$500,000.

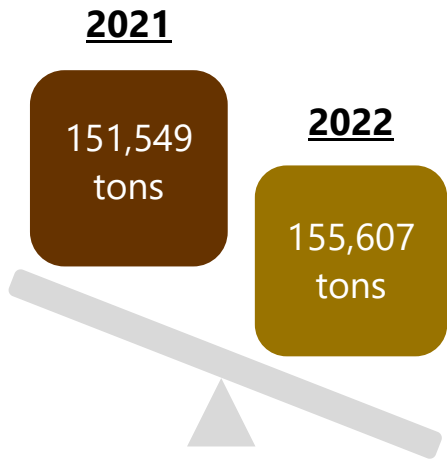
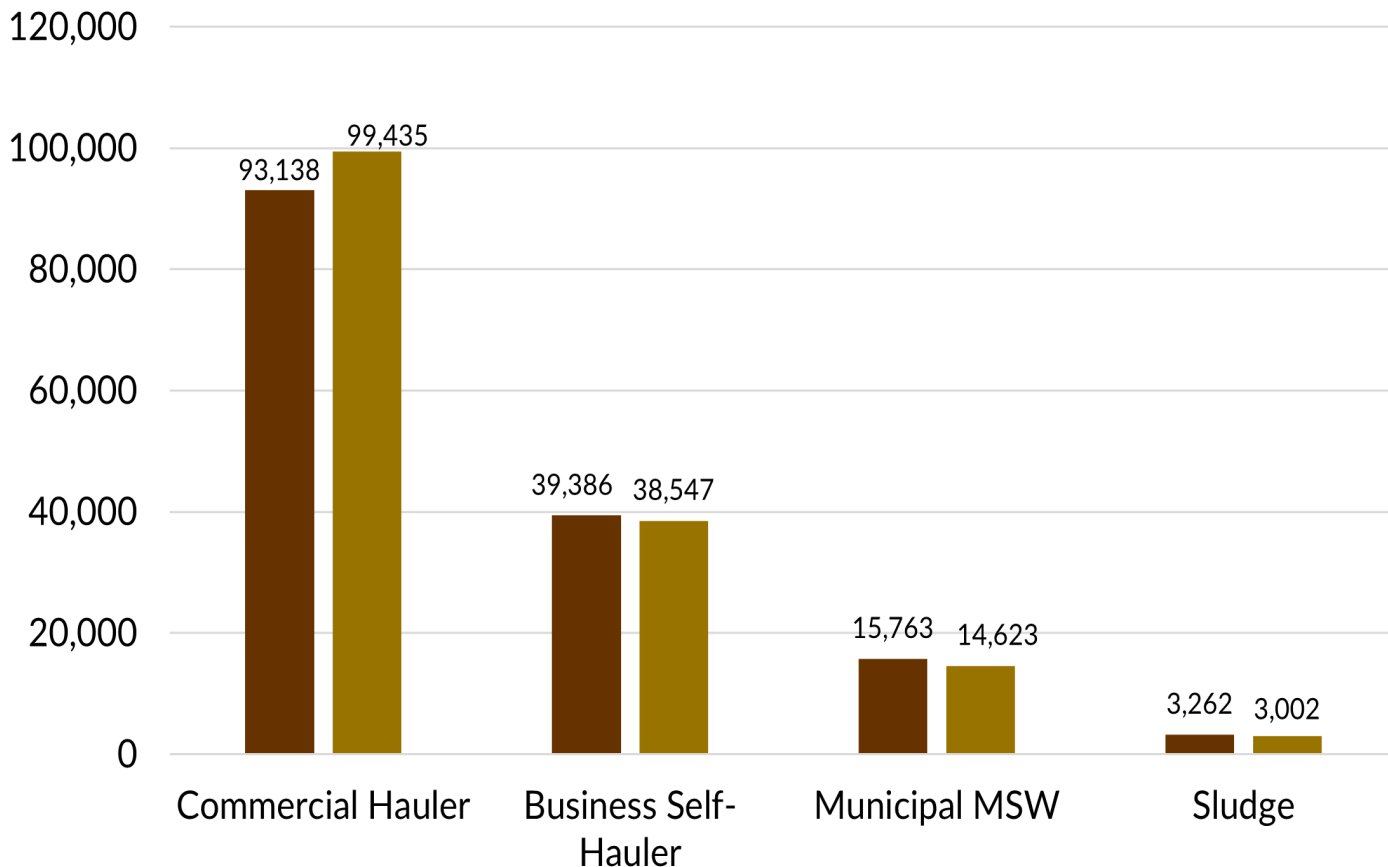
Net cash increased from 2020 to 2021 mainly due to grant income from prior year's actually being received in 2021. An increase of more than \$400,000.

### Condensed Statements of Cash Flows

	2022	2021	2020
Net cash provided by operating activities	\$2,347,797	\$2,419,588	\$2,809,852
Net cash provided by noncapital financing activities	100,161	425,199	36,131
Net cash used in capital and related financing activities	(2,764,919)	(2,309,285)	(4,495,395)
Net cash provided by investing activities	<u>148,557</u>	<u>133,719</u>	<u>171,240</u>
Net increase (decrease) in cash and equivalents	(168,404)	669,221	(1,478,172)
Cash and equivalents at beginning of year	<u>6,616,707</u>	<u>5,947,486</u>	<u>7,425,658</u>
<b>Cash And Equivalents At End Of Year</b>	<b><u>\$6,448,303</u></b>	<b><u>\$6,616,707</u></b>	<b><u>\$5,947,486</u></b>



