

Ulster County Resource Recovery Agency

Annual Comprehensive Financial Report
For The Years Ended December 31, 2025 And 2024



A Component Unit
of the County of Ulster,
Located in the Town of Ulster, New York

www.UCRRA.org



Ulster County Resource Recovery Agency

A Component Unit of the County of Ulster

Town of Ulster, NY

www.UCRRRA.org

Annual Comprehensive Financial Report
Years Ended December 31, 2025 And 2024

Prepared by the
Accounting Department

Timothy DeGraff, CPA
Director of Finance & Administration



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Introductory Section

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ULSTER COUNTY RESOURCE RECOVERY AGENCY

Board of Directors

James Gordon, Chair
Donna Egan, Vice Chair
Mike Baden, Treasurer
Erica Brown, Member
Chris Hurlbert, Member



999 Flatbush Road
Kingston, NY 12401

Directors

Marc Rider, Executive Director
Timothy DeGraff, CPA, Director of Finance and
Administration
Charles Whittaker, Director of Operations and Compliance
Angelina Brandt, Director of Sustainability

Agency Counsel & Board Secretary

Nancy Lam, Esq.

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March 26, 2026

TO THE BOARD OF THE ULSTER COUNTY RESOURCE RECOVERY AGENCY AND THE CITIZENS OF THE COUNTY OF ULSTER:

This Annual Comprehensive Financial Report (ACFR) for the Ulster County Resource Recovery Agency (the Agency) containing the results of financial transactions occurring during the year ended December 31, 2025, is hereby submitted to the Agency Board and all others interested in the financial condition of the Agency. This report is published in accordance with the requirements of the State of New York (the State) enabling legislation creating the Agency, Article 9, Section 2800 of the Public Authorities Law. Pursuant to those requirements, this ACFR of the Agency has been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). This report consists of three sections: introductory, financial, and statistical. The basic financial statements included in the financial section have been audited by EFPR Group LLP.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

EFPR Group LLP, have issued an unmodified (“clean”) opinion on the Agency’s financial statements for the years ended December 31, 2025 and 2024. The independent auditor’s report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

DESCRIPTION OF AGENCY

The Agency was formed for the purpose of developing, financing, and implementing a comprehensive countywide solid waste management program. In the mid-1980s, after new initiatives to close non-complying existing landfills were undertaken by the New York State Department of Environmental Conservation (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, New York (the County), requested that the 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.

Prior to 2013, the Agency had to contract with commercial haulers to ensure that enough volume was coming into the Agency to meet its financial obligations. On December 4, 2012, the County Legislature voted on and passed a countywide flow control law and on December 18, 2012, the County Executive signed it into law. Subsequently the law was filed with the New York State Department of State (NYS DOS) on January 2, 2013, and on January 28, 2013, the County Clerk of the Legislature was officially notified by the NYSDOS that the law was filed which meant that as of said date, the law is now enforceable. The Flow Control Law mandates that all Municipal Solid Waste (MSW) generated within the County must be brought to an Agency designated facility, which at present are the two Agency transfer stations. The tipping fees are set by the Agency's Board of Directors as part of the budgeting process to ensure that the corresponding fiscal year's financial obligations will be met. The major financial impacts of this law were an increase in solid waste service fees, the elimination of County subsidies, and the ability of the Agency to be self-sustaining.

Board of Directors: The Agency is governed by a five (5) member Board of Directors, whom are appointed by the Chairperson of the County Legislature, one of whom is recommended by the minority leader of the County Legislature. All appointments are confirmed by the Legislature as a whole, for terms of three years.

Executive Director and Staff: An Executive Director, who serves at the Board's pleasure, is the Chief Executive Officer of the Agency and is responsible for implementing its policy decisions. The Executive Director's immediate staff includes the Director of Finance & Administration, Director of Operations and Compliance, Director of Sustainability and Compliance, Coordinator of Organizational Performance and Development, Agency Counsel, Recycling Compliance Officer, and a Reuse Coordinator. A complete organizational chart of personnel appears within this introductory section.

Budgetary Information: The budget is compiled each year by Agency management and proposed to the Board of Directors by August. Based on the County's responsibility for the appointment of Agency Board Members and certain agreed upon debt related requirements, the Agency is considered a component unit of the County under the criteria established by the Governmental Accounting Standards Board (GASB). Due to this, the Board approved budget is submitted to the County Executive and County Legislature for review. This is followed by a public hearing process prior to the final budget approval in October by the Board of Directors.

SOLID WASTE ECONOMICS

The Agency operates two facilities that are both located within the County. With the flow control law being in effect in the County, local economic factors can have a direct effect on Agency solid waste volumes. The County has an approximate population of 180,000, and the Agency serves its residents with one regional transfer station in the northern part of the County (Town of Ulster, New York) and one in the southern part of the County (Town of New Paltz, New York).

The main revenue and cost driver for the Agency is volume. With a 2025 tipping fee of \$135/ton (plus a fuel surcharge), tipping fees and corresponding revenues regularly amount to over 90% of total operating revenues. Expenditures related to volume (transportation costs, disposal costs, host community fees) regularly amount to almost 60% of total operating expenses. Fluctuations in volume can have a major impact on the Agency's finances. The enforcement of flow control in February 2013 created more consistent and reliable volume until the COVID-19 pandemic. C&D volume which rose during this time has returned to pre-pandemic levels, with further decreases continuing into 2026. Overall, MSW and C&D volume continue to trend downward. Current economic conditions are expected to further negatively impact these volumes. MSW/C&D volume decreased by 3.8% when compared to 2024, 5.7% when compared to 2023, and 11.8% when compared to 2022. These continuing volume decreases and increasing expenses have led to a \$20/ton tipping fee increase in 2025, and an additional \$15/ton increase in 2026.

The Agency went out to bid in 2024 for transportation and disposal contracts which were effective in January 1, 2025. The results of these bids led to a very substantial increase in disposal costs, despite a decrease in volume. Disposal costs increased by \$2.9 million, or 72.7%. Blended transportation costs per ton remained flat, with total costs decreasing by \$217,768 due to decreased volume. This trend is expected to continue into the foreseeable future due to dwindling landfill capacity in the State. To offset continued contractual increases, the Agency will need to continue to increase its tipping fee in the coming years.

RECYCLING/COMPOSTING ECONOMICS

The Agency operates a Materials Recovery Facility (MRF) at its Town of Ulster site. The MRF is set up to process dual-stream recycling only. Dual-stream recycling means that residents keep fiber (mixed newspapers and old corrugated cardboard ("OCC")) in separate containers, while other recyclables, such as plastic, glass, and metal are kept in another container. Single stream recycling (SSR) is the main collection practice by commercial haulers. SSR means that all the noted recyclables above are kept in one single container. The transition to SSR by the commercial haulers created a large loss in revenue streams and an increase in costs as SSR has no value. As a result, the Agency stopped accepting SSR on April 1, 2019. It is estimated that only 20% or less of the County's recycling stream comes to the Agency for processing. Most of the incoming recycling is collected at the town MRDC's and is dual stream. The dual stream material that is processed is of high quality due to much lower contamination rates when compared to SSR.

With contracts in place, the Agency continues to receive dual-stream recycling from municipalities, allowing the MRF to be on solid fiscal ground, but only when market conditions are very favorable. These contracts were renegotiated during 2020 and are in effect through 2025. Market prices were less than favorable throughout 2025, and the MRF was subsidized by solid waste tipping fees. Prices for OCC ranged from \$60 to \$99 per ton, averaging \$94 per ton for the first three quarters before dropping to \$60 per ton in November. Prices for mixed newspaper ranged from \$10 to \$15 per ton, beginning and ending the year at \$10 per ton for the second year in a row. Hard mixed newspaper is a mix of newspaper and OCC with a higher concentration of OCC. Due to this higher concentration of OCC, hard mixed newspaper tends to follow the same trends as OCC. Prices for hard mixed newspaper ranged from \$45 to \$90 per ton, averaging \$84 per ton for the first three quarters before dropping to \$45 per ton in November. Plastic prices ranged from \$0.04 per pound for HDPE color to \$0.96 per pound for natural. The plastic markets (PET, natural, color, 3-7's) tend to be more volatile than the fiber markets, leading the Agency to hold

inventory until prices are acceptable. At the end of December, plastic PET had fallen to under \$0.05 per pound, leading the Agency to hold two and a half loads until prices improved. Currently, the Agency is still holding plastic PET, as it has become a cost in 2026. Volume decreased in direct correlation with decreases in MSW volume from municipalities. Overall, recycling revenue in 2025 decreased compared to the prior year due to unfavorable market pricing throughout the year.

As the recycling industry continues to deal with challenges worldwide, the Agency's composting operation has continued to grow. Organic waste makes up approximately 22% of the waste stream. Diverting organic waste volume from the landfill has become and will continue to be a major goal of the Agency, the County, and the State. During 2023, the Agency submitted a permit modification to increase its allowed acceptance of food waste from 5,000 tons to 7,500 tons. At the end of 2024, this permit modification was still being considered by the NYSDEC. During 2025, the permit modification was approved by the NYSDEC. The Agency completed its third season of bagged composting sales, selling over 2,400 one cubic foot sized bags at \$5 per bag. This represented a 22.5% increase in bags sold from the prior year. Demand has continued to grow, and the Agency will look to expand its bagged compost market in the coming years. Overall, compost revenues decreased due to a decrease in supply. A decrease in food waste to be screened at the end of 2024, led to a reduction in supply and a reduction in bulk compost sold in 2025, despite strong demand. Total compost related revenues decreased by 15.9% from the prior year.

LONG TERM FINANCIAL PLANNING AND MAJOR INITIATIVES

The Agency continues its commitment to efficiency, the environment, and fiscal responsibility. This commitment is taken into consideration on an everyday basis as we try to improve all aspects of the organization, despite growing difficulties in the industry. With a fully approved Local Solid Waste Management Plan (LSWMP) in effect, the Agency has implemented a goal setting strategy in 2025 to support and enhance the tracking of LSWMP specifics. This process is being used in the Agency's next required biennial LSWMP update. Long term financial planning is focused on increasing and improving diversion practices, a reduction in greenhouse gas emissions, and a circular economy. During 2025, the Agency announced its vision and drive towards zero waste that included landfill diversion goals of 30% by 2030, 60% by 2040, and 90% by 2050. Long term financial planning and major initiatives are intended to support these goals.

Major initiatives that were completed/initiated in 2025 were: 1) In 2024, the Agency entered into an agreement with an engineering firm to study our closed landfill leachate collection operations. This study was completed in 2025. This study allowed the Agency to better understand the makeup of its leachate and is now aware of a future need to treat its leachate onsite prior to delivery to a wastewater treatment plant. This treatment would be a substantial environmental improvement at Agency closed landfills. 2) Agency administrative staff previously worked with its website designer to implement a new customer payment portal. The creation and beta testing of this new portal continued into 2025 and was completed. This transition has streamlined billing and payment services for our customers, making this monthly process more efficient, also saving on paper and related waste. 3) Advancement towards a ReUse Innovation Center (referred to as the RePower program) continued. A job description was created for a full time ReUse Coordinator, and this position was filled in October 2025. Shortly thereafter, a request for proposal (RFP) was issued for a "ReUse Innovation Center Operator for the RePower Program". Proposals were reviewed by committee, and a selection was made in the beginning of 2026. 4) An RFP was issued in April 2025 for "Solid Waste Diversion and Alternatives to Landfilling and Combustible Incineration". The Agency received six responses which were reviewed by committee prior to interviewing finalists. In

December 2025 the Agency Board approved Global NRG's proposal, allowing the Agency to move forward with contract negotiations in 2026. 5) Approximately two years ago the Agency applied for a permit modification to increase incoming food waste limits from 5,000 tons per year to 7,500 tons per year. The Agency later added to its modification the permitted operation of recycling mattresses. Approval of this modification came in 2025 and mattress recycling began in January 2026.

RELEVANT FINANCIAL POLICIES

The Agency's operating budget is used to calculate the tipping fee for the ensuing year. A breakdown of major costs as they relate to the tip fee can be found within the MD&A. Since tonnages are the Agency's cost and revenue drivers, any deviation from budgeted tons will create a variance from budgeted figures. 2025 tonnages were 5.7% lower than budgeted amounts. Decreasing volume has now become a trend and the Agency reduced its budgeted volume by over 8,000 tons in 2026. Volume trends, the addition of a ReUse budget line over \$500,000, contractual increases in transportation and disposal, increased costs per ton for sludge after going out to bid, increased personnel costs from a new collective bargaining agreement, and continuing increases in insurance premiums, led the Agency to increase its tipping fee from 2025 to 2026 by \$15 per ton. An increase in tipping fees of \$35 per ton over the last two years has made non flow control volume highly susceptible to a further loss of volume due to competition from private transfer stations in the area.

The Agency's solid waste agreement with the County expired in March 2025. The Agency began negotiations during 2024 and reached a new agreement in October 2025. It is anticipated that this agreement will influence Agency financial policies going forward, just as they had in the current agreement.

The Agency's solid waste agreements with sixteen local municipalities expired on December 31, 2025. The Agency drafted very similar contracts to the expiring contracts but now include an emphasis on waste diversion at the town transfer stations. This emphasis on diversion is in coordination with the RePower Program, as the towns will be acting as the spokes in a hub and spoke ReUse model.

AWARDS AND ACKNOWLEDGEMENTS

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Ulster County Resource Recovery Agency for its annual comprehensive financial report for the fiscal year ended December 31, 2024. This was the seventh consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the skill, effort, and dedication of the entire staff of the Agency, and the enthusiastic support of the Board of Directors. We wish to thank all those involved in providing the necessary data to prepare this report. The quality and timely

preparation of the ACFR was also made possible by the dedicated services of EFPR Group LLP, the Agency's independent auditors.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'M. Rider', written over a faint horizontal line.

Marc Rider
Executive Director

A handwritten signature in black ink, appearing to read 'Timothy DeGraff, CPA', written over a faint horizontal line.

Timothy DeGraff, CPA
Director of Finance and Administration



List of Board Members and Management As of December 31, 2025

Board Members

James Gordon

Chair
Term Expires: 12/31/2027

Donna Egan

Vice Chair
Term Expires: 12/31/2025

Mike Baden

Treasurer
Term Expires: 12/31/2027

Andrew Ghiorse

Board Member
Term Expires: 12/31/2025

Erica Brown

Board Member
Term Expires: 12/31/2026

Agency Management

Marc Rider

Executive Director

Timothy DeGraff, CPA

Director of Finance & Administration

Charles Whittaker

Director of Operations & Compliance

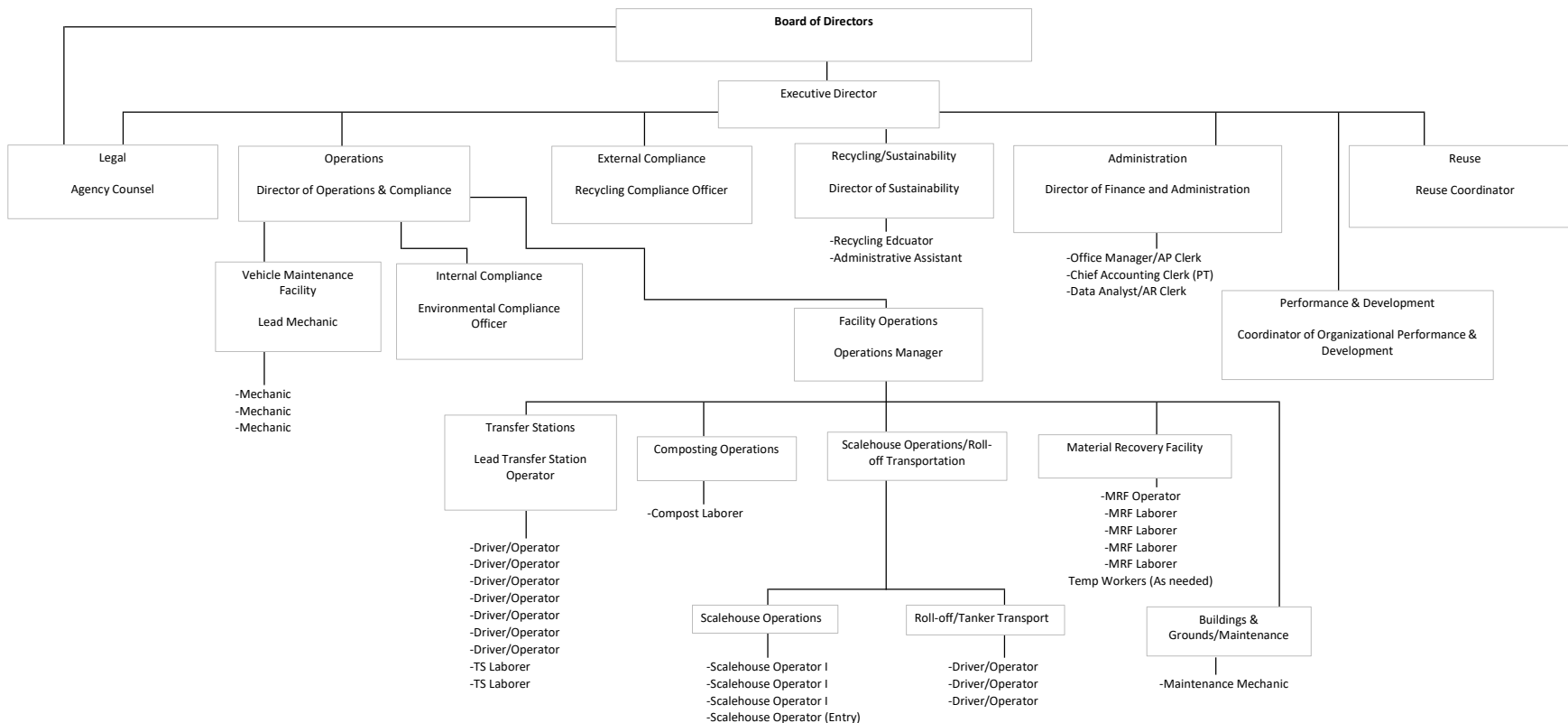
Angelina Brandt

Director of Sustainability

Nancy Lam, Esq.

