Onondaga County
Resource Recovery Agency

2021 ANNUAL REPORT

OCRRA.org®

Blair Page
2022 OCRRA Board Chair

Chairman's Message

I have served on the OCRRA Board for about five years now and continue to be amazed at how complex and interwoven the waste/recycling industry is with so many aspects of our day-to-day lives. On an individual level, what each person buys, reuses, recycles, composts, and trashes impacts the solid waste and recycling systems. These decisions can be affected by smaller decisions such as whether you buy locally or from an on-line retailer, whether you eat-in or choose take-out, or bigger decisions related to moving homes or remodeling. On a larger scale, local and state laws, supply and demand of the economy, and international supply chains also affect operations at OCRRA along with everywhere else. I think seeing ourselves as important parts of a bigger system can help keep things running smoothly.

The Onondaga County Resource Recovery Agency (OCRRA) is a non-profit public benefit corporation created by the New York State Legislature, which delivers a comprehensive solid waste management and resource recovery system to Onondaga County residents.

OCRRA's Board of Directors is comprised of 15 volunteer citizens appointed by the following government offices: the Onondaga County Executive, the Onondaga County Legislature Chair, the Mayor on behalf of the City of Syracuse, and the Towns of Onondaga and Van Buren, our host communities. The Board of Directors takes its financial and environmental duties seriously and works hard to deliver a reliable, environmentally sound, and fiscally responsible solid waste system.

OCRRA provides a strong recycling and composting program; a foundation for waste disposal at the local Waste-to-Energy Facility; a robust public outreach and education service; and award-winning programs for hard to manage materials including household hazardous waste, fluorescent light bulbs and other mercury containing devices.

In 2021, OCRRA experienced several staff leadership changes. The Board appointed Kevin Spillane executive director in December after Dereth Glance joined the NYS Department of Environmental Conservation. Spillane ran OCRRA's transfer operations for more than five years. Michael Mokrzycki was promoted from OCRRA business officer to deputy director. In October, OCRRA's long-time public information officer, Kristen Lawton, was promoted to director of recycling and reduction following the retirement of Andrew Radin. Will Wallak, most recently with the Jewish Community Center of Syracuse, was hired as the public information officer. Earlier in 2021, OCRRA added two new talented recycling specialists Lisa Piering and Maria Bianchetti. On behalf of everyone at OCRRA, I'd like to welcome the newest members of the team, congratulate those who have moved into new roles, and express our gratitude to Dereth and Andrew for their many years of hard-work, dedication, and passion in managing our community's waste and recycling.

We had a good first year at our newly upgraded Rock Cut Road Transfer Station in 2021. The enhanced facility has been much more welcoming and efficient for our commercial customers and staff alike. We look forward to creating a similar experience in the near future for our residential customers as we wrap up our consolidation process at Rock Cut Road.

Perhaps understandably, waste production tends to follow the market—when the economy is strong, more waste is disposed of, and a softer economy tends to result in less waste being produced. While we certainly welcome an improving economic picture as we continue to make positive strides in the COVID pandemic, we also encourage residents to reduce, reuse, and recycle to keep us moving toward a more sustainable economy. When you do choose to buy new items, please consider looking for products that contain "post-consumer content." Doing so helps improve resource sustainability by increasing the demand and value of materials that we all recycle and by reducing resource extraction and disposal.

With the recent changes in the global recycling markets, we now see that clean, uncontaminated recycling streams are essential to maintaining the value of our community's recycling material.

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To continue building upon the progress we've made, we ask our neighbors to remain vigilant in their efforts to "recycle right." For the latest on recycling guidelines and how to properly recycle, visit OCRRA.org any time for answers to all your recycling questions.

Along with increased trash and recycling volumes, we're also seeing a rebound in food waste deliveries and compost production. We expect this trend to continue as the New York State Food Donation and Food Scraps Recycling Law ramps up. We're also looking forward to seeing many of our neighbors stop by our Amboy or Jamesville locations to pick up some of our award-winning bulk or bagged compost for the upcoming planting season. OCRRA's bagged compost is also available at many local retailers listed on OCRRA.org.

The success and nationally recognized achievements of OCRRA are due in a large part to the people of Onondaga County, who have actively participated in our programs, provided valuable input and have led us to have one of the highest recycling rates in the United States. Thank you for continuing to help save the world a little each day!