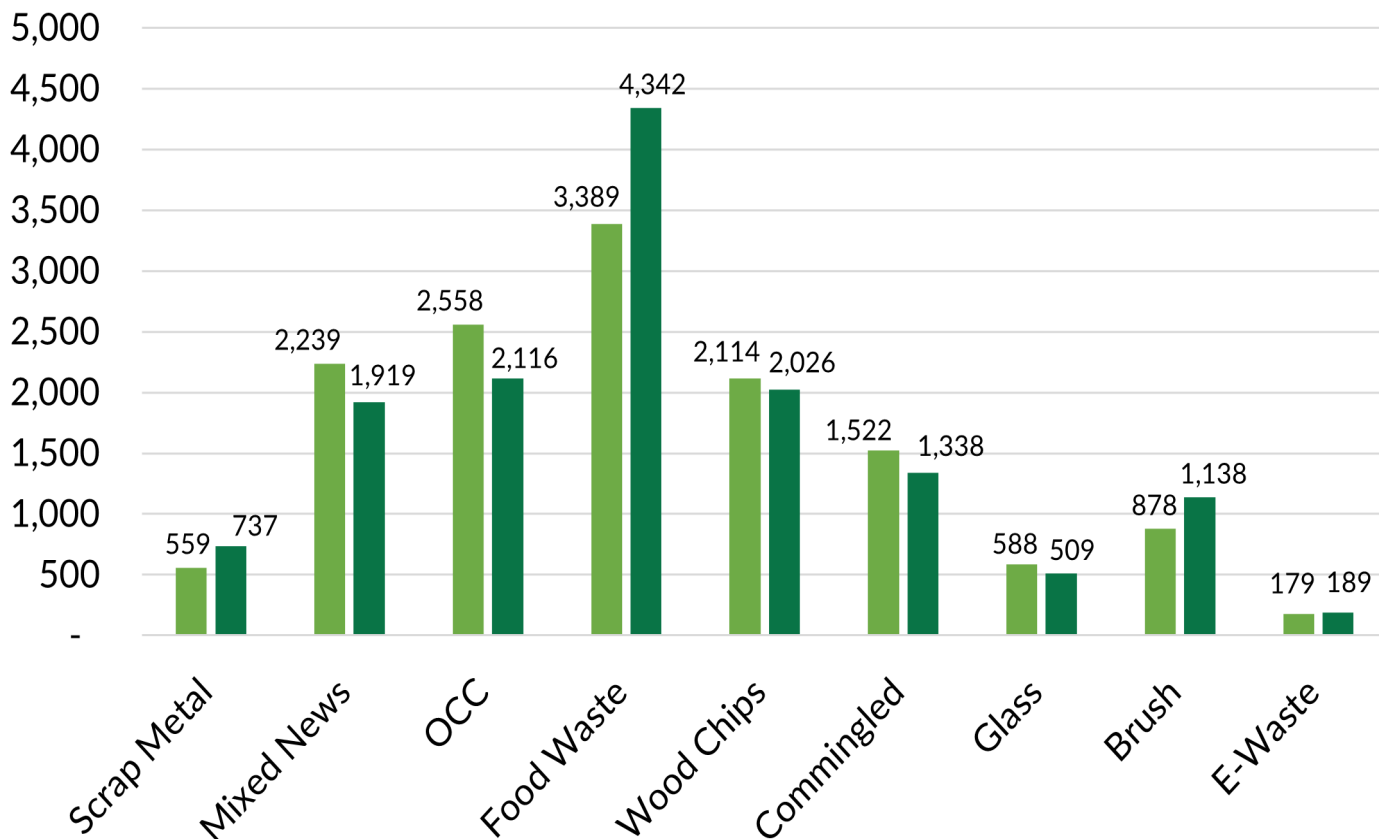
## Solid Waste



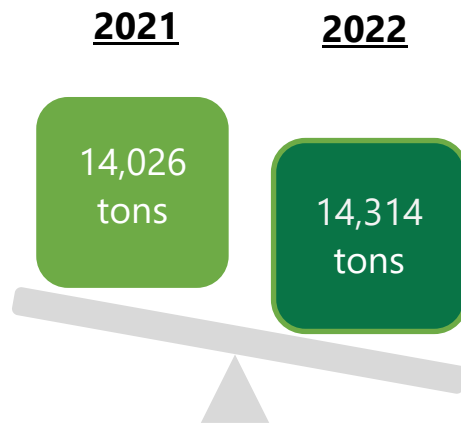
Overall, waste volume increased by 2.7% from the prior year. Predicting waste volume can be very difficult from year to year, but the implementation of Flow Control has allowed for less unpredictability. The recovery from the public health crisis due to COVID-19 continued to impact the makeup of waste. Commercial hauler volume increased as people returned to work and school. This led to a decrease in volume of municipal MSW, which is made up of residential waste. Business self-haulers and related C&D volume appeared to have stabilized in 2022 as previously expected.



## Recycling/Diversion



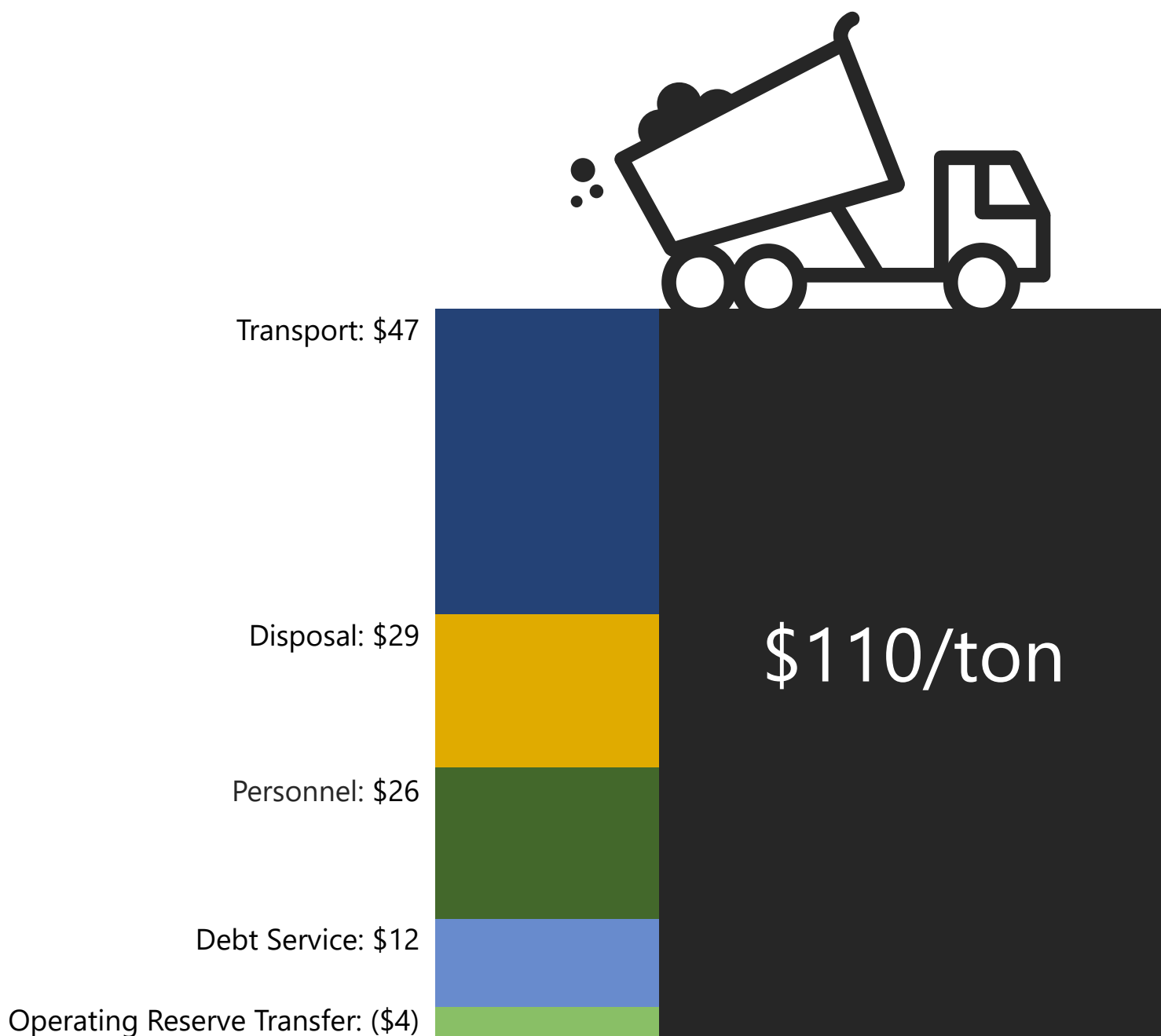
Total recycling/diversion volumes were comparable to the prior year. The main commodities (news, OCC and commingle) decreased in direct correlation with municipal MSW, as a majority of these commodities is received from municipalities. The biggest change in volume was an increase in food waste that was received. Food waste volumes can be affected by a number of variables, including customer route changes and cheaper disposal alternatives outside the County. The Agency's biggest customer brought in consistent volume throughout 2022, which created an increase of 28%.