Agency Counsel
Board Secretary

ORGANIZATIONAL CHART
ULSTER COUNTY RESOURCE RECOVERY AGENCY





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Ulster County Resource Recovery Agency
New York**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

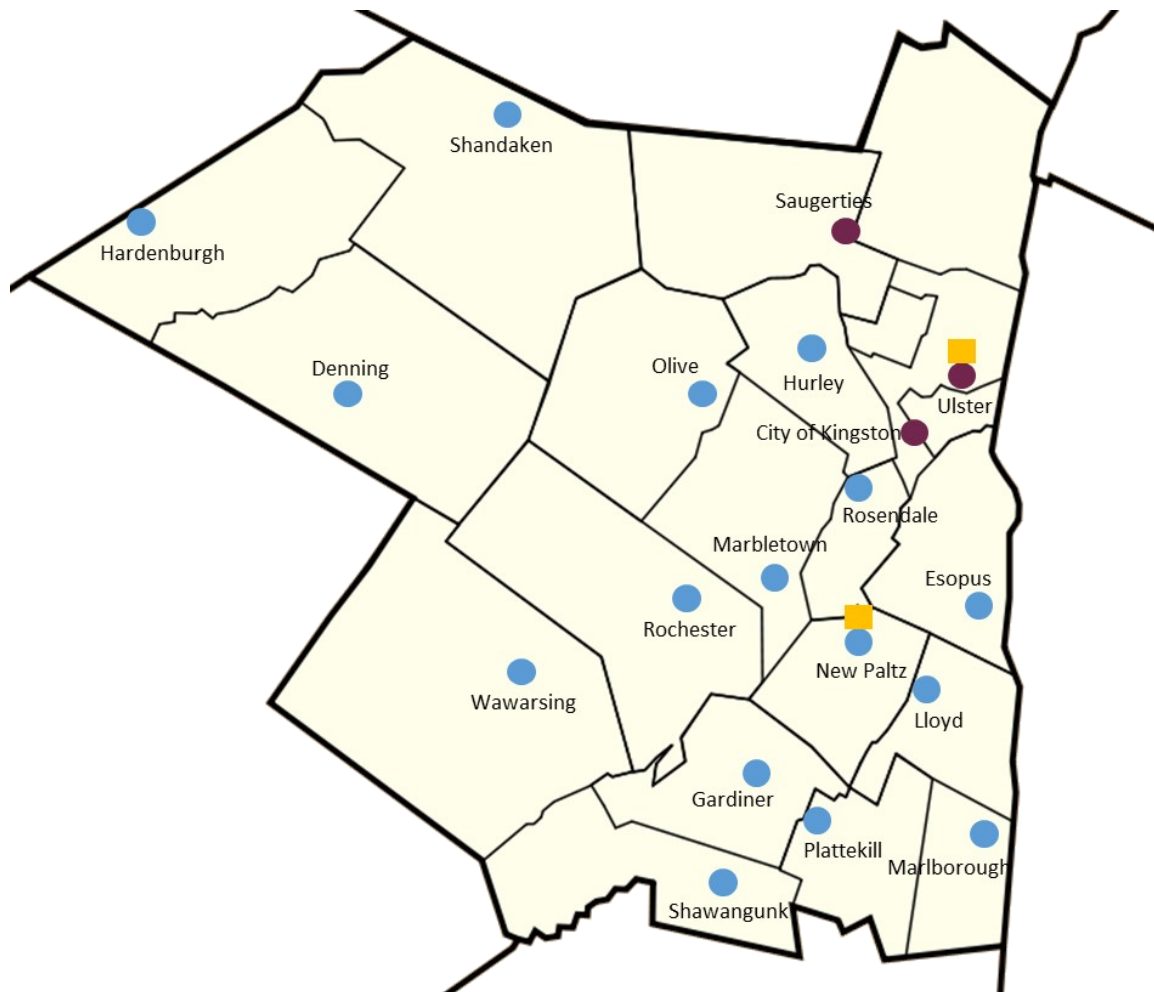
December 31, 2024

Christopher P. Morill

Executive Director/CEO



Town Transfer Stations and Agency Facilities



- Municipal owned and operated facilities
- Municipal owned and operated facilities, serviced by the Agency
- Agency facilities



Glossary of Terms

Closed Landfills

In 1997 the Agency took responsibility for the post-closure monitoring and maintenance of the former Ulster and New Paltz landfills, with an obligation of 30 years.

Commercial Haulers

Companies that offer curbside pick-up of household waste and recycling. Any company that picks up household waste, either from residences or businesses, in Ulster County is subject to the Flow Control Law. These haulers must have a permit with the Agency. This also includes companies that rent and transport roll-off containers. Roll-offs are commonly used to contain loads of C&D or other waste types.

Compost

An aerobic method (requiring the presence of air) of decomposing organic solid wastes. It can therefore be used to recycle organic material. The process involves decomposition of organic material into a humus-like material, known as compost, which is a good fertilizer for plants.

Construction & Demolition Debris (C&D)

All non-hazardous solid waste resulting from construction and demolition activities. C&D is not covered under The Flow Control Law.

Dual-Stream Recycling

A system in which fiber (newspaper, mixed paper, e.g., junk mail, cereal boxes, home office paper, etc.) and OCC (old corrugated cardboard) is separated into a different container from all other recyclables (food/beverage containers, aluminum/steel cans, glass bottles/jars, and certain plastics). The two material streams are picked up and placed in separate compartments on the recycling truck, and taken to a MRF where the containers go through a variety of automated sorting equipment and hand-picking before being baled or containerized and sent to market.

E-waste

Discarded electrical or electronic devices. In New York State, consumers are required to recycle electronic waste, such as computers, computer peripherals, televisions, small scale servers, and small electronic equipment, etc., in an environmentally responsible manner. The Agency offers free e-waste recycling to residents, businesses, and non-profits. Collected items are delivered to a facility that specializes in bringing materials down to the separated commodity level such as plastic, metal, and glass, which are then sent to downstream processors.

Flow Control

Flow controls are legal provisions that allow state and local governments to designate the places where municipal solid waste (MSW) is taken for disposal. On February 1, 2013, the Ulster County Flow Control Law (Local Law No. 10 of 2012) was enacted. This ensures that all MSW created in Ulster County must be disposed of at the Agency. The Flow Control Law allows all users to pay the same rate for disposal, and ended tax-payer subsidies making the Agency self-sustaining.

Household Hazardous Waste (HHW)

Leftover household products that can catch fire, react, or explode under certain circumstances, or that are corrosive or toxic



Glossary of Terms (continued)

Leachate

The liquid that drains or 'leaches' from a landfill. Leaching occurs when water percolates through any permeable material within the landfill. Since the Agency has an agreement to service the former Ulster and New Paltz landfills, it is responsible for hauling leachate from these sites to the City of Kingston Wastewater Treatment Plant for processing.

Materials Recovery Facility (MRF)

Specialized plant that receives, separates, and prepares recyclable materials for marketing to end-user manufacturers. Some MRF's are built to process single-stream recycling, dual-stream recycling, or both. UCRRRA operates a dual-stream only MRF.

Municipal Solid Waste (MSW)

Waste consisting of everyday items that are discarded by the public. In Ulster County, MSW is covered under the Flow Control Law.

Old Corrugated Cardboard (OCC)

A paper fiber product, often used in the construction of lightweight shipping containers, consisting of three or more layers of kraft paper material and having smooth exterior liners and a corrugated or rippled core.

Sewage Sludge

The residual, semi-solid material that is produced as a by-product during sewage treatment of industrial or municipal wastewater.

Single Stream Recycling (SSR)

A system in which all recyclables, including newspaper, cardboard, plastic, aluminum, junk mail, etc., are placed in a single bin. These recyclables are collected by a single truck and taken to a Materials Recovery Facility (MRF) to be sorted into various commodity streams for sale to markets, where it is processed into feedstock which can be used in the manufacturing of new products. The Agency's MRF is not able to process SSR.

Self Haulers

Companies such as contractors, landscapers, or other businesses who haul their own waste. This also applies to municipalities who are not serviced by the Agency and instead haul their own waste to the Agency. These businesses are not subject to the permitting portion of the Flow Control Law. However, the Agency does offer credit accounts to businesses who prefer to be billed monthly.

Town Transfer Stations (MRDCs)

Facilities owned and operated by individual towns to allow their residents to drop off household waste and recycling. In Ulster County, there are nineteen MRDCs. The Agency has an agreement with sixteen of these towns to service their transfer stations.



Financial Section

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Ulster County Resource Recovery Agency, a component unit of the County of Ulster, New York, (the Agency), as of and for the years ended December 31, 2025 and 2024, and the related notes to financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Agency, as of December 31, 2025 and 2024, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit 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 opinion.

Emphasis of Matter

As discussed in note 1(m) to the financial statements, the Agency adopted the provisions of the Governmental Accounting Standards Board Statement No. 75 - "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" during the year ended December 31, 2025. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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 Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the 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 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 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 audit, 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 the additional information on pages 57 through 59 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 GAAS, 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

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinion on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 26, 2026, on our consideration of the 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 the Agency'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 Agency's internal control over financial reporting and compliance.

EFPR Group, CPAs, PLLC

Williamsville, New York
March 26, 2026



What is the Agency?

In 1986, the Ulster County Legislature obtained authorization from the New York State (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 New York State Department of Environmental Conservation (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, New York (the County) requested that the County government assume the responsibility for solid waste management, and the Agency was created by the 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 the Agency'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, the Agency 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.

This program is made possible with the support of funding by the New York State Environmental Protection Fund, as administered by NYSDEC via the State's Municipal Waste Reduction and Recycling Grant Program (MWR&R).

Another highly successful year, 2025 marked the third year of our bagged compost sales, an emphasis on festival waste and recycling, the growth of our volunteer program, a new Compost Book list, a revamp our our Reuse, Repair, & Resources Directory, the launch of a new Race to Zero Waste game, improved resources like our new 7Rs to Rethink Waste and other media. Staff participated in NYSAR3 Legislative Advocacy Day, the NYSAR3 Organics Council, and other industry conferences and events that continuously deepen our expertise. We built new collaborations with the County libraries through our innovative Compost Awareness Week campaign, hosted meet ups for the local municipal recycling workforce, and continued key programming summarized below:

The program's direct community engagement strategies resulted in 245 hours of programming in classes, tours, and special events. These programs reached over 2,061 adults and 768 youth participants.

- 28 public speaking events
- 14 facility tours
- 27 tabling events

The program grew indirect outreach strategies as well;

- The Recycling Outreach Team (ROT) is the area's local subject matter experts for recycling guidelines on various materials in addition to the regulated recyclables. The ROT responded to 100+ questions through its website 'contact us' form, and 3,900+ questions via the Agency's Recycling Hotline, totaling an additional 170 hours of education over the Hotline.
- 5,794 newsletter subscribers received quarterly e-news
@UCRRA social media audience grew to over 1,533 followers on Facebook and 1,499 followers on Instagram.



- @UCRRA on Youtube had 69,882 views, 379+ hours of streaming, and featured a short, unskippable, pre-roll video campaign that generated over 103,000 impressions with an impressive 63% view rate
- Public Service Announcements were aired across two local radio stations, reaching 60,000 estimated radio listeners. Traditional print ads and digital ads reached hundreds of thousands of local readers, according to the publisher's available metrics. The ROT also utilized some paid advertising to sponsor ads on social media which had impressive results.

Some other program highlights include:

- The Annual Tree and Shrub Giveaway Event was held on Earth Day, providing free native pollinator plants to 100+ residents, made possible in partnership with the Ulster County Soil and Water Conservation District.
- 87 customers participated in the Agency's Annual Compost Bin & Rain Barrel Sale event in May, during International Compost Awareness Week. Approximately 44 compost bins, 47 rain barrels, 15 misc. tools were sold by the partner Vendor Brand Builders LLC..
- The Master Composter – Master Recycler Volunteer Training Program continued as a 20 hour certification course, which allows community members to enroll in courses and become eligible for volunteer opportunities with the ROT. Eight (8) adults completed the training in June, bringing our total MCR cohort to 21 volunteers. Volunteers collectively contributed to 204 service hours in 2025.
- Each year the Agency hosts an outreach booth in "Climate Row" to educate the public at the Ulster County Fair. This week-long event is an impactful way of reaching hundreds of citizens. The new "Race to Zero Waste" game is an interactive sorting game that asks participants to consider the best options for how they would "depart" with various household items, with an emphasis on local reuse options. The ROT achieved 64 hours of direct outreach and reached 748 adults and 340 children at the Fair during the first week of August.
- The Agency offers a FREE Festival Bin Rental Program to help events reduce waste and improve recycling and composting. Our zero-waste sorting stations make it easy for attendees to sort materials correctly and reduce contamination. Each station includes three clearly labeled bins—trash, recycling, and compost—complete with frames, color-coded lids, and simple, visual signage. Strategically placed and easy to use, these stations support cleaner events and better waste diversion. Seven (7) events utilized our bin rental in 2025.

The ROT also supports the Agency with coordination, promotion, and program tracking for its seasonal programs, described below.



Household Hazardous Waste (HHW)

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. The Agency offers HHW Collection Events as a safe, convenient, and free way for the County households to dispose of hazardous materials such as: fluorescent lightbulbs, paints and stains, cleaning chemicals, and more.

The Agency's HHW program is made possible with the support of funding by the New York State Environmental Protection Fund, as administered by NYSDEC via the State's Household Hazardous Waste State Assistance Grant Program.

In 2025, the Agency conducted four HHW Collection Events - in April, June, August, and October, at its two facilities in Kingston, New York and New Paltz, New York. Nine hundred seventy one (971) residents participated in this program and approximately seventy six thousand, one hundred and seventy three pounds (76,173 lbs.) of toxic wastes were recovered including; 28,400 lbs. paint, 30,200 lbs. flammable liquids, 8,500 lbs. pesticides, and other materials such as household acids, caustics, ammonia, aerosols etc. All materials collected are chemically neutralized, treated, and safely disposed in the most environmentally-responsible way possible via a third party vendor, in a manner approved by the NYSDEC. The 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.

Following the implementation of the New York State Paint Stewardship Law (enacted December 16, 2019), the Paint Care NY Program, launched May 1, 2022. The Paint Care Program allowed the Agency to expand its HHW service to include nonhazardous latex paint in 2022, where it previously only allowed oil and lead based paints in the HHW program. Since then, the Agency has seen a significant increase in the amount of paint recovered from its HHW program.



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. Beginning in 2012, the Agency operates a composting program using Extended Aerated Static Pile (EASP) methods of industrial scale composting, resulting in a high quality finished compost that which the Agency sells in bulk and in 1 cubic foot bags. In 2022, the Agency celebrated it's ten year compost program anniversary and was awarded the US Composting Council's Small Scale Compost Manufacturer of the Year Award.

The Agency Composting program accepts source-separated organics, (food waste, 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 municipally sourced wood chips to achieve the proper composting ratios, and then undergoes a 90 day process cycle using forced aeration.

In 2025, the Agency processed 4,975 tons (9.9 million pounds) of source separated organics. If this food waste were instead managed as municipal solid waste, it would have cost the public an estimated \$671,625 in solid waste tipping fees (\$135/ton). By recycling this material onsite, the Agency reduced hauling of 142 tractor trailer transport trips to the landfill (35 tons per trip). This represents a conservation of 13,490 gallons of diesel fuel (95 gallons per trip).

The Agency also processed 1,092 tons of brush, and 836 tons of woodchips and 242 tons of clean wood through it's composting operation in 2025. In a separate area of the site, the Agency is permitted to compost animal mortalities (roadkill deer) in a similar manner and uses the resulting compost material on site for landscaping purposes.

In 2025, the Agency sold 1,098 tons of bulk compost. The Agency launched its bagged compost operation in April of 2023, providing customers with an opportunity to access smaller quantities of compost. The Agency worked with its website developer to launch an e-commerce platform to manage compost sales efficiently. Approximately 2,465 bags of finished compost were purchased via 348 orders/transactions by 188 returning customers and 158 new customers!