Blair Page
Board Chair

OCRRA Board of Directors

The OCRRA Board is governed by individuals that are appointed by various elected county and city officials. They are a respected group of educators, engineers, entrepreneurs, government officials and business leaders that continually advocate for the best environmental interests of their neighbors.

John Copanas
2021 Board Chair
2021 Governance Chair

Blair Page, Ph.D.
2021 Board Vice Chair
2021 Admin. Chair

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Treasurer

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Finance Chair

Stephanie Pasquale
Recycling/Operations Vice Chair

Ravi Raman

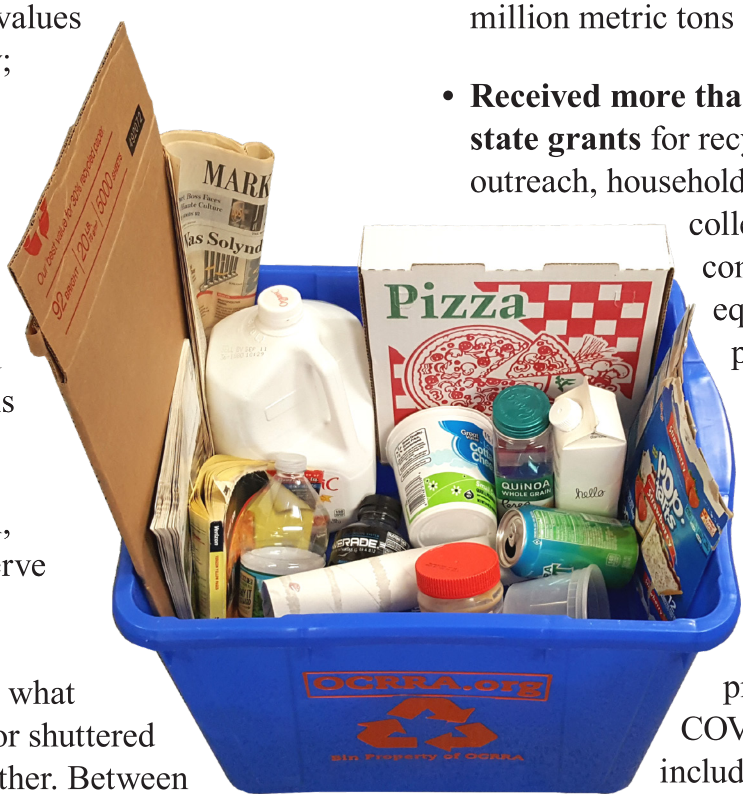
Rick Zaccaria

Recycling Programs

OCRRA Sustained Recycling Program Amidst Pandemic and Market Changes

Onondaga County residents recycled more than 32,980 tons of curbside recyclables in 2021. Together with businesses and schools more than 395,600 tons were recycled. This effort conserves natural resources, reduces greenhouse gasses and supports hundreds of jobs locally and beyond.

A global recycling market downturn began in 2018. Commodity values dropped precipitously; some items held a negative value. This meant that revenue from the sale of recyclables no longer covered the costs to sort, bale and transport the materials to market.



To weather this storm, OCRRA utilized reserve funds to sustain the program, while other communities reduced what items were accepted or shuttered their programs altogether. Between 2018 and 2020, OCRRA spent $4.4 million to ensure Onondaga County's recycling program endured.

Knowing this was not a sustainable long-term plan, OCRRA instituted a recycling fee. This along with improving markets allowed OCRRA to round out 2021 with positive revenues. This also enabled the OCRRA Board of Directors to expand the recycling credit OCRRA offers to charitable organizations, such as the Salvation Army and Rescue Mission, for their laudable efforts to recycle and reuse materials in our community.

2021 Recycling Achievements

- **Recycled over 395,600 tons of material** for a 51% recycling rate, resulting in waste disposal costs savings of more than $39 million! This environmental effort prevented the generation of over one million metric tons of carbon dioxide.

- **Received more than $1,000,000 in state grants** for recycling education and outreach, household hazardous waste collection expenses, compost and recycling equipment and blue bin purchases.

- **Continued providing special environmental services to the community** despite challenges presented by the COVID-19 pandemic, including collection of household hazardous waste, rechargeable and alkaline batteries, and fluorescent lamps. OCRRA also reinstated the annual Earth Day Litter Cleanup and Mercury Thermometer/Thermostat Collection Event which had been paused due to the pandemic in 2020.