## How We Calculate Our Tipping Fee

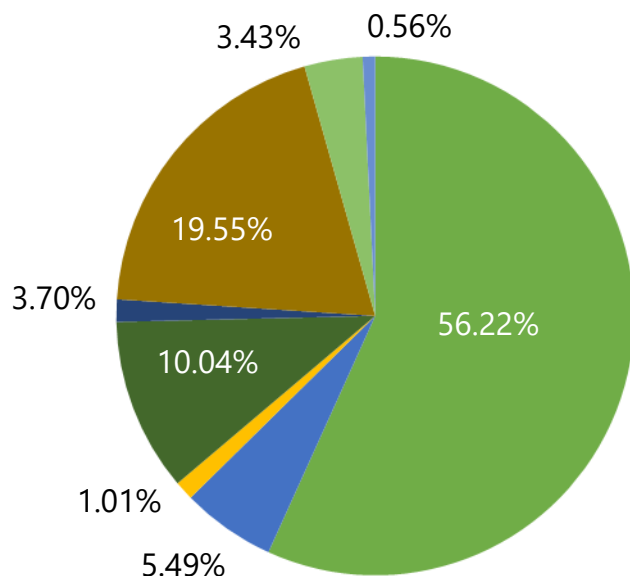
The Agency calculates its annual tipping fee rate/ton with the expectation to, at minimum, break even. The following chart breaks down the 2023 approved tipping fee rate with relation to its major cost categories. Contractual increases for transportation, disposal, and personnel costs were offset by a budgeted transfer from the Agency's Reserve Funds. This assisted the Agency with approving a budget with a lower increase (\$5/ton) than initially calculated (\$10/ton).



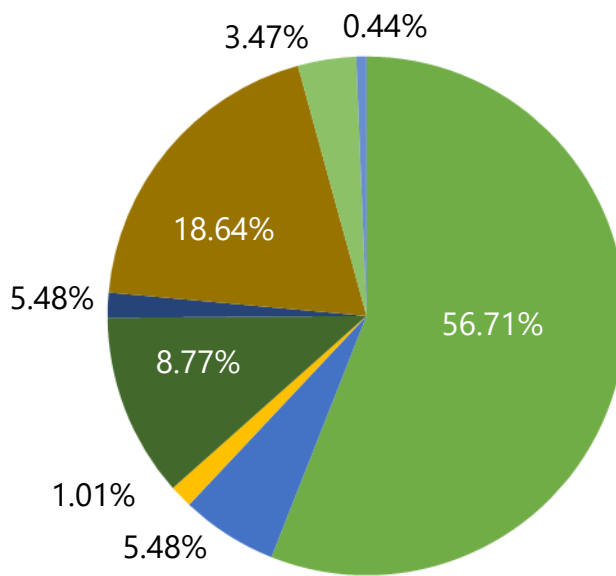


## Budget

### 2022



### 2023



- |   |  |  |
|---|--|--|
| <p><b>1</b> Transportation/Disposal</p> <p><b>2</b> Facility Operations</p> <p><b>3</b> Closed Landfill Maintenance</p> | <p><b>4</b> Personnel Expenses</p> <p><b>5</b> Capital Outlay</p> <p><b>6</b> Debt Service</p> | <p><b>7</b> Administration Expenses</p> <p><b>8</b> Recycling/Composting</p> |
|---|--|--|

The Agency's budget is highly contingent on volume received at the Agency's two regional transfer stations. Over 84% of Agency costs are tied to contractual agreements and debt service, making the budgeting of these items less susceptible to high variances with the actual results when volume is consistent. The implementation of Flow Control has allowed for consistent volume and more precise budgeting. However, the Agency continued to outperform its budget, creating a surplus that allowed the Agency to invest in Capital Assets. Volume is expected to stabilize in the short term, and contractual transportation/disposal cost increases will also increase tipping fees to help offset these known increased costs over the remaining years of these contracts.



## **Additional Information**

The report is compiled for the use of the Agency's Governing Board, management, appropriate officials of the County of Ulster and State of New York, and members of the public interested in the Agency's affairs. Questions with regard to this financial report or requests for additional information may be addressed to the Director of Finance and Administration, Ulster County Resource Recovery Agency, P.O. Box 6219, 999 Flatbush Road, Kingston, New York 12402.

## ULSTER COUNTY RESOURCE RECOVERY AGENCY

Statements Of Net Position  
For The Years Ended December 31

<b>Assets</b>	<b>2022</b>	<b>2021</b>
Current assets:		
Unrestricted assets:		
Cash and equivalents	\$ 5,232,490	\$ 5,641,693
Receivables, net of allowance of \$22,287 and \$37,645, respectively	1,528,028	1,989,050
Grants receivable	85,256	5,237
Accrued interest	42,369	38,741
Prepaid expense	342,184	340,342
Compost and Commodity inventory	63,461	36,456
Total Unrestricted Assets	7,293,788	8,051,519
Restricted Assets:		
Cash and equivalents	1,215,813	975,014
Investments	2,542,949	2,542,949
Total Restricted Assets	3,758,762	3,517,963
Total Current assets:	11,052,550	11,569,482
Non-Current assets		
Net pension asset - proportionate share - Employees Retirement System	596,933	-
Capital assets, net	11,464,818	11,434,134
Total Non-Current assets	12,061,751	11,434,134
<b>Total Assets</b>	<b>\$ 23,114,301</b>	<b>\$ 23,003,616</b>
<b>Deferred outflows of resources</b>		
Pension	\$ 1,275,665	\$ 1,698,237
<b>Total Deferred Outflows Of Resources</b>	<b>\$ 1,275,665</b>	<b>\$ 1,698,237</b>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	\$ 624,701	\$ 662,012
Accrued interest	774,581	778,322
Host community benefits payable	19,943	21,832
Customer advances	-	13,900
Other payables	127,903	91,401
Current installments of long-term debt	628,129	669,066
Current portion of landfill post closure care costs	249,548	217,798
Compensated absences	564,332	539,850
Total current liabilities	2,989,137	2,994,181
Non-Current liabilities:		
Long-term debt, excluding current installments	1,865,085	2,493,214
Landfill post closure care costs, excluding current portion	1,247,740	1,306,788
Net pension liability - proportionate share - Employees Retirement System	-	7,093
Total Non-Current liabilities:	3,112,825	3,807,095
<b>Total Liabilities</b>	<b>\$ 6,101,962</b>	<b>\$ 6,801,276</b>
<b>Deferred inflows of resources:</b>		
Inventory for sale	\$ 63,461	\$ 36,456
Pension	2,097,072	2,132,671
<b>Total Deferred Inflows Of Resources</b>	<b>\$ 2,160,533</b>	<b>\$ 2,169,127</b>
<b>Net position:</b>		
Net investment in capital assets	\$ 8,971,604	\$ 8,271,854
Restricted for:		
Debt repayment	3,177,083	2,942,187
Landfill Post Closure	581,679	575,776
Unrestricted	3,397,105	3,941,633
<b>Total Net Position</b>	<b>\$ 16,127,471</b>	<b>\$ 15,731,450</b>