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. The Agency'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.

The Agency 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



Electronics Recycling

State consumers are required to recycle many electronic waste items, such as computer peripherals, televisions, etc., in an environmentally responsible manner in accordance with the State Electronic Equipment Recycling and Reuse Act (Environmental Conservation Law, Article 27, Title 26). The Agency operates a free electronics recycling program that is open to residents (regardless of the County residency status), businesses (<50 employees) local government entities, and non profit organizations (<75 employees). The program is open every Saturday from April through November, from 8:00 AM - 2:00 PM outside of the Main Office. Following the program season end in November, the Agency held two special collection events following holidays to accommodate residents. Additionally, the Agency practices waste diversion of covered electronic devices if incidental to trash loads at both the Agency transfer stations, achieved through inspection practices. All electronics are consolidated and exported to vendor Electronics Recyclers International (ERI) in Holliston, Massachusetts.

The Agency's electronics recycling program has been very successful. According to the Agency's tracking procedures, two thousand and three (2,003) drop offs occurred in 2025, including 1,984 residents, 5 non-profit organizations, and 13 businesses. According to the vendor ERI, the Agency collected 246,348 lbs. of electronic devices in 2025, including over 55,000 lbs. of computer peripherals, over 48,000 lbs. of televisions, 119,000+ lbs. of small electronic equipment as well as various other electronic devices. Inclusive of these metrics is consumer drop off of electronics at participating towns; Town of Esopus, Town of Ulster, Town of New Paltz, and the Village of Saugerties.



Overview of the Financial Statements

Statements Of Net Position

The Statements of Net Position presents the assets, deferred outflows of resources, liabilities, deferred inflows of resources, 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 and deferred outflows of resources minus liabilities and deferred inflows of resources) and their availability for use by the Agency.

Condensed Statements Of Net Position

	2025	2024	2023
Assets:			
Other assets	\$7,469,064	\$11,159,691	\$11,198,989
Capital assets, net	<u>10,458,436</u>	<u>10,779,253</u>	<u>10,940,045</u>
Total assets	<u>17,927,500</u>	<u>21,938,944</u>	<u>22,139,034</u>
Deferred outflows of resources	<u>721,789</u>	<u>967,913</u>	<u>1,096,129</u>
Liabilities:			
Other liabilities	2,070,537	4,806,641	2,558,443
Long-term liabilities	<u>4,993,072</u>	<u>2,614,903</u>	<u>4,543,499</u>
Total liabilities:	<u>7,063,609</u>	<u>7,421,544</u>	<u>7,101,942</u>
Deferred inflows of resources	<u>48,464</u>	<u>568,877</u>	<u>126,612</u>
Net position:			
Net investment in capital assets	10,458,436	9,508,072	9,074,960
Restricted	665,166	4,684,298	4,255,646
Unrestricted	<u>413,614</u>	<u>724,066</u>	<u>2,676,003</u>
Total Net Position:	<u>\$11,537,216</u>	<u>\$14,916,436</u>	<u>\$16,006,609</u>



Capital Activities

As of December 31, 2025 and 2024, the Agency had net capital assets of \$10,458,436 and \$10,779,253, respectively.

2025

There were no major projects that were undertaken during 2025. Agency capital purchases addressed the replacement of fleet vehicles, heavy equipment, and office heating/cooling units. In 2024, Agency management and its Board of Directors approved the purchase of EV roll-off trucks for recycling collection purposes and related infrastructure. Installation of the charging stations and delivery of the EV roll-off trucks is expected in 2026.

The following capital assets were purchased in 2025:

- Addition of a 4k solar powered camera for continuous monitoring of our Ulster closed landfill tank farm
- Replacement of two commercial RTU heating/cooling units at the main administrative office
- New CAT 320 Excavator
- New Mack P164T Tractor
- New Mack GR64F Roll-off Truck
- Online customer payment portal became fully operational during 2025

2024

There were no major projects that were undertaken during 2024. Agency capital purchases addressed the replacement of heavy equipment and a transition to EV infrastructure and vehicles. Agency management and its Board of Directors also approved the purchase of EV roll-off trucks for recycling collection purposes. This will be the first known use of these types of vehicles in this region, and will support the Agency's mission of greenhouse gas emission reduction.

The following capital assets were purchased in 2024:

- Addition of a license plate reader security camera
- Installation of two EV charging panels with two charging stations per panel
- New fully EV office vehicle
- New EV/gas hybrid office vehicle



Capital Activities (continued)

- New CAT 272D3 XPS skidsteer
- New CAT 930 wheel loader
- New CAT 320 excavator
- Construction of an online customer payment portal reached beta testing at year end with full implementation expected during 2025

For additional information about the Agency's capital activities, see "Note 5—Capital Assets" in the Notes to Financial Statements.

Long Term Debt Activities

The Agency issued no debt during 2025 or 2024.

The Agency paid off its remaining debt on March 1, 2025, the 2002 Refunding Bond. This payment was paid out of required debt service reserve accounts, inclusive of investment balances of \$2,542,949.

For additional information about the Agency's capital activities, see "Note 8 – Long Term Debt" in the Notes to the Financial Statements.

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 nonoperating, and the expenses incurred by the Agency, operating and nonoperating, and any other revenue, expenses, gains and losses earned or incurred by the Agency.



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

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, and Changes in Net Position

	2025	2024	2023
Operating revenue:			
Solid waste service fees	\$20,250,487	\$18,101,739	\$17,981,620
Other operating revenue	<u>1,057,529</u>	<u>1,177,875</u>	<u>1,012,425</u>
	<u>21,308,016</u>	<u>19,279,614</u>	<u>18,994,045</u>
Nonoperating revenue:			
Investment income	162,089	337,064	288,634
Gain on disposal of assets	81,232	3,607	100,858
Grant revenue	<u>266,564</u>	<u>241,247</u>	<u>321,141</u>
	<u>509,885</u>	<u>581,918</u>	<u>710,633</u>
Total revenue	<u>21,817,901</u>	<u>19,861,532</u>	<u>19,704,678</u>
Operating expenses:			
Cost of sales and services	14,859,916	12,291,173	12,383,536
Other operating expenses	<u>9,412,598</u>	<u>6,412,621</u>	<u>6,257,317</u>
	24,272,514	18,703,794	18,640,853
Nonoperating expenses - interest expense	<u>924,607</u>	<u>2,247,911</u>	<u>1,184,687</u>
Total expenses	<u>25,197,121</u>	<u>20,951,705</u>	<u>19,825,540</u>
Change in net position	(3,379,220)	(1,090,173)	(120,862)
Net position:			
Beginning of year	<u>14,916,436</u>	<u>16,006,609</u>	<u>16,127,471</u>
End of year	<u>\$11,537,216</u>	<u>\$14,916,436</u>	<u>\$16,006,609</u>



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

2025

The Agency's net position declined by \$3.4 million, from \$14.9 million at December 31, 2024 to \$11.5 million at December 31, 2025.

Total operating revenue in 2025 increased from the previous year by \$2.0 million. During 2025, the Agency experienced an overall decrease in volume, but related operating revenues increased due to an increase in the price per ton that was being charged. Recycling markets weakened and volumes received for processing decreased in correlation with waste volume decreases. Nonoperating revenue decreased from the previous year by \$72,033. The majority of this decrease was from investment income which decreased due to the maturity of long-term investments which were used to pay debt service.

Total operating expenses in 2025 increased from the previous year by \$5.6 million. In 2024 the Agency went out to bid for transportation and disposal services. Transportation costs per ton remained consistent but disposal costs increased by \$20 per ton (approximately \$2.9 million) in 2025. Effective January 1, 2025, the Agency implemented a health insurance policy for retirees. The initial fiscal impact of this policy is an accrual of \$2.3 million of other postemployment benefit obligations in 2025, the year of implementation. Nonoperating expenses, specifically interest expense, decreased by \$1.3 million, directly attributed to the interest portion of the final debt service payment that was made in 2025.

2024

The Agency's net position declined by \$1.1 million, from \$16.0 million at December 31, 2023 to \$14.9 million at December 31, 2024.

Total revenue in 2024 increased from the previous year by \$156,854. During 2024, the Agency experienced an overall decrease in volume, but related operating revenues increased due to an increase in the price per ton that was being charged. Recycling markets improved from the prior year and related operating revenues increased. Increases in interest revenue were offset by decreases in other nonoperating revenues.

Total operating expenses in 2024 were consistent with the previous year. During 2024, the Agency realized contractual increases for transportation and disposal of MSW/C&D/Sludge, however, these increases were essentially offset by volume decreases and the correlated decrease in costs. Nonoperating expenses, specifically interest expense, increased by \$1.1 million, from \$1.2 million at December 31, 2023 to \$2.2 million at December 31, 2024. This increase was directly attributed to the interest portion of the final debt service payment that is to be made in 2025, and related accrued interest at December 31, 2024.



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 or noncapital financing 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 or investing activities.

Net cash decreased from 2024 to 2025 due to a decrease in cash received through operations. The Agency basic financial structure is driven by tonnages. A decrease in tonnages leads to a decrease in revenues over expenses, and a corresponding decrease in incoming cash flows.

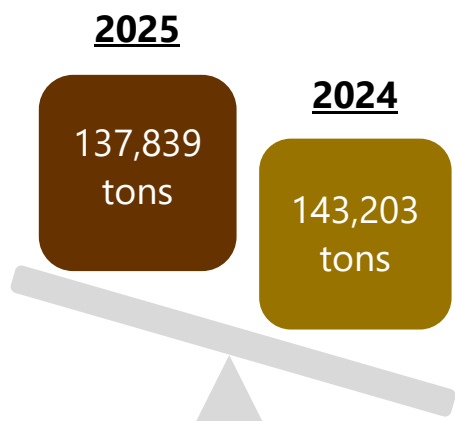
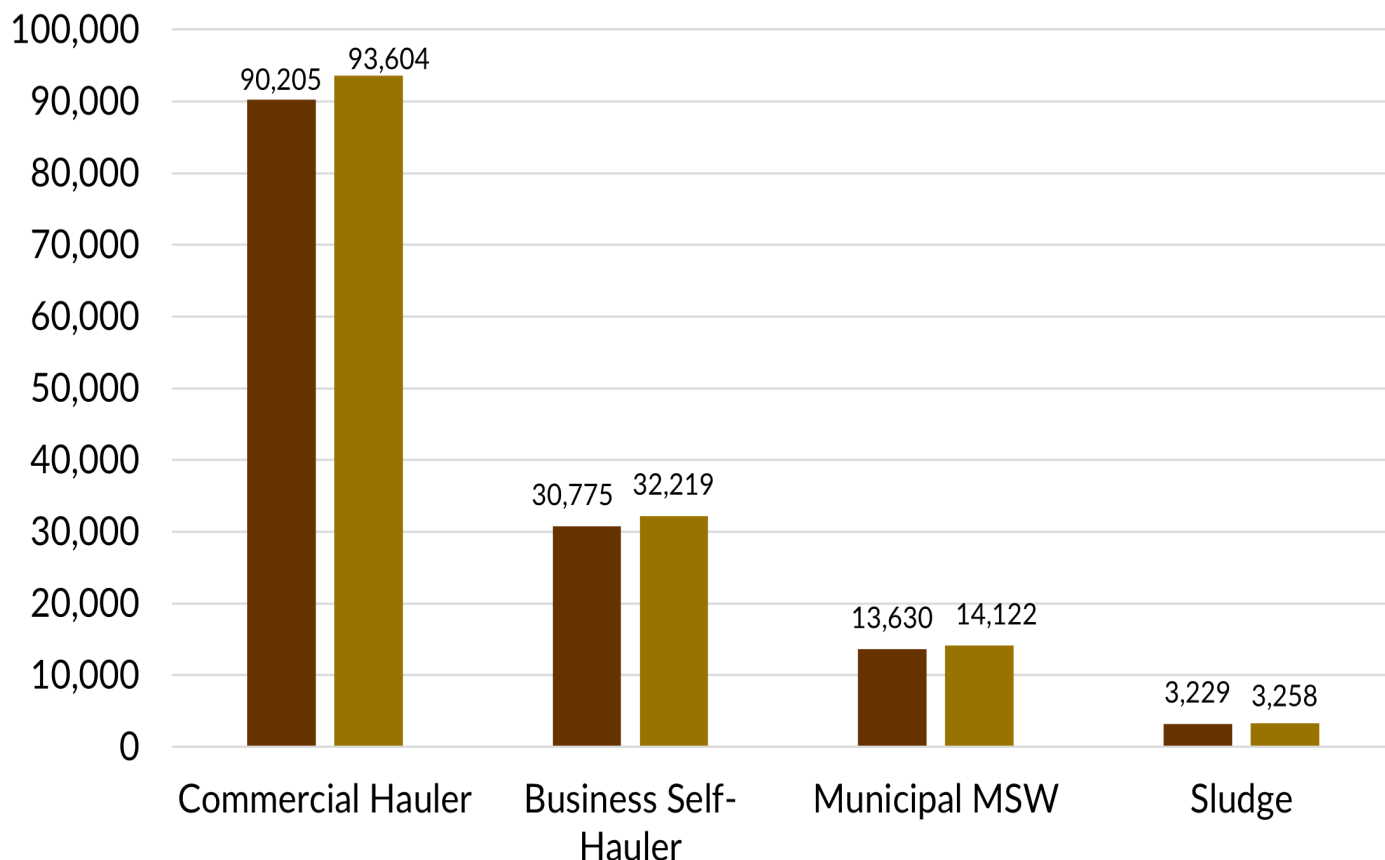
Net cash decreased from 2023 to 2024 due to a decrease in cash received from grants and an increase in purchased capital assets. The main source of grant funding for the Agency comes from the NYS DEC. A change in their grant system has led to delays in the processing of grant payments.

Condensed Statements of Cash Flows

	2025	2024	2023
Net cash provided by operating activities	\$465,059	\$1,537,875	\$1,537,906
Net cash provided by noncapital financing activities	317,826	76,967	227,790
Net cash used in capital and related financing activities	(2,288,093)	(2,648,424)	(2,172,501)
Net cash provided by investing activities	<u>206,204</u>	<u>337,556</u>	<u>286,396</u>
Net decrease in cash and equivalents	(1,299,004)	(696,026)	(120,409)
Cash and equivalents at beginning of year	<u>5,631,868</u>	<u>6,327,894</u>	<u>6,448,303</u>
Cash and equivalents at end of year	<u>\$4,332,864</u>	<u>\$5,631,868</u>	<u>\$6,327,894</u>



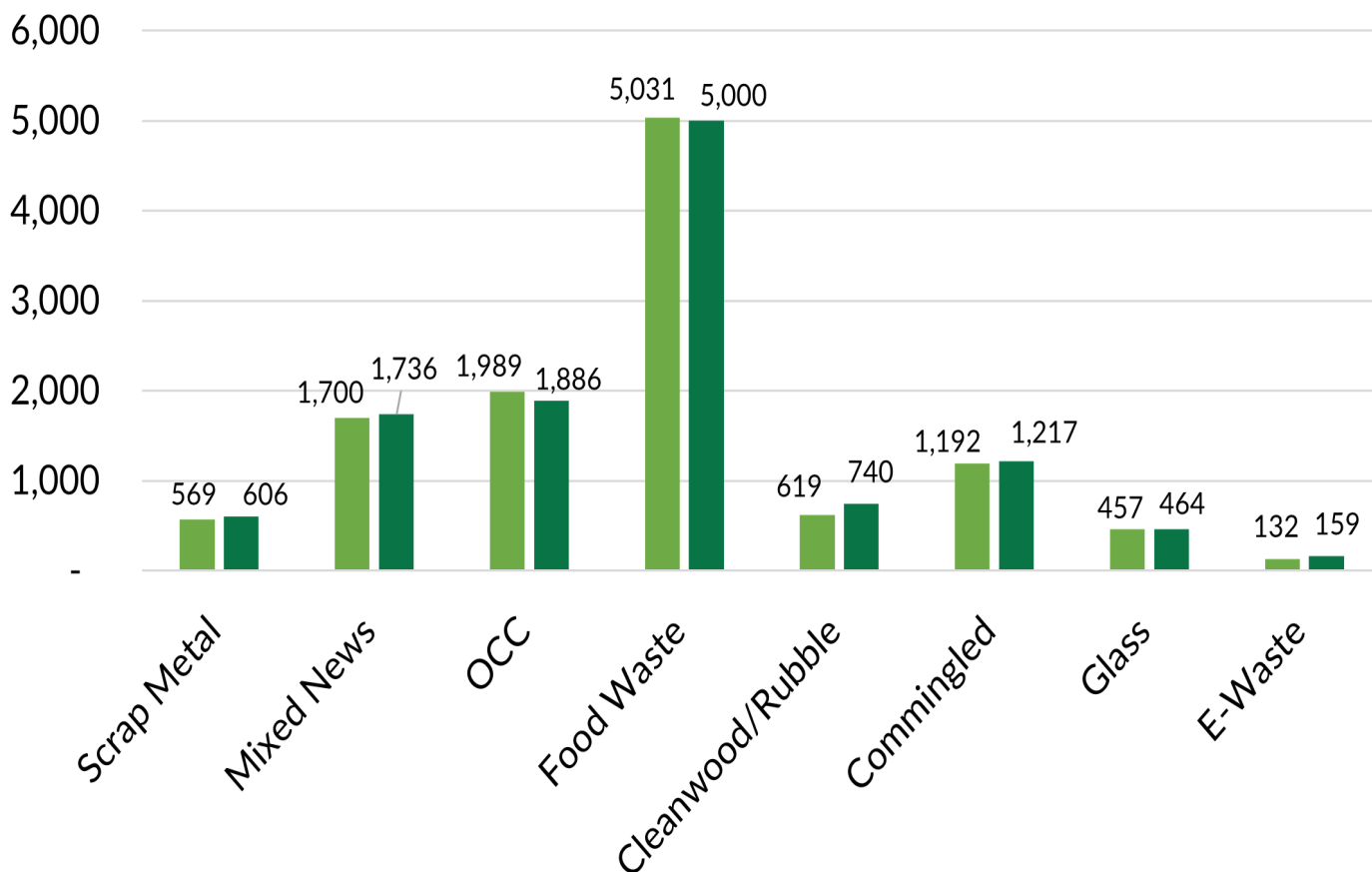
Solid Waste



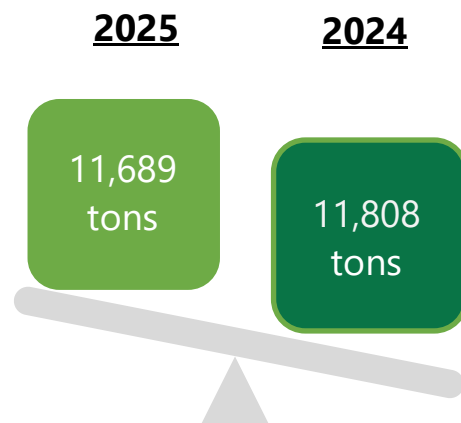
Overall, waste volume decreased by 3.7% from the prior year. Predicting waste volume can be very difficult from year to year, and 2025 was no different as post COVID volumes continue to trend downward. Commercial hauler, municipal, and business self-hauler volumes decreased by 3.6%, 3.5%, and 4.5% respectively. The most notable category driving the decreases was MSW volume at our New Paltz transfer station which decreased by 3,615 tons, or 8.3%.



Recycling/Diversion



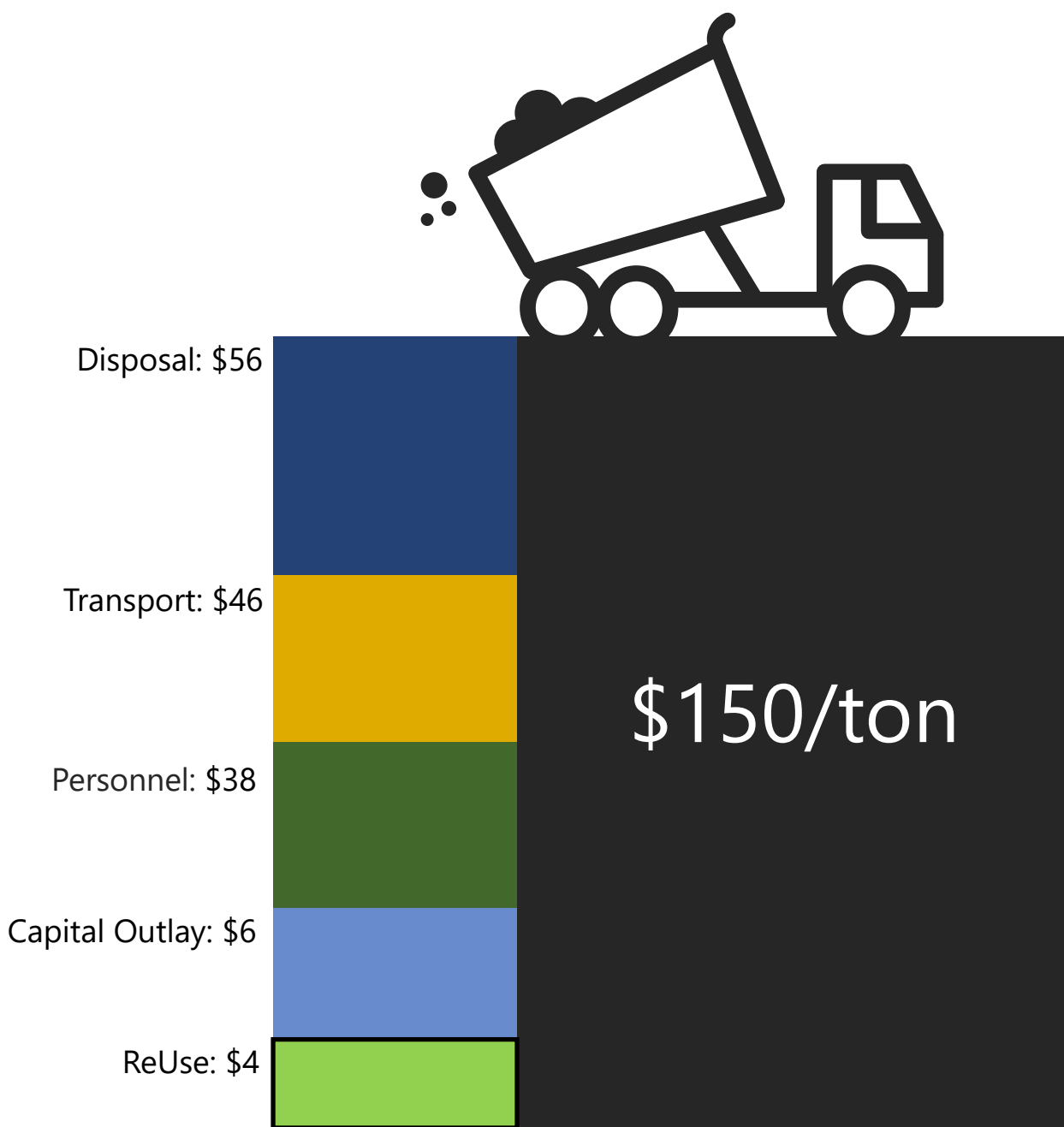
Total recycling/diversion volumes were consistent with the prior year. News, commingle and glass decreased by 2.0%, which is in direct correlation with municipal MSW, as most of these commodity volumes are received from municipalities. OCC increased from the prior year by 5.4% due to an increase in volume received from a few private haulers. The Agency's NYS DEC permit limited the intake of food waste to 5,000 tons in 2024, but it was expected that a requested increase to 7,500 tons will also increase food waste in 2025. The Agency received its requested increase but lost volume from its largest food waste hauler in the fourth quarter of 2025, resulting in a loss of approximately 500 tons.





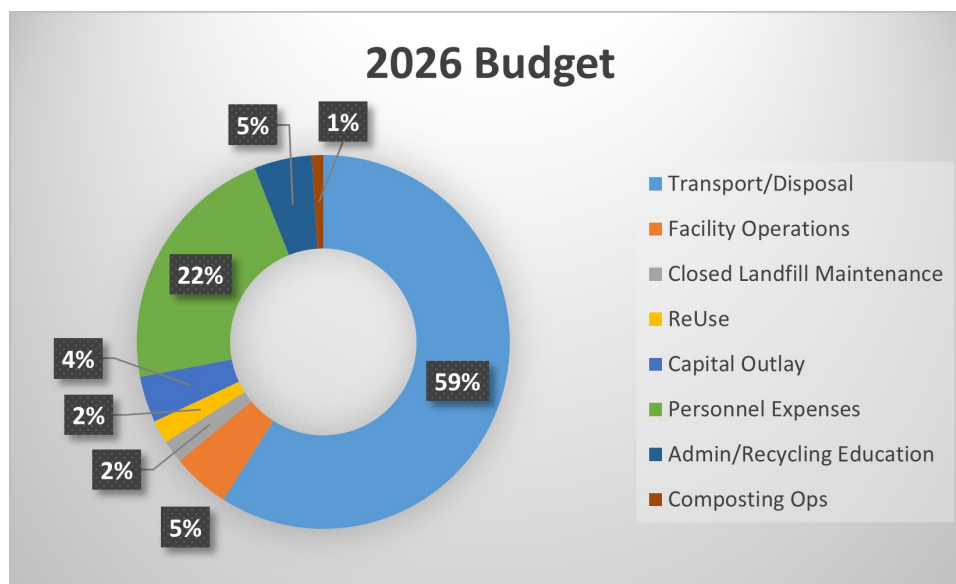
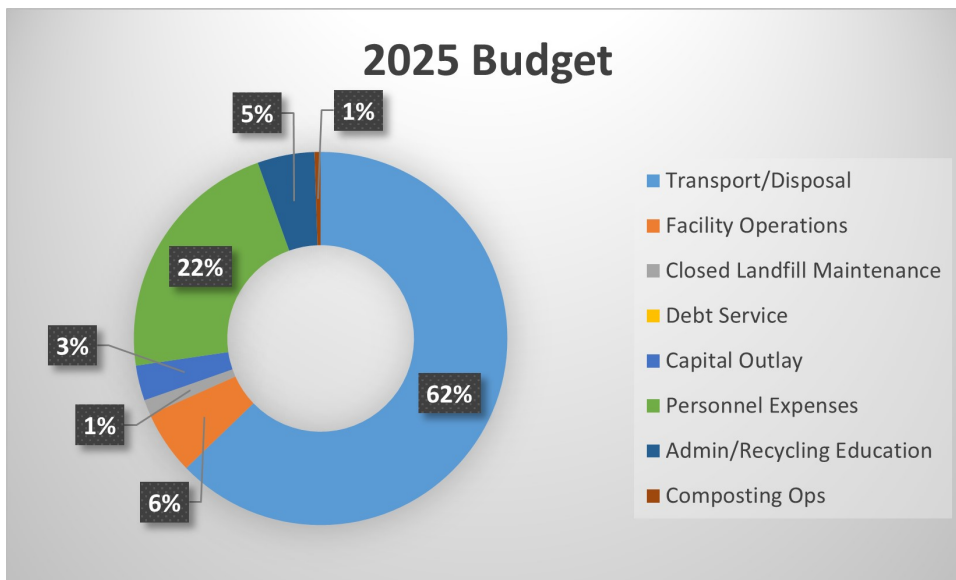
How We Calculate Our Tipping Fee

The Agency calculates its annual tipping fee rate/ton with the expectation of, at minimum, break even. The following chart breaks down the 2026 approved tipping fee rate with relation to its major cost categories. The increase of \$15/ton from the previous year was related to increases in transportation, disposal, and personnel costs. The addition of a budget line for an expense only Reuse Innovation Center also directly contributed to the increase.





Agency Budget



The Agency's budget is highly contingent on volume received at the Agency's two regional transfer stations. Over 80% of Agency costs are tied to contractual agreements, making the budgeting of these items less susceptible to high variances with the actual results when volume is consistent. For the first ten years, the implementation of Flow Control allowed for the expectation of consistent volume and more precise budgeting. Beginning in 2023, volume began to trend downward leading to a budgeted decrease in volume in 2026 of 7,800 tons. It is currently unknown what effect rising tipping fees (\$35 per ton over the last two years) will have on non-flow control volume like C&D. Further decreases in overall volume will lead to a corresponding further increase in tipping fees.



Additional Information

The report is compiled for the use of the Agency's Governing Board, management, appropriate officials of the County and the State, 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, 999 Flatbush Road, Kingston, New York 12401.

ULSTER COUNTY RESOURCE RECOVERY AGENCY

Statements Of Net Position
December 31, 2025 and 2024

<u>Assets</u>	<u>2025</u>	<u>2024</u>
Current assets:		
Unrestricted assets:		
Cash and equivalents	\$ 3,667,698	\$ 3,490,519
Receivables, net of allowance of \$1,477 and \$14,903, respectively	1,813,783	1,978,307
Grants receivable	291,625	342,887
Insurance claims receivable	186,554	-
Accrued interest	-	44,115
Prepaid expenses	844,238	619,565
Total unrestricted assets	6,803,898	6,475,393
Restricted assets:		
Cash and equivalents	665,166	2,141,349
Investments	-	2,542,949
Total restricted assets	665,166	4,684,298
Total current assets	7,469,064	11,159,691
Noncurrent assets - capital assets, net	10,458,436	10,779,253
Total Assets	17,927,500	21,938,944
Deferred outflows of resources		
Pension	721,789	967,913
Total Deferred Outflows Of Resources	\$ 721,789	\$ 967,913
Liabilities		
Current liabilities:		
Accounts payable	\$ 1,428,081	\$ 1,102,834
Accrued interest	-	1,849,212
Host community benefits payable	21,088	26,245
Customer advances	19,000	10,900
Other payables	52,542	137,826
Compensated absences	64,145	61,318
Current installments of long-term debt	-	1,271,181
Current portion of landfill post closure care costs	485,681	347,125
Total current liabilities	2,070,537	4,806,641
Noncurrent liabilities:		
Compensated absences	577,307	551,865
Total OPEB liability	2,273,938	-
Landfill post closure care costs, excluding current portion	971,362	1,041,375
Net pension liability - proportionate share - Employees Retirement System	1,170,465	1,021,663
Total noncurrent liabilities	4,993,072	2,614,903
Total Liabilities	\$ 7,063,609	\$ 7,421,544
Deferred inflows of resources		
Pension	48,464	568,877
Total Deferred Inflows Of Resources	\$ 48,464	\$ 568,877
Net position:		
Net investment in capital assets	\$ 10,458,436	\$ 9,508,072
Restricted for:		
Debt repayment	-	4,045,000
Landfill Post Closure	665,166	639,298
Unrestricted	413,614	724,066
Total Net Position	\$ 11,537,216	\$ 14,916,436

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

Years ended December 31, 2025 and 2024

	2025	2024
Operating revenue:		
Charges for sales and services:		
Sales of recyclable materials	\$ 973,124	\$ 1,082,272
Solid waste service fees	20,250,487	18,101,739
Other revenue	84,405	95,603
Total operating revenue	21,308,016	19,279,614
Operating expenses:		
Costs of sales and services	14,859,916	12,291,173
Salaries and wages	2,962,308	2,777,170
Administration	1,213,230	965,641
Depreciation	1,001,537	1,022,823
Benefits	3,681,299	1,404,177
Landfill post closure care costs	554,224	242,810
Total operating expenses	24,272,514	18,703,794
Operating (loss) income	(2,964,498)	575,820
Nonoperating revenue (expenses):		
Investment income	162,089	337,064
Gain on disposal of assets	81,232	3,607
Grant revenue	266,564	241,247
Interest expense	(924,607)	(2,247,911)
Total nonoperating revenue (expenses)	(414,722)	(1,665,993)
Change in net position	(3,379,220)	(1,090,173)
Net position at beginning of year	14,916,436	16,006,609
Net position at end of Year	\$ 11,537,216	\$ 14,916,436

The accompanying notes are an integral part of these financial statements

ULSTER COUNTY RESOURCE RECOVERY AGENCY

Statements Of Cash Flows
Years ended December 31, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Receipts from services	\$ 21,480,640	\$ 18,930,956
Payments to suppliers	(18,729,474)	(13,363,017)
Payments to employees	(2,286,107)	(4,030,064)
Net cash provided by operating activities	465,059	1,537,875
Cash flows from noncapital financing activities - grant income	317,826	76,967
Cash flows from capital and related financing activities:		
Purchases of capital assets	(831,042)	(916,574)
Proceeds from disposal of assets	45,000	58,150
Investments used for long-term obligations	2,542,949	-
Principal paid on long-term debt	(1,271,181)	(593,904)
Interest paid on long-term obligations	(2,773,819)	(1,196,096)
Net cash used in capital and related financing activities	(2,288,093)	(2,648,424)
Cash flows from investing activities - investment income received, net	206,204	337,556
Net decrease in cash and cash equivalents	(1,299,004)	(696,026)
Cash, cash equivalents and restricted cash at beginning of year	5,631,868	6,327,894
Cash, cash equivalents and restricted cash at end of year	\$ 4,332,864	\$ 5,631,868
Reconciliation of operating (loss) income to net cash provided by operating activities:		
Operating (loss) income	\$ (2,964,498)	\$ 575,820
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation expense	1,001,537	1,022,823
Changes in:		
Receivables, net	164,524	(353,058)
Prepaid expenses	(224,673)	(139,882)
Accounts payable and other payables	234,806	404,826
Customer advances	8,100	4,400
Compensated absences	28,269	14,889
Pension items	(125,487)	112,372
Accrued postemployment benefits	2,273,938	-
Landfill post closure care costs	68,543	(104,315)
Net cash provided by operating activities	\$ 465,059	\$ 1,537,875

The accompanying notes are an integral part of these financial statements

ULSTER COUNTY RESOURCE RECOVERY AGENCY

Notes To Financial Statements

December 31, 2025 And 2024

(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 (the State), 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 Governmental 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.

ULSTER COUNTY RESOURCE RECOVERY AGENCY

Notes To Financial Statements, Continued

December 31, 2025 And 2024

(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 distinguish 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 revenue 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.
- 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.