The accompanying notes are an integral part of these financial statements

## ULSTER COUNTY RESOURCE RECOVERY AGENCY

Statements Of Revenues, Expenses And Changes In Net Position

For The Years Ended December 31

	2022	2021
<b>Operating revenue:</b>		
Charges for sales and services:		
Sales of recyclable materials	\$ 1,151,783	\$ 1,179,331
Solid waste service fees	18,591,710	17,097,941
Other revenue	72,646	49,730
Landfill post closure care costs	-	419,792
Total operating revenue	19,816,139	18,746,794
<b>Operating expenses:</b>		
Costs of sales and services	13,353,135	11,340,194
Salaries and wages	2,429,044	2,146,505
Administration	823,768	778,617
Depreciation	976,731	921,469
Benefits	862,858	967,413
Landfill post closure care costs	222,250	-
Total operating expenses	18,667,786	16,154,198
<b>Operating income</b>	<b>1,148,353</b>	<b>2,592,596</b>
<b>Nonoperating revenue (expenses):</b>		
Investment income	152,185	133,880
Gain on disposal of assets	32,496	1,500
Grant revenue	180,180	193,901
Interest expense	(1,117,193)	(1,105,832)
Total nonoperating revenue (expenses)	(752,332)	(776,551)
<b>Increase in net position</b>	<b>396,021</b>	<b>1,816,045</b>
<b>Beginning of year</b>	<b>15,731,450</b>	<b>13,915,405</b>
<b>End Of Year</b>	<b>\$ 16,127,471</b>	<b>\$ 15,731,450</b>

The accompanying notes are an integral part of these financial statements



# ULSTER COUNTY RESOURCE RECOVERY AGENCY

Statements Of Cash Flows  
For The Years Ended December 31

	2022	2021
<b>Cash flows from operating activities:</b>		
Receipts from services	\$ 20,263,261	\$ 18,434,108
Payments to suppliers	(14,445,554)	(12,672,197)
Payments to employees	(3,469,910)	(3,342,323)
Net cash provided by operating activities	2,347,797	2,419,588
<b>Cash flows from noncapital financing activities:</b>		
Grant income	100,161	425,199
Net cash provided by noncapital financing activities	100,161	425,199
<b>Cash flows from capital and related financing activities:</b>		
Purchases of capital assets	(1,008,644)	(520,785)
Proceeds from disposal of assets	33,725	1,500
Principal paid on long-term debt	(669,066)	(714,371)
Interest paid on long-term obligations	(1,120,934)	(1,075,629)
Net cash used in capital and related financing activities	(2,764,919)	(2,309,285)
<b>Cash flows from investing activities - investment income received, net</b>	148,557	133,719
<b>Net increase (decrease) in cash and cash equivalents</b>	(168,404)	669,221
<b>Cash, cash equivalents and restricted cash at beginning of year</b>	6,616,707	5,947,486
<b>Cash, Cash Equivalents And Restricted Cash At End Of Year</b>	\$ 6,448,303	\$ 6,616,707
<b>Reconciliation of operating income to net cash provided by operating activities:</b>		
Operating income	\$ 1,148,353	\$ 2,592,596
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	976,731	921,469
Pension expense	(217,053)	(174,055)
Changes in:		
Receivables, net	461,022	(319,686)
Prepaid expenses	(1,842)	428
Accounts payable and other payables	(2,698)	101,805
Customer advances	(13,900)	7,000
Compensated absences	24,482	(72,379)
Landfill post closure care costs	(27,298)	(637,590)
<b>Net Cash Provided By Operating Activities</b>	\$ 2,347,797	\$ 2,419,588

The accompanying notes are an integral part of these financial statements

# ULSTER COUNTY RESOURCE RECOVERY AGENCY

Notes To Financial Statements

December 31, 2022 And 2021

## **(1) Organization**

The Ulster County Resource Recovery Agency (the Agency), a Public Benefit Corporation, was established on December 31, 1986, for the purpose of establishing a solid waste management plan, and to develop, finance, construct, and operate facilities and projects to implement the plan in the County of Ulster, New York (the County). On December 14, 1992, the Agency began landfill operations under its interim "landfill consolidation plan" at the Town of New Paltz landfill. In February 1993 and May 1993, commencement of landfill operations under this plan began at the towns of Ulster and Lloyd, respectively. All three landfill operations were closed as of December 31, 1996. As of January 1, 1997, the Agency started transporting solid waste to other counties.

## **(2) Summary Of Significant Accounting Policies**

### **(a) Financial Reporting Entity**

The Agency is governed by Article 13-g of the Public Authorities Law (Act) and other laws of the State of New York, as indicated in such Act. The governing body is referred to herein as the "Board of Directors." The scope of activities included within the accompanying financial statements are those transactions which comprise Agency operations, and are governed by, or significantly influenced by, the Board of Directors.

The Agency meets the criteria set forth in generally accepted accounting principles as promulgated by the Government Accounting Standards Board (GASB) for inclusion as a component unit within the County's basic financial statements based on the County's responsibility for the appointment of the Agency's board members, and their approval of certain debt issuances. As such, the Agency is included in the County's basic financial statements. The accompanying financial statements present the financial position and the changes in net position and cash flows of the Agency only.

The accompanying basic financial statements of the Agency have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB).

# ULSTER COUNTY RESOURCE RECOVERY AGENCY

Notes To Financial Statements, Continued

December 31, 2022 And 2021

## **(2) Summary Of Significant Accounting Policies (Continued)**

### **(a) Financial Reporting Entity, Continued**

The Agency reports as a special purpose government engaged in business-type activities, as defined by GASB Statement No. 34. Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods or services. The basic financial statements of the Agency consist of statements of net position, statements of revenues, expenses, and changes in net position that distinguishes between operating and non-operating revenue and expenses, and statements of cash flows, using the direct method of presenting cash flows from operations. The business type activity presentation includes all of the Agency's funds.

The Agency's policy for defining operating activities in the statements of revenues, expenses, and changes in net position are those that generally result from exchange transactions such as the payment received for services and payment made for the purchase of goods and services. Certain other transactions are reported as non-operating activities in accordance with GASB Statement No. 34. These non-operating activities include the Agency's operating revenues from net investment income, grant revenue, interest expenses and gains from the disposal of assets.

GASB Statement No. 34 requires that resources be classified for accounting and financial reporting purposes into the following three net asset categories:

- Net investment in capital assets - Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, repair or improvement of those assets. See unrestricted below.
- Restricted - Net position with constraints placed on their use either by (1) external groups such as creditors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted - All other categories of net position. Included in unrestricted net position are amounts not available for other purposes. The liability for debt is shown as a reduction of unrestricted since it was not possible to distinguish the amount that is related to capital assets.

### **(b) Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standards setting body for establishing governmental accounting and financial reporting principles.

# ULSTER COUNTY RESOURCE RECOVERY AGENCY

Notes To Financial Statements, Continued

December 31, 2022 And 2021

## **(2) Summary Of Significant Accounting Policies (Continued)**

### **(c) Budgetary Policies**

The budget policies are as follows:

- Agency administration compiles a proposed budget for approval by the Board of Directors by August of each year for the ensuing year consistent with accounting principles generally accepted in the United States of America.
- The budget is then submitted to the County Executive for review. This is followed by a public hearing process. Finally, the budget is adopted in October of each year by the Board of Directors.