ULSTER COUNTY RESOURCE RECOVERY AGENCY

Notes To Financial Statements, Continued

December 31, 2025 And 2024

(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 GAAP.
- 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 with GAAP, 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. 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, 2025 And 2024

(2) Summary of Significant Accounting Policies, Continued

(g) Capital Assets, Continued

	<u>Years</u>
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 Board of Directors' resolution when deciding which assets to use.

(j) Deferred Outflows and Inflows of Resources

The statements of net position reports a separate section which 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 five 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. Fourth, changes in plan assumptions. Fifth is the net difference between projected and actual earnings on plan investments.

The statements of net position reports a separate section which represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as inflow of resources (revenue) until that time. The Agency has three 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

ULSTER COUNTY RESOURCE RECOVERY AGENCY

Notes To Financial Statements, Continued

December 31, 2025 And 2024

(2) Summary of Significant Accounting Policies, Continued

(j) Deferred Outflows and Inflows of Resources, Continued

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 a pension plan investments and changes in plan assumptions.

(k) Advertising Costs

Advertising costs are expensed as incurred.

(l) Accounting Standards Issued But Not Yet Implemented

GASB has issued the following pronouncements which will be implemented in the years required. The effects of the implementation of these pronouncements are not known at this time.

Statement No. 103 - Financial Reporting Model Improvements. Effective for fiscal years beginning after June 15, 2025.

Statement No. 104 - Disclosure of Certain Capital Assets. Effective for fiscal years beginning after June 15, 2025.

Statement No. 105 - Subsequent Events. Effective for fiscal years beginning after June 15, 2026.

(m) Postemployment Benefits

In addition to providing pension benefits, the Agency provides health insurance coverage for retired employees and their dependents. Substantially all of the Agency's employees may become eligible for these benefits if they reach normal retirement age and retire under the New York State and Local Employees' Retirement System while working for the Agency. The cost of providing postretirement benefits is shared between the Agency and the retired employee. The Agency recognizes the cost of providing health insurance by recording its share of insurance premiums for retirees and their dependents, as an expenditure in the year paid.

(n) Subsequent Events

The Agency has evaluated subsequent events through the date of this report which is the date the financial statements were available to be issued.

(o) Reclassifications

Reclassifications were made to certain 2024 balances in order to conform them to the 2025 presentation.

ULSTER COUNTY RESOURCE RECOVERY AGENCY

Notes to Financial Statements, Continued

December 31, 2025 And 2024

(3) Cash Equivalents and Investments

The Agency’s investment policies are governed by 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 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, 2025 and 2024. Investments consist primarily of guaranteed investment contracts purchased directly by the Agency.

At December 31, 2025, the Agency’s cash equivalents and investment balances were as follows:

	Unrestricted	Restricted	Total
Cash and equivalents	\$3,667,698	\$665,166	\$4,332,864
Investments	-	-	-
Total	\$3,667,698	\$665,166	\$4,332,864

At December 31, 2024, the Agency’s cash equivalents and investment balances were as follows:

	Unrestricted	Restricted	Total
Cash and equivalents	\$3,490,519	\$2,141,349	\$5,631,868
Investments	-	2,542,949	2,542,949
Total	\$3,490,519	\$4,684,298	\$8,174,817

(4) Grants Receivable

Grants receivable relate to grant reimbursements for 2018, 2022, 2023, 2024 and 2025 expenditures that were received after year-end. Expenditures to be reimbursed for the Municipal Waste Reduction and Recycling Program and the Household Hazardous Waste State Assistance Program are in the amount of \$217,788 and \$73,837, respectively, as of December 31, 2025. Expenditures to be reimbursed for the Municipal Waste Reduction and Recycling Program and the Household Hazardous Waste State Assistance Program are in the amount of \$197,958 and \$144,929, respectively, as of December 31, 2024.

ULSTER COUNTY RESOURCE RECOVERY AGENCY

Notes To Financial Statements, Continued

December 31, 2025 And 2024

(5) Capital Assets

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

	Total 12/31/23	Additions	Deletions	Total 12/31/24	Additions	Deletions	Total 12/31/25
Capital assets that are not depreciated:							
Land	\$1,238,172	-	-	1,238,172	-	-	1,238,172
Construction in progress	-	15,690		15,690	-	(15,690)	-
Total	1,238,172	15,690	-	1,253,862	-	(15,690)	1,238,172
Capital assets that are depreciated:							
Buildings	12,303,233	38,248	(6,530)	12,334,951	41,584	-	12,376,535
Machinery and equipment	5,901,933	758,129	(266,379)	6,393,683	319,000	(232,529)	6,480,154
Trailers	808,092	5,500	-	813,592	-	(86,396)	727,196
Computers and software	97,907	21,610	(6,924)	112,593	16,873	(1,733)	127,733
Vehicles	2,365,347	77,397	(21,401)	2,421,343	468,224	(145,317)	2,744,250
Furniture and fixtures	40,707	-	-	40,707	1,051	-	41,758
Infrastructure	130,924	-	-	130,924	-	-	130,924
Subtotal	21,648,143	900,884	(301,234)	22,247,793	846,732	(465,975)	22,628,550
Less accumulated depreciation:							
Buildings	5,386,012	331,956	(3,266)	5,714,702	330,231	-	6,044,933
Machinery and equipment	4,036,999	472,283	(215,100)	4,294,182	461,553	(169,095)	4,586,640
Trailers	656,303	32,088	-	688,391	27,032	(54,000)	661,423
Computers and software	73,168	17,560	(6,924)	83,804	11,158	(1,733)	93,229
Vehicles	1,721,770	159,485	(21,401)	1,859,854	162,214	(90,825)	1,931,243
Furniture and fixtures	33,678	2,906	-	36,584	2,804	-	39,388
Infrastructure	38,340	6,545	-	44,885	6,545	-	51,430
Subtotal	11,946,270	1,022,823	(246,691)	12,722,402	1,001,537	(315,653)	13,408,286
Total depreciable capital assets, net	9,701,873	(121,939)	(54,543)	9,525,391	(154,805)	(150,322)	9,220,264
Total capital assets, net	\$10,940,045	(106,249)	(54,543)	10,779,253	(154,805)	(166,012)	10,458,436

ULSTER COUNTY RESOURCE RECOVERY AGENCY

Notes To Financial Statements, Continued

December 31, 2025 And 2024

(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 NYSSRSL, 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 NYSSRSL, 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 11.3% to 19.5% of salaries for the years ended December 31, 2025 and 2024.

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, 2025 And 2024

(6) Retirement Plan, Continued

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

At December 31, 2025 and 2024, the Agency reported the following asset/(liability) for its proportionate share of the net pension liability for the System. The net pension asset/(liability) was measure as of March 31, 2025 and 2024, respectively. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The Agency's proportionate share of the net pension asset/(liability) was based on a projection of the Agency's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by the System in reports provided to the Agency.

	<u>2025</u>	<u>2024</u>
Measurement date	3/31/2025	3/31/2024
Net pension liability	\$(1,170,465)	(1,021,663)
Authority's proportion of the System's net pension liability	0.0068266%	0.0069387%
Changes in proportionate share from prior year	(0.0001121)	0.0000381

For the years ended December 31, 2025 and 2024, the Agency recognized pension expense of \$240,759 and \$419,996, respectively, for the System in the statements of revenues, expenses and changes in net position. At December 31, 2025 and 2024 the Agency's reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

	<u>2025</u>	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$290,517	13,704
Changes of assumptions	49,087	-
Net difference between projected and actual earnings on Plan investments	91,831	-
Changes in proportion and differences between the Agency's contributions and proportionate share of contributions	5,610	34,760
Agency's contributions subsequent to the measurement date	284,744	-
Total	\$721,789	48,464

ULSTER COUNTY RESOURCE RECOVERY AGENCY

Notes To Financial Statements, Continued

December 31, 2025 And 2024

(6) Retirement Plan, Continued

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

	2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$329,077	27,858
Changes of assumptions	386,268	-
Net difference between projected and actual earnings on Plan investments	-	499,077
Changes in proportion and differences between the Agency's contributions and proportionate share of contributions	12,789	41,942
Agency's contributions subsequent to the measurement date	239,779	-
	\$967,913	568,877
Total	\$967,913	568,877

Agency contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ending December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension will be recognized in pension expense as follows:

Year ended December 31:

2026	\$ 188,132
2027	291,355
2028	(99,280)
2029	<u>8,374</u>
	<u>\$ 388,581</u>

ULSTER COUNTY RESOURCE RECOVERY AGENCY

Notes To Financial Statements, Continued

December 31, 2025 And 2024

(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, 2024, with updated procedures used to roll forward the total pension liability to March 31, 2025. The actuarial valuation used the following actuarial assumptions.

Significant actuarial assumptions used in the April 1, 2024 valuation were as follows:

Inflation	2.9%
Salary scale	4.3%
Investment rate of return including inflation	5.9% compounded annually, net of investment expenses
Cost of living adjustments	1.5% annually
Decrements	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-2021

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:

Asset class	Target Allocation	Long-term expected real rate of return*
Domestic equity	25%	3.54%
International equity	14%	6.57%
Private equity	15%	7.25%
Real estate	12%	4.95%
Opportunistic/ARS portfolio	3%	5.25%
Credit	4%	5.40%
Real assets	4%	5.55%
Fixed Income	22%	2.00%
Cash	1%	0.25%
	<u>100%</u>	

*The real rate of return is net of the long-term inflation assumption of 2.9%.

ULSTER COUNTY RESOURCE RECOVERY AGENCY

Notes To Financial Statements, Continued

December 31, 2025 And 2024

(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:

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Employer’s proportionate share of the net pension asset/(liability)	\$ (3,387,472)	(1,170,465)	680,738

(f) Pension Plan Fiduciary Net Position

The components of the current-year net pension asset/(liability) of the employers as of March 31, 2025 were as follows:

	(Dollars in Millions)
	Employees
	<u>Retirement System</u>
Employers’ total pension liability	\$(247,600)
Plan net position	230,454
Employers’ net pension liability	<u>\$(17,146)</u>
Ratio of plan net position to the Employers’ total pension liability	93.08%

ULSTER COUNTY RESOURCE RECOVERY AGENCY

Notes To Financial Statements, Continued

December 31, 2025 And 2024

(6) Retirement Plan, Continued

(g) Contributions to the Pension Plan

Employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Retirement contributions as of December 31, 2025 and 2024 represent the projected employer contribution for the period of April 1, 2025 through March 31, 2026 and April 1, 2024 through March 31, 2025, respectively, based on paid employee wages multiplied by the employer's contribution rate, by tier. Retirement contributions paid to the System for the years ended December 31, 2025 and 2024 was \$364,670 and \$307,624, respectively.

(7) Other Postemployment Benefits

(a) Plan Description and Benefits Provided

The cost of postemployment healthcare benefits, like the cost of pension benefits, generally should be associated with the period in which the cost occurs, rather than in the future year when it will be paid, which is the accrual accounting perspective. As per the requirements of GASB Statement No. 75 - "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," the Agency recognizes the cost of postemployment healthcare in the year when the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands in the Agency's future cash flows. The Agency provides for funding on the pay-as-you-go method by payment of current insurance premiums. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

The Agency provides optional medical insurance coverage to eligible retirees. This plan is a single employer plan, established by authority of the Agency Board and administered by the Agency. A copy of the report on these benefits can be requested from the Agency. A summary of benefits is as follows:

- The retiree will be offered the same plans that the Agency's current employees are receiving until they become eligible for Medicare.
- Covered retirees must apply for and initiate Medicare coverage when eligible, at that time the Agency will only provide an annual stipend of \$2,500 for health insurance to supplement Medicare coverage.
- Dental/Vision benefits will continue for the life of the participant.
- To be eligible an employee must be 55 years of age or older and have a minimum of ten years of service to the Agency. In addition, the retiree must retire with NYS Retirement upon separation of employment.
- Retiree contributions are dependent upon years of service and are as follows: 10-14 years of service – retiree contributes 75% of the premium cost; 15-19 years of service – retiree contributes 50% of the premium cost; 20+ years of service - retiree has no contributions and the Agency covers 100% of the premium cost.

ULSTER COUNTY RESOURCE RECOVERY AGENCY

Notes To Financial Statements, Continued

December 31, 2025 And 2024

(7) Other Postemployment Benefits, Continued

(b) Employees Covered by Benefit Terms

At December 31, 2025, the following employees were covered by the benefit terms:

Active	37
Retired	<u>2</u>
	<u>39</u>

(c) Total OPEB Liability

The Agency's total OPEB liability of \$2,273,938 was measured as of December 31, 2025, and was determined by an actuarial valuation as of that date.

(d) Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2025 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified. Key assumptions and methods used in the valuation:

Actuarial Cost Method	Entry Age Normal		
Amortization Method	Level Percentage of Payroll		
Discount Rate	4.47%		
Projected Salary Increases	5.68%		
Healthcare Cost Trend Rates		<u>Initial</u>	<u>Ultimate</u>
	Medical	5.8%	4.1%
	Pharmacy	11.7%	4.1%
	Dental 3.5%	3.0%	
	Vision 3.0%	3.0%	
NOL and ADC	Calculated using the Alternative Measurement Method in accordance with GASB methodology.		
Mortality Table	Pub-2010 Public Plans Mortality Tables, with mortality improvement projected for 10 years.		

ULSTER COUNTY RESOURCE RECOVERY AGENCY

Notes To Financial Statements, Continued

December 31, 2025 And 2024

(7) Other Postemployment Benefits, Continued

(e) Changes in the Total OPEB Liability

Balance at December 31, 2024	\$ _____ -
Service cost	-
Interest on total OPEB liability	(222)
Effect of economic/demographic gains or losses	2,297,361
Changes of assumptions or other inputs	(13,052)
Benefit payments	<u>(10,149)</u>
Net change	<u>(2,273,938)</u>
Balance at December 31, 2025	\$ <u>2,273,938</u>

(f) Sensitivity of the Total Pension Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Agency, as well as what the Agency's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.47%) or 1-percentage point higher (5.47%) than the current rate:

	1% Decrease (3.47%)	Discount Rate (4.47%)	Current 1% Increase (5.47%)
Total OPEB liability	\$ <u>2,638,273</u>	<u>2,273,938</u>	<u>1,981,707</u>

(g) Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the total OPEB liability of the Agency, as well as what the Agency total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Total OPEB liability	\$ <u>1,928,927</u>	<u>2,273,938</u>	<u>2,710,318</u>

(h) OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2025, the Agency recognized a OPEB expense of \$2,284,087. At December 31, 2025, the Agency did not report deferred outflows of resources or deferred inflows of resources related to OPEB due to the alternative method. Additionally, since the measurement date was the same as the Agency's fiscal year, there are no contributions subsequent to the measurement date to report.

ULSTER COUNTY RESOURCE RECOVERY AGENCY

Notes To Financial Statements, Continued

December 31, 2025 And 2024

(8) Long-Term Debt

Long-term debt at December 31, 2025 and 2024 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, 2025 and 2024 are summarized as follows:

Business-Type Activities	2025				
	Balances	Additions	Deductions	Balances December 31	Due Within One Year
Capital appreciation bonds	\$1,271,181	-	(1,271,181)	-	-

Business-Type Activities	2024				
	Balances	Additions	Deductions	Balances December 31	Due Within One Year
Capital appreciation bonds	\$1,865,085	-	(593,904)	1,271,181	1,271,181

ULSTER COUNTY RESOURCE RECOVERY AGENCY

Notes to Financial Statements, Continued

December 31, 2025 And 2024

(8) Long-Term Debt, Continued

(b) Changes, Continued

The Agency does not have any unused lines of credit.

	<u>2025</u>	<u>2024</u>
Interest paid	\$2,773,819	1,196,096
Less: interest accrued in the prior year	(1,849,212)	(797,397)
Plus: interest accrued in the current year	-	1,849,212
Total Expense	<u>\$924,607</u>	<u>2,247,911</u>

(9) Customer Advances

As of December 31, 2025 and 2024, the Agency had advances amounting to \$19,000 and \$10,900 respectively. The December 31, 2025 and 2024 balances consist of payments received from customers in 2025 for their 2026 permits and in 2024 for their 2025 permits, respectively. 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.

(10) Unrestricted Net Position

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

	<u>2025</u>	<u>2024</u>
General unrestricted	\$2,535,823	2,751,864
Landfill post-closure care costs	(2,122,209)	(2,027,798)
	<u>\$413,614</u>	<u>724,066</u>

(11) 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 payable in the accompanying statements of net position in the amount of \$641,452 and \$613,183 as of December 31, 2025 and 2024, respectively.

ULSTER COUNTY RESOURCE RECOVERY AGENCY

Notes to Financial Statements, Continued

December 31, 2025 And 2024

(12) Contingencies

Contingencies at December 31, 2025 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 \$25,000 for each event.

(b) Landfill Closure and Post-Closure Care Costs

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 2025 and 2024, the annual post-closure monitoring and maintenance cost for both landfills was \$485,681 and \$347,125, 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 \$485,681 for each of the remaining 3 years as follows:

	New Paltz		
	Ulster landfill	landfill	Total
Environmental monitoring	\$5,349	4,949	10,298
Leachate disposal	188,996	119,718	308,714
Facility maintenance	150,360	16,309	166,669
2025 Cost	\$344,705	140,976	485,681

	New Paltz		
	Ulster landfill	landfill	Total
Environmental monitoring	\$6,401	5,250	11,651
Leachate disposal	127,872	142,775	270,647
Facility maintenance	52,799	12,028	64,827
2024 Cost	\$187,072	160,053	347,125

ULSTER COUNTY RESOURCE RECOVERY AGENCY

Notes to Financial Statements, Continued

December 31, 2025 And 2024

(12) Contingencies, Continued

(b) Landfill Closure and Post-Closure Care Costs, Continued

The liability for landfill post-closure care costs at December 31, 2025 and 2024 consists of the following:

	<u>2025</u>	<u>2024</u>
Total annual cost	\$485,681	347,125
Remaining years	3	4
Total liability	1,457,043	1,388,500
Less current portion	<u>(485,681)</u>	<u>(347,125)</u>
Landfill post-closure care costs, excluding current portion	<u>\$971,362</u>	<u>1,041,375</u>
	<u>2025</u>	<u>2024</u>
Total annual cost	\$485,681	347,125
Change in liability projection	<u>68,543</u>	<u>(104,315)</u>
Landfill post-closure care costs	<u>\$554,224</u>	<u>242,810</u>

(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 legal counsel do not expect these matters to have a material adverse effect on the Agency's financial condition or results of operations.

(13) 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.

ULSTER COUNTY RESOURCE RECOVERY AGENCY

Notes to Financial Statements, Continued

December 31, 2025 And 2024

(14) Grant Revenue

The Agency received grant revenue from three 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% reimbursement of Agency disbursements with regards to operating this program. The Agency received \$192,727 and \$145,630 for this program during the years ended December 31, 2025 and December 31, 2024, respectively.

(b) 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 hazardous pesticides, solvents, and other household chemicals to the residents of the County. Grant revenue received represents a 50% reimbursement of Agency disbursements with regards to operating these events. The Agency received \$73,837 and \$77,162 for this program during the years ended December 31, 2025 and 2024, respectively.

(c) Ulster County Tiffin Project

This project is funded by the New York State Department of Environmental Conservation's P2I (New York State Pollution Prevention Institute) Grant Program. This county-wide campaign addresses pollution prevention by providing residents with reusable, stainless steel tiffin containers through a series of events and classes in 2024. Grant revenue received represents a 100% reimbursement of Agency disbursements with regards to operating this project. The Agency received \$18,455 for this program during the year ended December 31, 2024.



Required Supplementary Information (Other than MD&A)

ULSTER COUNTY RESOURCE RECOVERY AGENCY

Required Supplementary Information
 Schedule of Agency's Pension Contributions
 December 31, 2025 And 2024

NYSLRS Pension Plan
 Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$364,670	307,624	256,309	231,574	294,617	265,272	249,347	245,094	238,269	242,378
Contributions in relation to the contractually required contribution	\$364,670	307,624	256,309	231,574	294,617	265,272	249,347	245,094	238,369	242,378
Contribution Deficiency (Excess)	\$-	-	-	-	-	-	-	-	-	-
Covered payroll	2,829,659	2,652,677	2,460,155	2,284,885	2,165,766	1,979,456	1,797,803	1,690,027	1,631,674	1,548,826
Contributions as a percentage of covered payroll	12.89%	11.60%	10.42%	10.13%	13.60%	13.40%	13.87%	14.50%	14.60%	15.65%

ULSTER COUNTY RESOURCE RECOVERY AGENCY

Required Supplementary Information

Schedule of Agency's Proportionate Share of the Net Pension Asset/Liability

December 31, 2025 And 2024

NYSLRS Pension Plan

Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion percentage of net pension liability	0.0068266%	0.0069387%	0.0069006%	0.0073023%	0.0071233%	0.0069885%	0.0072483%	0.0072122%	0.0074789%	0.0080119%
Proportion amount of net pension asset/(liability)	\$(1,170,465)	(1,021,663)	(1,479,772)	596,933	(7,093)	(1,850,597)	(513,562)	(232,770)	(702,730)	(1,285,934)
Covered payroll	\$2,530,012	2,323,295	2,331,902	1,983,871	1,857,709	1,814,628	1,710,627	1,656,723	1,530,091	1,553,441
Agency's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	46.26%	43.97%	63.46%	30.09%	0.38%	101.98%	30.02%	14.05%	45.93%	82.78%
Plan fiduciary net position as a percentage of the total asset/liability	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.69%

ULSTER COUNTY RESOURCE RECOVERY AGENCY
 Required Supplementary Information
 Schedule of Changes in the Agency's Total OPEB Liability and Related Ratios
 December 31, 2025

Beginning of the year	2025 \$ _____ -
Charges for the year	
Service cost	-
Interest on total OPEB liability	(222)
Effect of economic/demographic gains or losses	2,297,361
Changes of assumptions or other inputs	(13,052)
Benefit payments	<u>(10,149)</u>
Net change	<u>(2,273,938)</u>
End of the year	<u>\$2,273,938</u>
Covered Payroll	<u>2,832,467</u>
Total OPEB liability as a percentage of covered payroll	<u>80.28%</u>
Discount rate	<u>4.47%</u>

Data not available prior to 2025 implementation of Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Agency presents information for those years for which information is available.



Statistical Section

This part of the Agency’s annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Agency’s overall financial health.

Contents	Page
<u>Financial Trends</u> These schedules contain trend information to help the reader understand how the Agency’s financial performance and well-being have changed over time.	61-65
<u>Revenue Capacity</u> These schedules contain information to help the reader assess the Agency's most significant local revenue source, the municipal solid waste.	66-67
<u>Debt Capacity</u> These schedules present information to help the reader assess the affordability of outstanding debt and the Agency’s ability to issue additional debt in the future.	68-70
<u>Demographic and Economic Information</u> These schedules offer demographic and economic indicators to help the reader understand the environment within which the Agency’s financial activities take place.	71-73
<u>Operating Information</u> These schedules contain service and infrastructure data to help the reader understand how the information in the Agency’s financial report relates to the services the Agency provides and the activities it performs.	74-77



Financial Trends



Changes in Net Position Last Ten Years

	2025	2024	2023	2022
Revenues				
Sales of recyclable materials	\$973,124	1,082,272	912,106	\$1,151,783
Solid waste service fees	20,250,487	18,101,739	17,981,620	18,591,710
Other revenue	84,405	95,603	100,319	72,646
Landfill post closure care costs	-	-	-	-
	21,308,016	19,279,614	18,994,045	19,816,139
Other Revenues				
Investment income	162,089	337,064	288,634	152,185
Gain on disposal of assets	81,232	3,607	100,858	32,496
Grant revenue	266,564	241,247	321,141	180,180
	509,885	581,918	710,633	364,861
Total Revenues	21,817,901	19,861,532	19,704,678	20,181,000
Expenses				
Costs of sales and services	14,859,916	12,291,173	12,383,536	13,353,135
Salaries and wages	2,962,308	2,777,170	2,572,951	2,429,044
Administration	1,213,230	965,641	946,433	823,768
Depreciation	1,001,537	1,022,823	1,008,132	976,731
Benefits	3,681,299	1,404,177	1,435,711	862,858
Landfill post closure care costs	554,224	242,810	294,090	222,250
	24,272,514	18,703,794	18,640,853	18,667,786
Other Expenses - Interest expense	924,607	2,247,911	1,184,687	1,117,193
Total Expenses	25,197,121	20,951,705	19,825,540	19,784,979
Increase (Decrease) in Net Position	(3,379,220)	(1,090,173)	(120,862)	396,021
Net Position at Year End Composed of:				
Net investments in capital assets	10,458,436	9,508,072	9,074,960	8,971,604
Restricted	665,166	4,684,298	4,255,646	3,758,762
Unrestricted	413,614	724,066	2,676,003	3,397,105
	\$11,537,216	14,916,436	16,006,609	16,127,471



Changes in Net Position (continued)

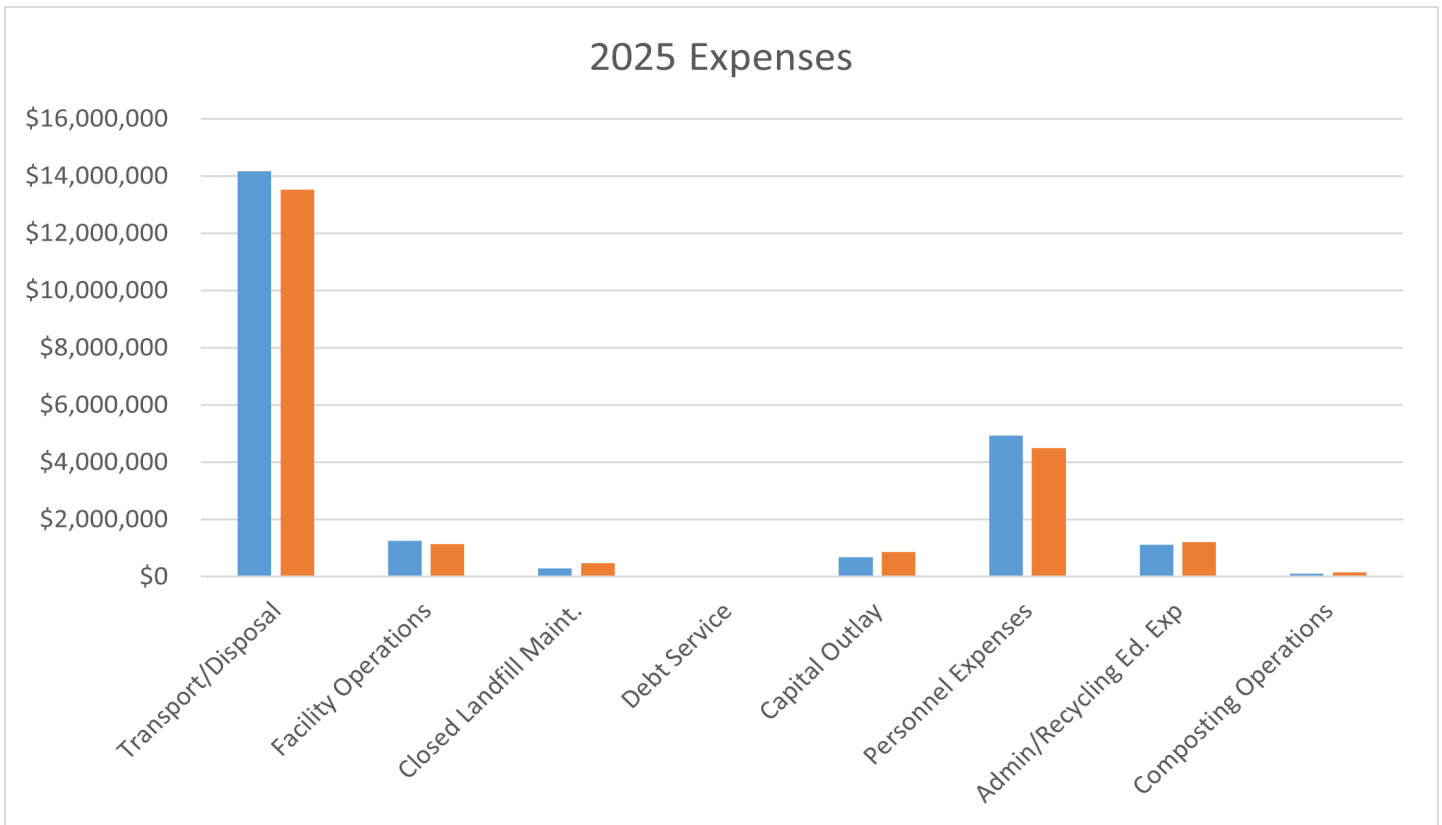
Last Ten Years

2021	2020	2019	2018	2017	2016
1,179,331	678,513	419,018	616,538	842,399	447,314
17,097,941	15,874,337	15,380,778	15,299,711	14,368,753	13,524,706
49,730	57,674	74,447	68,661	78,730	44,558
419,792	-	-	-	-	-
18,746,794	16,610,524	15,874,243	15,984,910	15,289,882	14,016,578
133,880	170,340	173,223	142,482	131,285	122,356
1,500	6,212	28,274	5,373	13,520	105,698
193,901	272,666	87,991	45,558	40,813	286,067
329,281	449,218	289,488	193,413	185,618	514,121
19,076,075	17,059,742	16,163,731	16,178,323	15,475,500	14,530,699
11,340,194	10,021,995	8,687,452	8,747,896	7,729,966	7,106,444
2,146,505	1,935,941	1,913,476	1,799,432	1,719,900	1,681,879
778,617	701,139	726,070	636,721	654,073	658,275
921,469	798,887	640,512	632,143	612,373	574,882
967,413	1,375,089	1,053,730	998,435	1,046,782	1,111,651
-	85,338	112,540	688,908	161,844	(178,295)
16,154,198	14,918,389	13,133,780	13,503,535	11,924,938	10,954,836
1,105,832	1,061,112	1,040,185	683,416	182,257	254,982
17,260,030	15,979,501	14,173,965	14,186,951	12,107,195	11,209,818
1,816,045	1,080,241	1,989,766	1,991,372	3,368,305	3,320,881
8,271,854	7,958,167	5,285,114	4,300,910	1,328,863	(654,430)
3,517,963	3,377,451	3,281,649	3,204,801	3,742,549	3,566,904
3,941,633	2,579,787	4,268,401	3,339,687	3,782,614	2,573,247
15,731,450	13,915,405	12,835,164	10,845,398	8,854,026	5,485,721



Budget vs. Actual Expenses December 31, 2025 and 2024

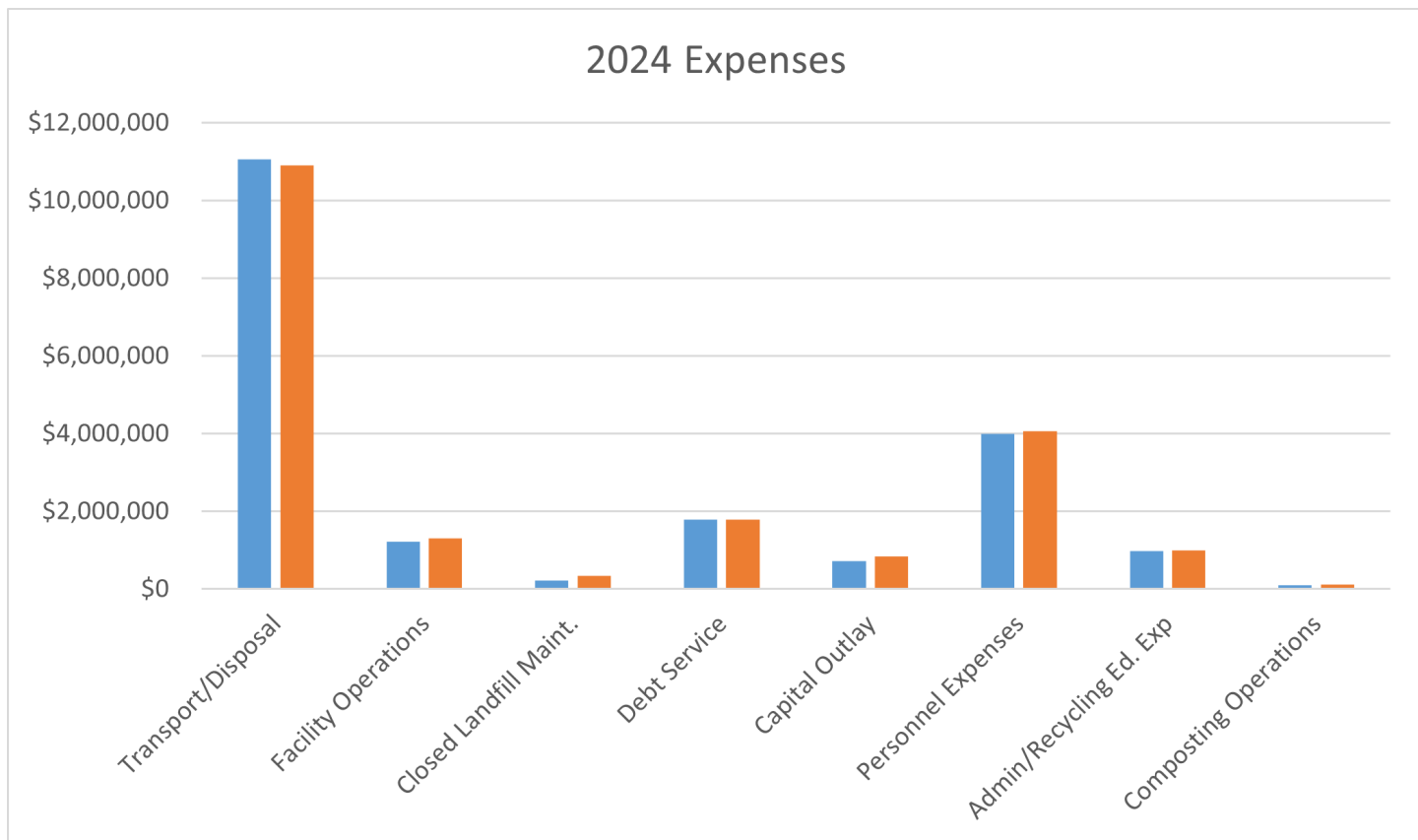
	2025 Budget	2025 Actual	Variance	2024 Budget	2024 Actual	Variance
Transportation/Disposal	\$14,174,916	13,526,342	648,574	11,066,392	10,909,823	156,569
Facility Operations	1,248,209	1,152,585	95,624	1,213,832	1,303,274	(89,442)
Closed Landfill Maintenance	298,500	485,681	(187,181)	216,785	347,124	(130,339)
Debt Service	-	-	-	1,790,000	1,790,000	-
Capital Outlay	686,543	866,952	(180,409)	720,000	845,745	(125,745)
Personnel Expenses	4,937,252	4,495,156	442,096	3,996,668	4,068,975	(72,307)
Admin/Recycling Ed. Exp	1,116,092	1,206,974	(90,882)	976,285	996,118	(19,833)
Composting Operations	120,000	151,335	(31,335)	100,000	118,428	(18,428)