### **(d) Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Significant estimates used in preparing these financial statements include those assumed in calculating the landfill post closure care cost liability, certain assumptions related to the actuarial determined pension asset and liability and deferred inflows and outflows of resources. Accordingly, actual results could differ from those estimates.

### **(e) Cash, Cash Equivalents, and Investments**

For financial statement purposes, the Agency considers all highly liquid investments with maturities of three months or less to be cash equivalents. Certain cash balances are maintained in trustee bank accounts for the purposes of landfill post closure care costs only, therefore, these accounts have been deemed restricted cash. Due to debt service reserve requirements, varying amounts of cash equivalents may need to be restricted throughout the year.

### **(f) Receivables and Allowance for Doubtful Accounts**

Receivables are stated at the amount management estimates will be collected on outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual receivables. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to the applicable accounts receivable.

### **(g) Capital Assets**

Capital assets are stated at cost, or in the case of donated capital assets, acquisition value. The Agency's policy is to capitalize equipment which has a cost in excess of \$1,000 and has a useful life of at least three years. Building renovations/additions, machinery and equipment, computers, software, vehicles, trailers, furniture and fixtures, and infrastructure with a unit cost of greater than \$1,000, are capitalized. Agency capital assets, with the exception of land, are depreciated on a straight-line basis over their useful lives. The estimated lives by general classification are as follows:

# ULSTER COUNTY RESOURCE RECOVERY AGENCY

Notes To Financial Statements, Continued

December 31, 2022 And 2021

## **(2) Summary of Significant Accounting Policies (Continued)**

### **(g) Capital Assets, Continued**

	<b><u>Years</u></b>
Buildings	5 - 50
Machinery and Equipment	5 - 20
Trailers	8
Computers	5
Software	3
Vehicles	8
Furniture and Fixtures	10
Infrastructure	20

### **(h) Interfund Transfers**

During the course of operations, the Agency has minimal transactions between funds, including expenditures and transfers of revenues to provide services, construct assets, and repay debt. This interfund activity has no effect on the basic financial statements as a whole, and therefore, was eliminated from the entity wide financial statements.

### **(i) Net Position**

Restricted/Unrestricted Resources - Portions of net position are segregated for future use; and are, therefore, not available for current appropriation or expenditure. If an expense is incurred for purposes for which both restricted and unrestricted assets are available, the policy is to follow the Board of Directors' resolution when deciding which assets to use.

### **(j) Deferred Outflows and Inflows of Resources**

In addition to assets, the Statements of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Agency has four items that qualify for reporting in this category. First, is related to pension reported in the Statements of Net Position. This represents the effect of the net change in the Agency's proportion of the collective net pension asset or liability and difference during the measurement period between the Agency's contributions and its proportion share of total contributions to the pension system not included in pension expense. Second, is differences between the expected and actual experience of System members. Third, the Agency's contributions to the pension system (ERS Systems) subsequent to the measurement date, and last, changes in plan assumptions.

In addition to liabilities, the Statements of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets or fund balance that applies to a future period(s) and so will not be recognized as inflow of resources (revenue) until that time. The Agency has five items that qualify for reporting in this category.

# ULSTER COUNTY RESOURCE RECOVERY AGENCY

Notes To Financial Statements, Continued

December 31, 2022 And 2021

## **(2) Summary of Significant Accounting Policies (Continued)**

First, is related to pension reported in the Statements of Net Position. This represents the effect of the net change in the Agency's proportion of the collective net pension asset or liability and difference during the measurement period between the Agency's contributions and its proportion share of total contributions to the pension system not included in pension expense. Second, is differences between the expected and actual experience of System members. Third, the net difference between projected and actual investment earnings on pension plan investments. Fourth, the changes in plan assumptions, and last, inventory available for sale.

### **(k) Advertising Costs**

Advertising costs are expensed as incurred.

### **(l) Reclassifications**

Certain reclassifications, when applicable, are made to the prior year financial statement presentation to correspond to the current year's format. Reclassifications, when made, have no effect on total net position or operating income.

### **(m) Future Changes in Accounting Standards**

The Agency will evaluate future pronouncements and the impact the pronouncements may have on its financial statements and will implement them as applicable and when material.

### **(n) Subsequent Events**

The Agency has evaluated events after December 31, 2022, and through March 27, 2023, which is the date the financial statements were available to be issued, and determined that any events or transactions occurring during this period that would require recognition or disclosure are properly addressed in these financial statements.

# ULSTER COUNTY RESOURCE RECOVERY AGENCY

Notes to Financial Statements, Continued

December 31, 2022 And 2021

## **(3) Cash Equivalents and Investments**

The Agency's investment policies are governed by New York State statutes and the Agency's investment policy was adopted August 6, 1993. Cash equivalents and investments at year-end were either fully insured by the Federal Deposit Insurance Corporation (FDIC) and/or are collateralized with U.S. government obligations held in the Agency's custodial bank in the Agency's name. Coverage was 102% or more of the balances on deposit at December 31, 2022 and December 31, 2021. Investments consist primarily of guaranteed investment contracts (GIC's) purchased directly by the Agency.

At December 31, 2022, the Agency's cash equivalents and investment balances were as follows:

	<b><u>Unrestricted</u></b>	<b><u>Restricted</u></b>	<b><u>Total</u></b>
Cash and equivalents	\$5,232,490	\$1,215,813	\$6,448,303
Investments	-	2,542,949	2,542,949
<b>Total</b>	<b>\$5,232,490</b>	<b>\$3,758,762</b>	<b>\$8,991,252</b>

At December 31, 2021, the Agency's cash equivalents and investment balances were as follows:

	<b><u>Unrestricted</u></b>	<b><u>Restricted</u></b>	<b><u>Total</u></b>
Cash and equivalents	\$5,641,693	\$975,014	\$6,616,707
Investments	-	2,542,949	2,542,949
<b>Total</b>	<b>\$5,641,693</b>	<b>\$3,517,963</b>	<b>\$9,159,656</b>

# ULSTER COUNTY RESOURCE RECOVERY AGENCY

Notes To Financial Statements, Continued

December 31, 2022 And 2021

## (4) Capital Assets

Capital assets activity for the years ended December 31 were as follows:

	Total 12/31/20	Additions	Deletions	Total 12/31/21	Additions	Deletions	Total 12/31/22
Capital Assets that are not depreciated:							
Land	\$1,238,172	\$-	\$-	\$1,238,172	\$-	\$-	\$1,238,172
Construction in progress	355,858	29,739	(320,582)	65,015	21,220	-	86,235
<b>Total</b>	<b>1,594,030</b>	<b>29,739</b>	<b>(320,582)</b>	<b>1,303,187</b>	<b>21,220</b>	<b>-</b>	<b>1,324,407</b>
Capital Assets that are depreciated:							
Buildings	11,398,766	727,856	-	12,126,622	49,200	-	12,175,822
Machinery and equipment	5,153,274	-	(32,387)	5,120,887	934,179	(191,683)	5,863,383
Trailers	731,695	76,397	-	808,092	-	-	808,092
Computers and software	103,452	-	-	103,452	4,045	(18,907)	88,590
Vehicles	2,267,707	-	-	2,267,707	-	(179,511)	2,088,196
Furniture and fixtures	56,357	-	-	56,357	-	(12,209)	44,148
Infrastructure	123,549	7,375	-	130,924	-	-	130,924
<b>Subtotal</b>	<b>19,834,800</b>	<b>811,628</b>	<b>(32,387)</b>	<b>20,614,041</b>	<b>987,424</b>	<b>(402,310)</b>	<b>21,199,155</b>
Less accumulated depreciation:							
Buildings	4,409,195	324,366	-	4,733,561	330,742	-	5,064,303
Machinery and equipment	3,033,927	394,870	(32,387)	3,396,410	453,370	(191,683)	3,658,097
Trailers	551,408	40,132	-	591,540	34,291	-	625,831
Computers and software	81,039	6,821	-	87,860	6,927	(18,907)	75,880
Vehicles	1,462,439	144,648	-	1,607,087	141,195	(179,511)	1,568,771
Furniture and fixtures	37,115	4,271	-	41,386	3,661	(10,980)	34,067
Infrastructure	18,889	6,361	-	25,250	6,545	-	31,795
<b>Subtotal</b>	<b>9,594,012</b>	<b>921,469</b>	<b>(32,387)</b>	<b>10,483,094</b>	<b>976,731</b>	<b>(401,081)</b>	<b>11,058,744</b>
<b>Total depreciable capital assets, net</b>	<b>10,240,788</b>	<b>(109,841)</b>	<b>-</b>	<b>10,130,947</b>	<b>10,693</b>	<b>(1,229)</b>	<b>10,140,411</b>
<b>Total Capital Assets, Net</b>	<b>\$11,834,818</b>	<b>\$(80,102)</b>	<b>\$(320,582)</b>	<b>\$11,434,134</b>	<b>\$31,913</b>	<b>\$(1,229)</b>	<b>\$11,464,818</b>



# ULSTER COUNTY RESOURCE RECOVERY AGENCY

Notes To Financial Statements, Continued

December 31, 2022 And 2021

## **(5) Deferred Outflow and Deferred Inflow of Resources**

As of December 31, 2022, the Agency had deferred outflows of resources amounting to \$1,275,665, and deferred inflows of resources amounting to \$2,097,072 related to the NYS Employees' Retirement System. See Note (6). The Agency also had deferred inflows of resources amounting to \$63,461 related to inventory for sale.

## **(6) Retirement Plan**

### **(a) Plan Description and Benefits Provided**

The Agency is a participant in the New York State and Local Retirement System (the System). Employees had the option to buy past service credits with the retirement system at no cost to the Agency. This is a cost sharing multiple public employer cost-sharing retirement system. The System provides retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the System. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the System and for the custody and control of their funds. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, 110 State Street, Albany, New York 12244.

The System is noncontributory except for employees who joined after July 27, 1976 and prior to January 1, 2010, who have less than ten years of service or membership, are required to contribute 3% of their salary throughout their active membership. Employees who joined on or after January 1, 2010 and before April 1, 2012 are required to contribute 3.5% throughout their active membership. Those joining on or after April 1, 2012 are required to contribute between 3% and 6%, dependent upon their salary, for their entire working career. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. Employer contribution rates ranged from 8.2% to 18.2% of salaries for the years ended December 31, 2022 and 2021. Contributions for the current year and two preceding years were greater than or equal to 100% of the contributions required, and were as follows:

2022	\$211,089
2021	294,617
2020	265,272

Participating employers are required to make payments on a current basis, while amortizing existing unpaid amounts relating to the fiscal years when the local employer opts to participate in the program.

# ULSTER COUNTY RESOURCE RECOVERY AGENCY

Notes To Financial Statements, Continued

December 31, 2022 And 2021

## **(6) Retirement Plan (Continued)**

### **(b) Pension Assets/Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At December 31, 2022 and 2021, the Agency reported an asset of \$596,933 and a liability of \$7,093, respectively, for its proportionate share of the net pension asset/liability. The net pension asset/liability was measured as of March 31, 2022 and 2021 and the total pension asset/liability used to calculate the net pension asset/liability was determined by an actuarial valuation as of that date. The Agency's proportion of the net pension liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At March 31, 2022 and 2021, the Agency's proportion was 0.0073023 and 0.0071229 percent, respectively.

For the years ended December 31, 2022 and 2021, the Agency recognized pension expense of \$14,521 and \$113,263, respectively. At December 31, 2022, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>2022</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
<b>Resources</b>		
Differences between expected and actual experience	\$45,207	\$58,636
Changes of assumptions	996,215	16,810
Net difference between projected and actual earnings on Plan investments	-	1,954,707
Changes in proportion and differences between the Agency's contributions and proportionate share of contributions	23,154	66,919
Agency's contributions subsequent to the measurement date	211,089	-
<b>Total</b>	<b>\$1,275,665</b>	<b>\$2,097,072</b>

# ULSTER COUNTY RESOURCE RECOVERY AGENCY

Notes To Financial Statements, Continued

December 31, 2022 And 2021

## **(6) Retirement Plan (Continued)**

### **(b) Pension Assets/Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, Continued**

	<b>2021</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
<b>Resources</b>		
Differences between expected and actual experience	\$86,619	\$-
Changes of assumptions	1,304,092	24,596
Net difference between projected and actual earnings on Plan investments	-	2,037,399
Changes in proportion and differences between the Agency's contributions and proportionate share of contributions	12,909	70,676
Agency's contributions subsequent to the measurement date	294,617	-
<b>Total</b>	<b>\$1,698,237</b>	<b>\$2,132,671</b>

Agency contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31:

2023	(\$172,499)
2024	(234,860)
2025	(515,015)
2026	(110,123)

# ULSTER COUNTY RESOURCE RECOVERY AGENCY

Notes To Financial Statements, Continued

December 31, 2022 And 2021

## **(6) Retirement Plan (Continued)**

### **(c) Actuarial Assumptions**

The total pension liability as of the measurement date was determined by using an actuarial valuation as of April 1, 2021, with updated procedures used to roll forward the total pension liability to March 31, 2022. The actuarial valuation used the following actuarial assumptions.

Significant actuarial assumptions used in the April 1, 2021 valuation were as follows:

Inflation	2.7%
Salary scale	4.4% in ERS
Investment rate of return including inflation	5.9% compounded annually, net of investment expenses
Cost of living adjustments	1.4% annually
Decrement	Developed from the Plan's 2020 experience study of the period April 1, 2015 through March 31, 2020
Mortality improvement	Society of Actuaries Sale MP-2020

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expenses, 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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<b>Asset class</b>	<b>Target Allocation</b>	<b>Long-term expected real rate of return</b>
Domestic equity	32%	3.30%
International equity	15	5.85
Private equity	10	6.50
Real estate	9	5.00
Opportunistic/ARS portfolio	3	4.10
Credit	4	3.78
Real assets	3	5.58
Fixed Income	23	0.00
Cash	1	-1.00
	<u>100%</u>	

# ULSTER COUNTY RESOURCE RECOVERY AGENCY

Notes To Financial Statements, Continued

December 31, 2022 And 2021

## **(6) Retirement Plan (Continued)**

### **(d) Discount Rate**

The discount rate used to calculate the total pension liability was 5.9%. 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.