Budget ■ 2025 Actual ■



Budget vs. Actual Expenses (continued)



Budget ■ 2024 Actual ■



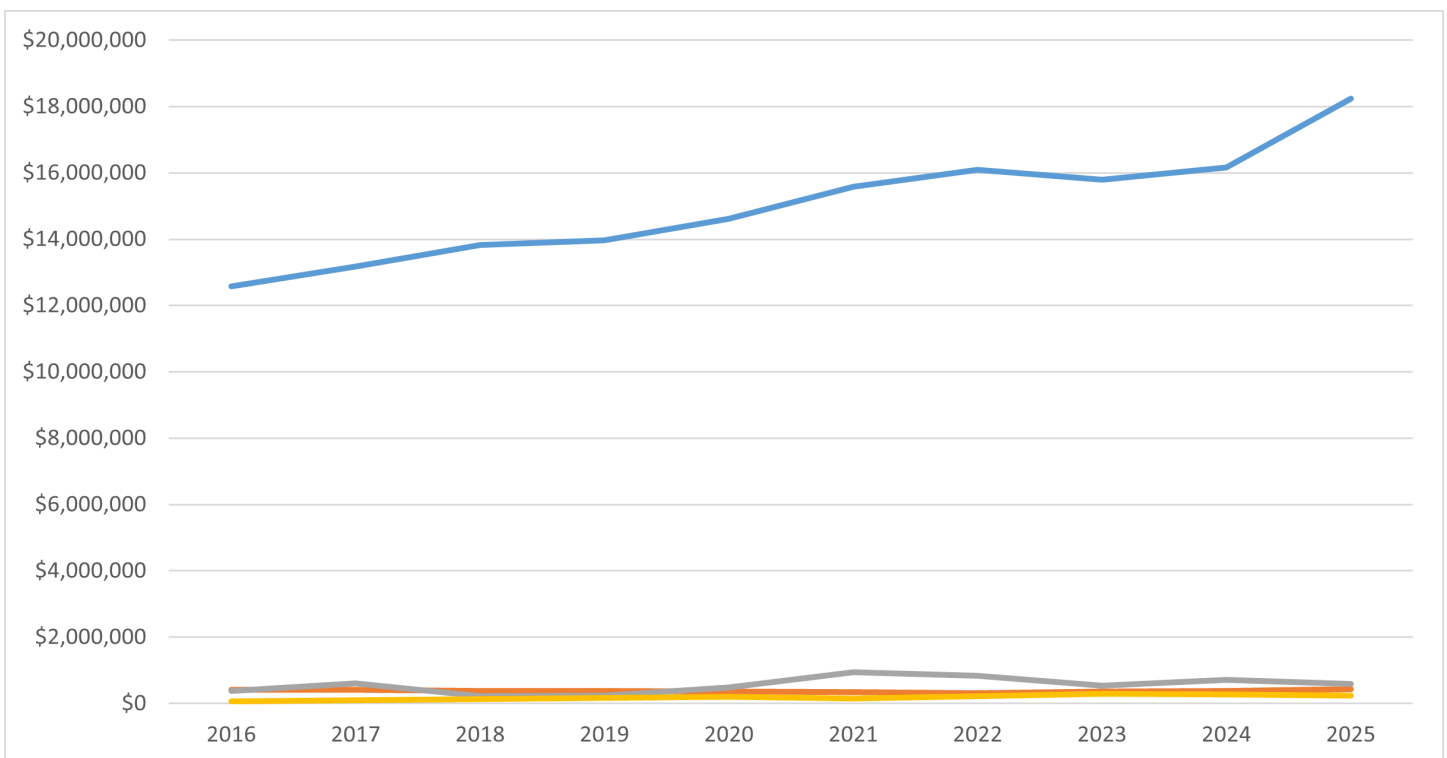
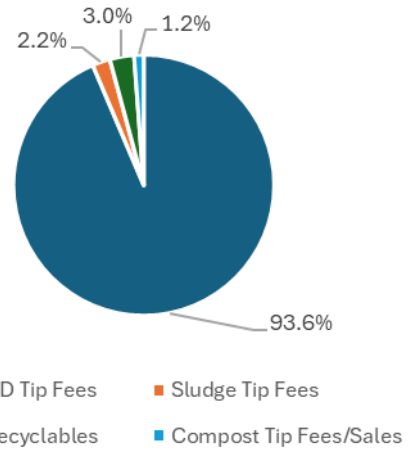
Revenue Capacity



Revenues by Waste Stream Source Last Ten Years

	MSW/C&D Tip Fees	Sludge Tip Fees	Sale of Recyclables	Compost Tip Fees/ Sales
2025	\$18,238,187	435,977	593,236	233,307
2024	16,165,472	374,707	709,763	270,310
2023	15,788,746	358,523	536,286	290,007
2022	16,089,657	315,248	836,975	213,704
2021	15,583,275	342,532	934,639	154,321
2020	14,623,835	369,153	480,211	204,135
2019	13,957,315	374,180	234,141	161,231
2018	13,817,254	379,652	217,692	130,336
2017	13,178,205	409,460	604,841	102,856
2016	12,581,355	409,909	371,673	61,741

2025 Tonnages





Debt Capacity



Ratios of Debt Service to Total Expense Last Ten Years

Fiscal Year	Principal	Interest	Total Debt Service	Total Expense	Ratio of Debt Service To Total Expense	Total Customers	Debt Service Per Customer
2025	\$1,271,181	2,773,819	4,045,000	25,197,121	16.05%	85,441	\$47.34
2024	593,904	1,196,096	1,790,000	20,951,705	8.54%	86,329	20.73
2023	628,129	1,161,871	1,790,000	19,825,540	9.03%	85,380	20.97
2022	669,066	1,120,934	1,790,000	19,784,979	9.05%	85,537	20.93
2021	714,371	1,075,629	1,790,000	17,260,030	10.37%	86,363	20.73
2020	761,538	1,028,462	1,790,000	15,979,501	11.20%	83,419	21.46
2019	810,566	979,434	1,790,000	14,173,965	12.63%	74,582	24.00
2018	1,850,000	46,550	1,896,550	13,498,043	14.05%	71,356	26.58
2017	2,130,000	129,360	2,259,360	11,945,351	18.91%	67,605	33.42
2016	2,130,000	202,178	2,332,178	11,388,113	20.48%	64,576	36.12



Ratios of Outstanding Debt Last Ten Years

	2025	2024	2023	2022	2021
Outstanding debt by type					
2012 Refunding Bonds	-	-	-	-	-
2002 Refunding Bonds	-	\$1,271,181	1,865,085	2,493,215	3,162,281
1999 EFC Loan	-	-	-	-	-
2000 EFC Loan	-	-	-	-	-
2006 Revenue Bonds	-	-	-	-	-
Unamortized Premium	-	-	-	-	-
Total Outstanding Debt and Premiums	-	1,271,181	1,865,085	2,493,215	3,162,281
Total Customers	85,441	86,329	85,380	85,537	86,363
Debt Service Per Customer	-	\$14.72	21.84	29.15	36.62

	2020	2019	2018	2017	2016
Outstanding debt by type					
2012 Refunding Bonds	-	-	-	1,340,000	2,640,000
2002 Refunding Bonds	\$3,876,652	4,638,190	5,448,756	5,788,756	6,113,756
1999 EFC Loan	-	-	-	-	205,000
2000 EFC Loan	-	-	-	-	140,000
2006 Revenue Bonds	-	-	-	720,000	880,000
Unamortized Premium	-	-	-	15,610	46,840
Total Outstanding Debt and Premiums	3,876,652	4,638,190	5,448,756	7,864,366	10,025,596
Total Customers	83,419	74,582	71,356	67,605	64,576
Debt Service Per Customer	\$46.47	62.19	76.36	116.33	155.25

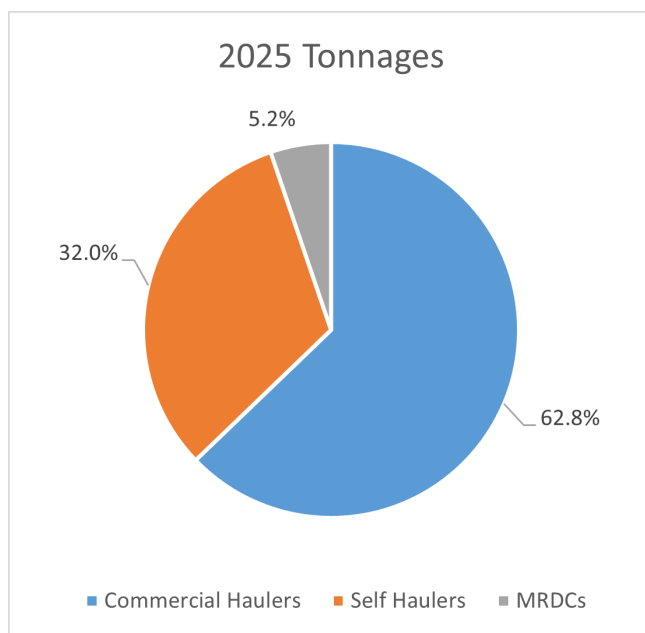


Demographic and Economic Information

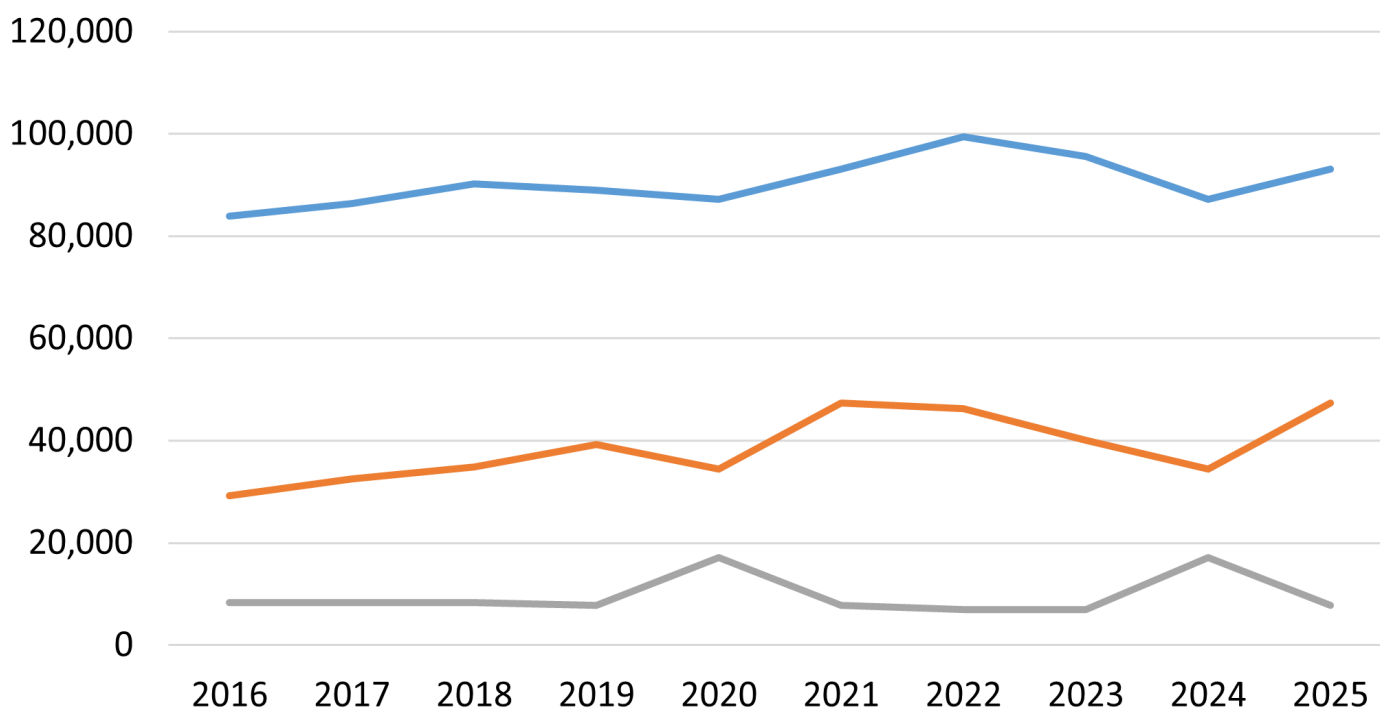


MSW/C&D Tonnages by Source Last Ten Years

	Commercial Haulers	Self Haulers	MRDC's
2025	90,205	38,169	6,235
2024	93,604	39,722	6,619
2023	95,623	40,115	6,944
2022	99,435	46,233	6,937
2021	93,138	47,418	7,731
2020	87,170	42,865	8,713
2019	89,004	39,194	7,828
2018	90,158	34,897	8,294
2017	86,362	32,491	8,343
2016	83,847	29,216	8,305



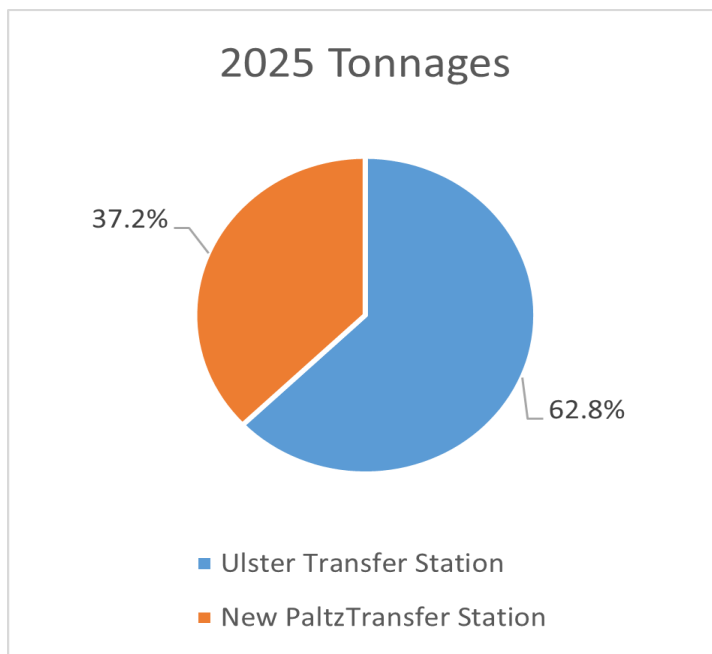
All units in tons



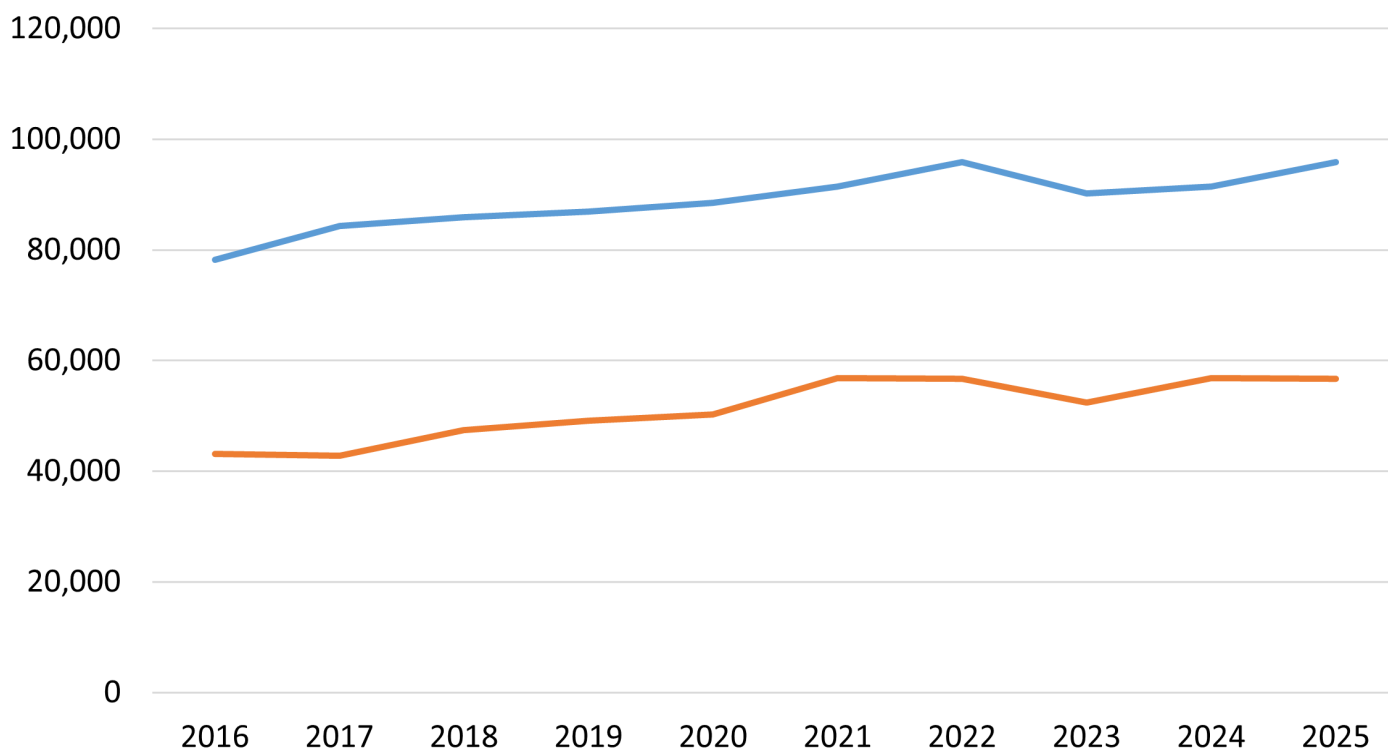


MSW/C&D Tonnages by Facility Last Ten Years

	Ulster Transfer Station	New Paltz Transfer Station
2025	87,073	47,536
2024	87,875	52,070
2023	90,229	52,453
2022	95,856	56,749
2021	91,400	56,887
2020	88,468	50,280
2019	86,937	49,089
2018	85,873	47,476
2017	84,370	42,826
2016	78,215	43,152



All units in tons



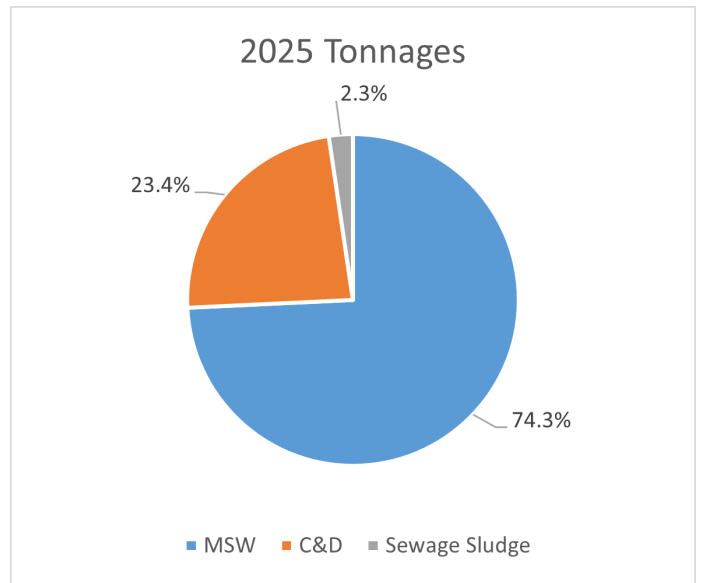


Operating Information

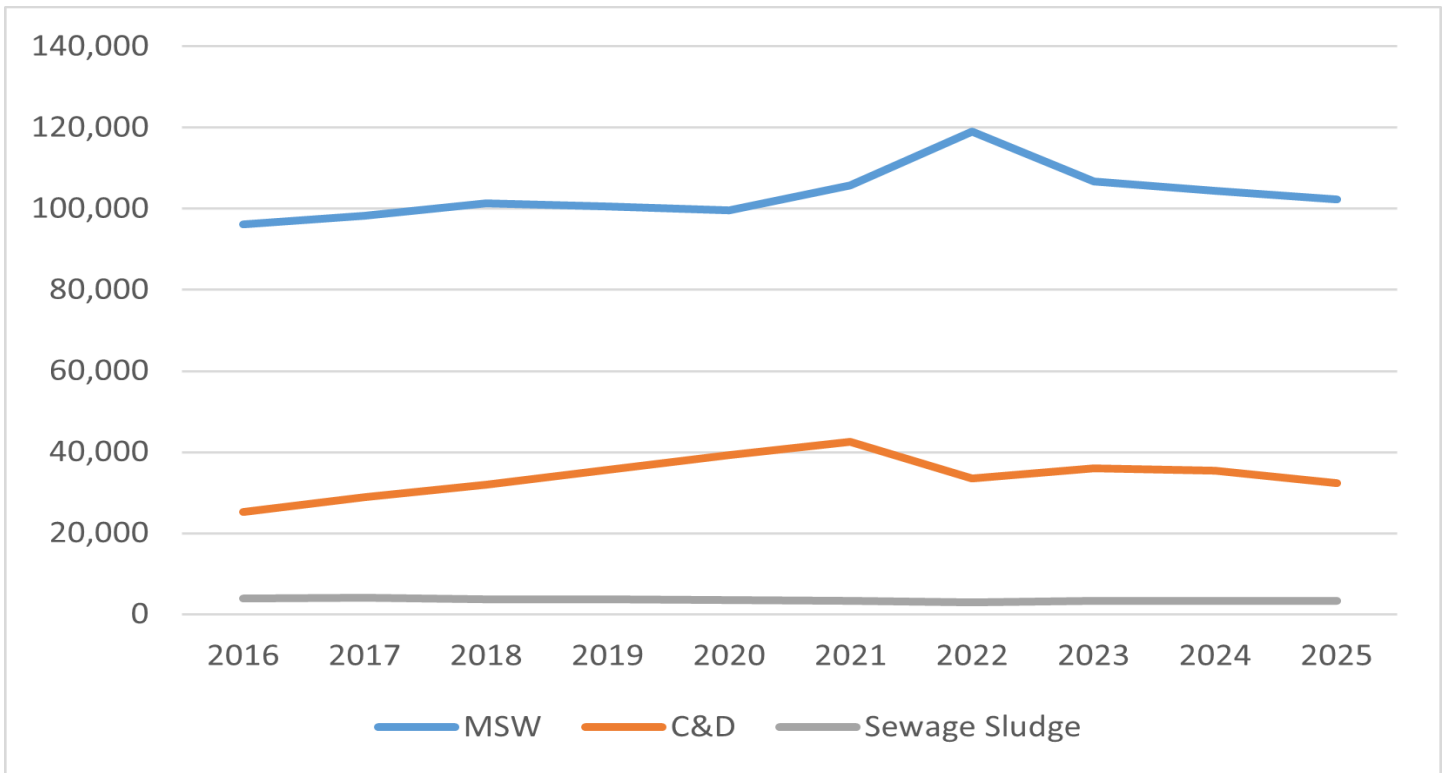


Solid Waste Tonnages by Category Last Ten Years

	MSW	C&D	Sewage Sludge	Total
2025	102,351	32,259	3,229	137,839
2024	104,469	35,476	3,258	143,203
2023	106,774	35,908	3,259	145,941
2022	119,069	33,536	3,002	155,607
2021	105,684	42,604	3,263	151,551
2020	99,524	39,224	3,520	142,268
2019	100,462	35,564	3,633	139,659
2018	101,379	31,970	3,686	137,035
2017	98,265	28,931	3,975	131,171
2016	96,098	25,269	3,979	125,346



All units in tons

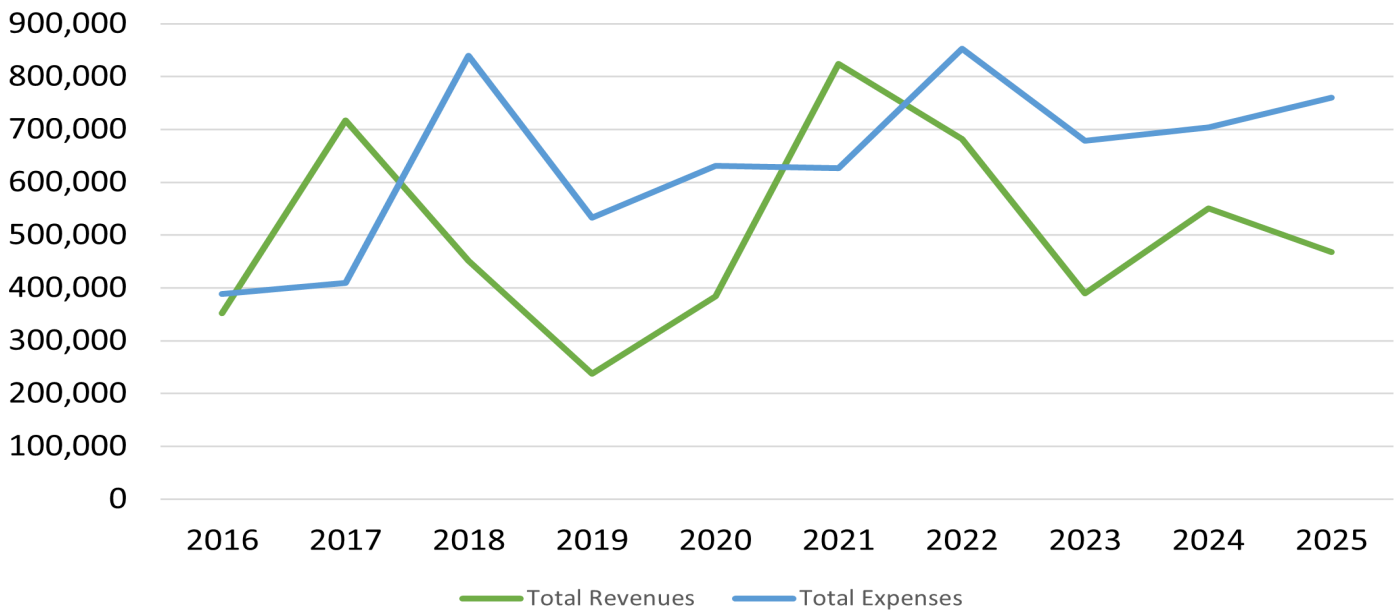




MRF Cost Center Analysis Last Ten Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Recycling Service Fees	\$-	151,576	286,245	51,305	-	-	-	-	-	-
Sales of Processed Recyclables	351,853	565,231	164,842	185,981	383,678	824,613	681,440	389,477	550,131	467,998
Total Revenues	351,853	716,807	451,087	237,286	383,678	824,613	681,440	389,477	550,131	467,998
Transportation/Disposal Costs*	340	888	378,278	94,928	66,831	61,006	89,455	93,801	92,379	107,773
Personnel Expenses	309,841	312,544	349,848	346,556	459,477	471,221	555,620	439,015	477,138	510,405
Operating Costs	78,729	96,263	111,262	91,938	104,968	95,007	208,049	145,769	134,631	141,901
Total Expenses	388,910	409,695	839,388	533,422	631,276	627,234	853,124	678,585	704,148	760,079
Excess (Deficit) Revenue Over Expenses	\$(37,057)	307,112	(388,301)	(296,136)	(247,598)	197,379	(171,684)	(289,108)	(154,017)	(292,081)

*MRF residual costs not tracked prior to 2018

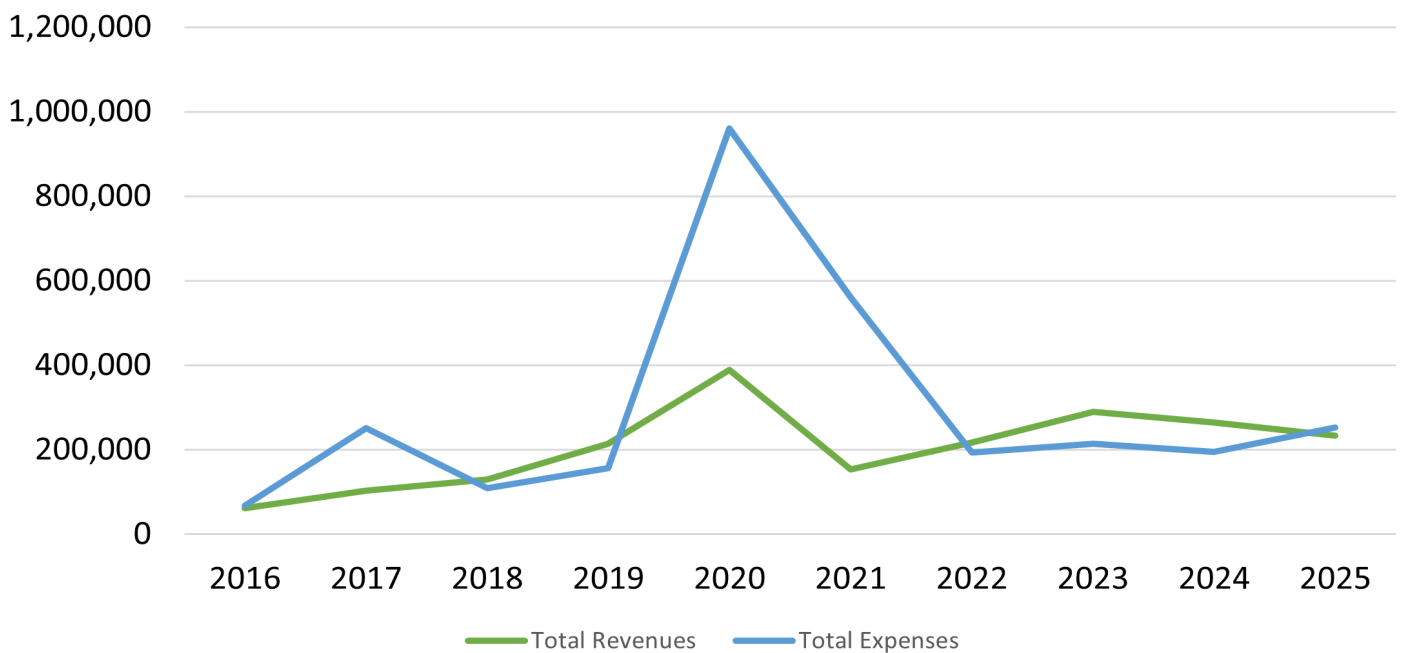




Compost Cost Center Analysis

Last Ten Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Tipping Fees	\$36,016	73,978	88,838	109,655	123,550	102,801	131,960	155,578	138,833	142,753
Compost Sales	25,725	28,878	41,496	51,576	80,585	51,520	81,747	134,428	125,424	90,555
Grant Revenues	-	-	-	52,442	184,558	-	-	-	-	-
Total Revenues	61,741	102,856	130,334	213,673	388,693	154,321	213,707	290,006	264,257	233,308
Personnel Expenses	21,236	34,485	52,651	55,920	128,238	106,258	84,929	101,740	86,624	100,032
Operating Costs	7,212	11,565	51,112	48,673	21,308	47,064	108,726	112,765	109,173	152,598
Capital Outlay	39,128	204,880	6,130	52,442	811,533	406,983	-	-	-	-
Total Expenses	67,576	250,930	109,893	157,035	961,079	560,305	193,655	214,505	195,797	252,630
Surplus (Deficit)	(5,835)	(148,074)	20,441	56,638	(572,386)	(405,984)	20,052	75,501	68,460	(19,322)





Compliance Section

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Compliance Section

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**INDEPENDENT AUDITORS' 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**

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, New York, (the Agency), as of and for the year ended December 31, 2025, 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 26, 2026.

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 opinion 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 or significant deficiencies may exist that were not identified.

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.

EFPR Group, CPAs, PLLC

Williamsville, New York
March 26, 2026

INDEPENDENT AUDITORS' REPORT ON INVESTMENT COMPLIANCE
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE INVESTMENT GUIDELINES

The Board of Directors
Ulster County Resource Recovery Agency:

Report on Investment Compliance

Opinion on Investment Compliance

We have audited the Ulster County Resource Recovery Agency's (the Agency), a component unit of the County of Ulster, New York, compliance with the types of compliance requirements identified as subject to audit in Section 2925(3)(f) of the New York State Public Authorities Law (the investment guidelines) that could have a direct and material effect on its investments for the year ended December 31, 2025.

In our opinion, the Agency complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its investments for the year ended December 31, 2025.

Basis for Opinion on Investment Compliance

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and the audit requirements of the investment guidelines. Our responsibilities under those standards and the investment guidelines are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance with the investment guidelines. Our audit does not provide a legal determination of the Agency's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Agency's investments.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Agency's compliance based on our audit. 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, Government Auditing Standards and the investment guidelines, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Agency's compliance with the requirements of the investment guidelines as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Agency's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Agency's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the investment guidelines, but not for the purpose of expressing an opinion on the effectiveness of Agency's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the investment guidelines. Accordingly, this report is not suitable for any other purpose.

EFPR Group, CPAs, PLLC

Williamsville, New York
March 26, 2026