### **(e) Sensitivity of the Proportionate Share of the Net Pension Asset/(Liability) to the Discount Rate Assumption**

The following presents the Agency's proportionate share of the net pension liability calculated using the discount rate of 5.9%, as well as what the Agency's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate 1-percentage point lower (4.9%) or 1-percentage point higher (6.9%) than the current rate:

	<b>1% Decrease (4.9%)</b>	<b>Current Assumption (5.9%)</b>	<b>1% Increase (6.9%)</b>
Employer's proportionate share of the net pension asset/(liability)	\$(1,536,500)	\$596,933	\$2,381,448

### **(f) Pension Plan Fiduciary Net Position**

The components of the current-year net pension asset/(liability) of the employers as of March 31, 2022 were as follows:

	<b>(Dollars in Millions)</b>
	<b>Employees</b>
	<b>Retirement System</b>
Employers' total pension liability	\$(223,875)
Plan net position	232,049
Employers' net pension asset/(liability)	\$8,174
Ratio of plan net position to the Employers' total pension asset/(liability)	103.65%

# ULSTER COUNTY RESOURCE RECOVERY AGENCY

Notes To Financial Statements, Continued

December 31, 2022 And 2021

## **(7) Long-Term Debt**

Long-term debt at December 31, 2022 and 2021 consists of the following:

### **(a) Long-Term Debt**

Serial bonds, term bonds, capital appreciation bonds, and long-term notes - The Agency borrows money in order to acquire or construct assets or to pay for landfill closure costs. This enables the cost of these capital assets to be borne by the present and future users, who will benefit from the capital assets. The assets of the Agency have been pledged as security for the outstanding debt.

### **(b) Changes**

The changes in the Agency's indebtedness during the years ended December 31 are summarized as follows:

<b><u>Business-Type Activities</u></b>	<b>2022</b>				
	<b>Balances</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balances December 31</b>	<b>Due Within One Year</b>
Capital appreciation bonds	\$3,162,280	\$-	\$(669,066)	\$2,493,214	\$628,129
Total	\$3,162,280	\$-	\$(669,066)	\$2,493,214	\$628,129

<b><u>Business-Type Activities</u></b>	<b>2021</b>				
	<b>Balances</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balances December 31</b>	<b>Due Within One Year</b>
Capital appreciation bonds	\$3,876,651	\$-	\$(714,371)	\$3,162,280	\$669,066
Total	\$3,876,651	\$-	\$(714,371)	\$3,162,280	\$669,066

# ULSTER COUNTY RESOURCE RECOVERY AGENCY

Notes to Financial Statements, Continued

December 31, 2022 And 2021

## **(7) Long-Term Debt (Continued)**

The Agency does not have any unused lines of credit.

### **(c) Maturity**

The following is a summary of maturity of indebtedness as of December 31, 2022:

<b>Description of issue</b>	<b>Issue date</b>	<b>Final maturity</b>	<b>Interest rate</b>	<b>Outstanding at 12/31/22</b>
Capital appreciation bonds	12/18/2002	03/01/2025	4.96 - 5.29%	<u>\$2,493,214</u>
<b>Total Long-Term Debt, Net</b>				<u><u>\$2,493,214</u></u>

The maturities of these issues as of December 31, 2022 are as follows:

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$628,129	\$1,161,871	\$1,790,000
2024	593,904	1,196,096	1,790,000
2025	1,271,181	2,773,819	4,045,000
	<u>\$2,493,214</u>	<u>\$5,131,786</u>	<u>\$7,625,000</u>

Interest on long-term debt for the year ended December 31, 2022 was composed of:

Interest paid	\$1,120,934
Less: interest accrued in the prior year	(778,322)
Plus: interest accrued in the current year	<u>774,581</u>
<b>Total Expense</b>	<u><u>\$1,117,193</u></u>

# ULSTER COUNTY RESOURCE RECOVERY AGENCY

Notes To Financial Statements, Continued

December 31, 2022 And 2021

## **(8) Customer Advances**

As of December 31, 2022 and 2021, the Agency had advances amounting to \$-0- and \$13,900, respectively.

The December 31, 2021 balance consists of payments received from customers in 2021 for their 2022 permits. The issuances of these permits began in February 2013 and were issued as part of the new countywide flow-control law. In subsequent periods, when the Agency has legal claim to resources, the liability for unearned revenue is removed and revenue is recognized.

## **(9) Unrestricted Net Position**

The Agency's unrestricted net position as of December 31 consists of the following:

	<b><u>2022</u></b>	<b><u>2021</u></b>
General unrestricted	\$5,476,072	\$6,041,995
Landfill post-closure care costs	(2,078,967)	(2,100,362)
	<b><u>\$3,397,105</u></b>	<b><u>\$3,941,633</u></b>

## **(10) Compensated Absences**

Employees of the Agency are entitled to reimbursement of unused sick and vacation time at the time of retirement or other termination of service. The Agency's policy is to accrue the cost of compensated absences as earned and vested by the Agency's employees. This amount is included as a payable in the accompanying statements of net position in the amount of \$564,332 and \$539,850 as of December 31, 2022 and 2021, respectively.



# ULSTER COUNTY RESOURCE RECOVERY AGENCY

Notes To Financial Statements, Continued

December 31, 2022 And 2021

## **(11) Contingencies**

Contingencies at December 31, 2022 consist of the following:

### **(a) Risk Financing and Related Insurance**

The Agency maintains insurance policies with commercial insurers. The Agency's deductible for environmental liability insurance is \$100,000. Other deductibles for various policies range from \$1,000 to \$10,000 for each event.

### **(b) Landfill Closure and Post-Closure Care Costs**

New York State and Federal laws required the Agency to place a final cover on its landfill sites when it stopped accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. The Agency is currently in the post-closure phase at each of the landfills. The post-closure period goes throughout the year 2028. In 2022 and 2021, the annual post-closure monitoring and maintenance cost for both landfills was \$249,548 and \$217,798, respectively. In 2010, a study was initiated to analyze the projected costs. Current projections prepared by the Agency, of annual post-closure monitoring and maintenance costs for the two remaining landfills, are \$249,548 for each of the remaining 6 years as follows:

	<b>Ulster landfill</b>	<b>New Paltz landfill</b>	<b>Total</b>
Environmental monitoring	\$6,275	\$5,125	\$11,400
Leachate disposal	99,945	99,259	199,204
Facility maintenance	31,289	7,655	38,944
<b>Total Annual Cost</b>	<b>\$137,509</b>	<b>\$112,039</b>	<b>\$249,548</b>

The liability for landfill post-closure care costs at December 31, 2022 consists of the following:

Total annual cost	\$249,548
Remaining years	6
Total liability	1,497,288
Less current portion	(249,548)
Landfill post-closure care costs, excluding current portion	\$1,247,740

# ULSTER COUNTY RESOURCE RECOVERY AGENCY

Notes To Financial Statements, Continued

December 31, 2022 And 2021

## **(11) Contingencies (Continued)**

### **(c) Litigation**

In the normal course of business, it is not uncommon for the Agency to incur litigation surrounding certain events. There are outstanding lawsuits involving amounts that have been filed against the Agency. Based on the facts presently known, management and in-house legal counsel do not expect these matters to have a material adverse effect on the Agency's financial condition or results of operations.

## **(12) Concentrations of Credit Risk**

The Agency has a credit risk with respect to receivables, due to its concentration of customers within a single industry and the possible effect of economic factors in a single geographic area.

## **(13) Grant Revenue**

The Agency received grant revenue from four different sources for programs as follows:

### **(a) Municipal Waste Reduction and Recycling Program**

This program is funded by the New York State Department of Environmental Conservation's Environmental Protection Fund. In accordance with Ulster County's Mandatory Source Separation and Recycling Law, the Agency continues to develop its programs with regards to waste reduction and recycling education. Grant revenue received represents a 50% reimbursements of Agency disbursements with regards to operating this program. The Agency received \$119,974 and \$48,406 for this program during the years ended December 31, 2022 and 2021, respectively.

### **(b) Food Scraps Reduction and Home Composting Education Project**

This project is funded by the New York State Department of Environmental Conservation's P21 Grant Program. In accordance with Ulster County's Food Waste Prevention and Recovery Act, and New York State's Food Donation and Food Scrap Recycling Law, the Agency continues to develop its programs with regards to food waste reduction and home composting education. Grant revenue received represents a 50% reimbursement of Agency disbursements with regards to operating this program. The Agency received \$-0- and \$5,237 for this program during the years ended December 31, 2022 and December 31, 2021, respectively.

# ULSTER COUNTY RESOURCE RECOVERY AGENCY

Notes To Financial Statements, Continued

December 31, 2022 And 2021

## **(13) Grant Revenue (Continued)**

### **(c) Zero Waste Seminar Project**

This project is funded by the New York State Department of Environmental Conservation's P21 Grant Program. This is a county-wide campaign for the public to receive a high level of instruction on waste reduction and reuse as a pollution prevention strategy. Grant revenue received represents a 50% reimbursement of Agency disbursements with regards to operating this program. The Agency received \$-0- and \$17,873 for this program during the years ended December 31, 2022 and 2021, respectively.

### **(d) Household Hazardous Waste State Assistance Program**

The Agency received grant revenue from Household Hazardous Waste State Assistance Program. This program is funded by the New York State Department of Environmental Conservation's Environmental Protection Fund. The Agency administers household hazardous waste events several times per year. This collection provides a safe disposal alternative for electronics, hazardous pesticides, solvents, and other household chemicals to the residents of Ulster County. Grant revenue received represents a 50% reimbursement of Agency disbursements with regards to operating these events. The Agency received \$60,206 and \$122,385 for this program during the years ended December 31, 2022 and 2021, respectively.

## **(14) Grants Receivable**

Grants Receivable relate to grant reimbursements for 2022 expenditures that were received after December 31, 2022. Expenditures were reimbursed for the Municipal Waste Reduction and Recycling Program and the Household Hazardous Waste State Assistance Program in the amount of \$25,050 and \$60,206, respectively.

**REQUIRED SUPPLEMENTARY INFORMATION**

## ULSTER COUNTY RESOURCE RECOVERY AGENCY

Schedule Of Ulster County Resource Recovery Agency's (UCRRA) Contributions  
December 31, 2022 And 2021

NYSLRS Pension Plan  
Last 10 Fiscal Years

	2022*	2021*	2020*	2019*	2018*	2017*	2016*	2015*
Contractually required contribution	\$211,089	\$294,617	\$265,272	\$249,347	\$245,094	\$238,269	\$242,378	\$288,993
Contributions in relation to the contractually required contribution	\$211,089	\$294,617	\$265,272	\$249,347	\$245,094	\$238,369	\$242,378	\$288,993
Contribution Deficiency (Excess)	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Covered payroll	\$2,284,885	\$2,165,766	\$1,979,456	\$1,797,803	\$1,690,027	\$1,631,674	\$1,548,826	\$1,609,956
Contributions as a percentage of covered payroll	9.24%	13.60%	13.40%	13.87%	14.50%	14.60%	15.65%	17.95%

Note: 2015 was the initial implementation year.

\*The amounts presented for the fiscal year were determined as of December 31.

See paragraph on supplementary schedules included in independent auditors' report

## ULSTER COUNTY RESOURCE RECOVERY AGENCY

### Schedule Of Ulster County Resource Recovery Agency's (UCRRA) Proportionate Share of the Net Pension Liability

December 31, 2022 And 2021

NYSLRS Pension Plan  
Last 10 Fiscal Years

	2022*	2021*	2020*	2019*	2018*	2017*	2016*	2015*
Proportion percentage of net pension liability	0.0073023%	0.0071233%	0.0069885%	0.0072483%	0.0072122%	0.0074789%	0.0080119%	0.0079561%
Proportion amount of net pension asset/(liability)	\$596,933	\$(7,093)	\$(1,850,597)	\$(513,562)	\$(232,770)	\$(702,730)	\$(1,285,934)	\$(268,777)
Covered payroll	\$1,983,871	\$1,857,709	\$1,814,628	\$1,710,627	\$1,656,723	\$1,530,091	\$1,553,441	\$1,512,837
UCRRA's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	300.89%	(0.38%)	(101.98%)	(30.02%)	(14.05%)	(45.93%)	(82.78%)	(17.77%)
Pension liability	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.69%	97.95%

Note: 2015 was the initial implementation year

\*The amounts determined for the fiscal year were determined as of the measurement date March 31.

See paragraph on supplementary schedules included in independent auditors' 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***

To The Board Of Directors  
Ulster County Resource Recovery Agency

**Independent Auditors' Report**

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 Ulster County Resource Recovery Agency, a Component Unit of the County of Ulster (the Agency), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated March 27, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 Agency'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. We did not identify any significant deficiencies or material weaknesses.

***Report on Compliance and Other Matters***

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

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency'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 Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Paul Becker & Charamonte CPAs PC*

Albany, New York  
March 27, 2023





Teal, Becker & Chiaramonte™  
CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

**Independent Auditors' Report on Compliance  
With Laws and Regulations Related to  
Investment Guidelines for Public Authorities**

To The Board Of Directors  
Ulster County Resource Recovery Agency

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 Ulster County Resource Recovery Agency, a Component Unit of the County of Ulster (the Agency), as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Ulster County Resource Recovery Agency's basic financial statements, and have issued our report thereon dated March 27, 2023.

In connection with our audits, nothing came to our attention that caused us to believe that the Agency failed to comply with the Ulster County Resource Recovery Agency's Investment Guidelines, and the New York State (NYS) Comptroller's Investment Guidelines and Section 2925 of the NYS Public Authorities Law (collectively, the Investment Guidelines), which is the responsibility of the Agency's management, insofar as they relate to the financial accounting knowledge of noncompliance with such Investment Guidelines. However, our audits were not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Ulster County Resource Recovery Agency's noncompliance with the Investment Guidelines, insofar as they related to accounting matters.

This report is intended solely for the information and use of the Board of Directors, management, and the New York State Comptroller's Office and is not intended to be and should not be used by anyone other than those specified parties.

*Teal, Becker & Chiaramonte CPAs PC*

Albany, New York  
March 27, 2023