Compost Operations

Processed over 9 million pounds of food scraps into compost. This was an increase of 38% from the previous year but still down nearly 40% from the amount of food scraps composted pre-pandemic. This was mainly due to reductions of food waste from the closure of area school cafeterias, colleges and universities, restaurants, state fair, and less prepared foods from supermarkets such as Wegmans.

More than 17,000 yards of compost was produced in 2021. With the reduction in food waste, the mixture and content of the compost changed slightly to reflect more woodier components than in previous years, but it is still very high quality and met all testing requirements of the U.S. Composting Council and the NYS DEC.

- **Accepted more than 21,000 yards of trees, limbs, leaves, grass and other yard wastes** at our Amboy and Jamesville Compost Sites and turned them into thousands of yards of compost and mulch for our community. This was triple the amount that was accepted in 2020.

- **Increased sales of mulch by as much as 50%** at both sites in 2021.

- **Increased sales of certified bagged compost by 30%** over 2020, selling more than 9,000 bags in 2021 through a network of 30+ area retailers, helping to return valuable nutrients to local soils.

Transfer Operations

In 2021, the Rock Cut Road Transfer Station completed its first full year of commercial operations. Residential customers continued to use the Ley Creek Transfer Station throughout the rest of the year, on a Thursday–Saturday schedule.

Ley Creek Transfer Station | Liverpool, NY

Ley Creek Transfer Station

- **Received 9,785 tons of waste**, which was significantly down from the 51,876 tons of waste reported in 2020. This was attributed to the transition of all commercial customers to the rebuilt Rock Cut Transfer Station in 2021.

Rock Cut Road Transfer Station

- **Received 85,166 tons of waste**, which if combined with the residential waste described above for Ley Creek would still be less than the 120,006 tons reported for all operations in 2019 and represents a 20% drop in overall tonnage at the transfer stations. This reduction in overall tonnage was expected as the main commercial operations moved from the northern part of the county to the southern end and more haulers began using the Camillus Landfill.

Rock Cut Road Transfer Station | Jamesville, NY

- **Bypass of 20,803 tons of construction and demolition debris** from Rock Cut Road Transfer Station was an increase from the 16,447 tons in 2020; most of this was delivered to the Camillus Landfill.

Disposal of Ash Residue

- **OCRRA continued to deliver nearly 2,500 truckloads or 72,892 tons of ash in 2021**, down slightly from the 75,326 tons of ash sent to area landfills in 2020. Ash comprised 20% of total waste tonnage processed in 2021 vs. 22% in 2020. Variations in the weight of the ash, and its percentage of the waste processed, can be due to changes in the characteristics of the waste that is processed and the efficiency of various processes including metal recovery.

Waste-to-Energy

The Onondaga County Waste-to-Energy (WTE) Facility, located off Route I-481 in Jamesville, is a foundational component of OCRRA's environmentally sound and innovative resource recovery system. This WTE Facility utilizes a mass-burn combustion system to safely and efficiently generate steam, and ultimately electricity, from the non-recyclable waste generated by our community. Without this Facility, garbage would be hauled many miles to out-of-county landfills, as was the case before the Facility was constructed. Instead, the WTE Facility enables responsible, local management of the community's non-recyclable waste.

OCRRA's core values—integrity and honesty, environmental stewardship, fiscal responsibility, and excellence-in-service—provide the basis for operation of the WTE Facility. Each year, OCRRA posts annual air and ash testing results on OCRRA.org. OCRRA and Covanta Onondaga, the operator of the Facility, take great pride in the Facility's strong track record of operational and environmental excellence. In 2021, the WTE

Facility remained a reliable and essential part of local infrastructure.

Environmental Excellence

Paramount to operations is ensuring that the Facility's emissions are protective of human health and the environment. A state-of-the-art air pollution control system is integrated into the Facility so that it may comply with a strict air permit. This system consists of ammonia injection in the boiler, activated carbon and lime injection in the scrubber, and particulate filtering in the baghouse. Emissions from the Facility are carefully monitored through continuous emissions monitors (CEMs) and annual stack testing. 2021 air testing results were excellent, with many of the parameters well below the permit limits. The Facility's air permit and solid waste permit were both renewed in 2021 by the New York State Department of Environmental Conservation.

In addition to reducing the volume of material that must be hauled to out-of-county landfills by 90%, the Onondaga County WTE Facility generates enough electricity to power roughly 30,000 homes (about 18% of Onondaga County households) and the Facility itself. Using trash as a fuel source to generate electricity reduces dependence on fossil fuels and increases energy independence.

WTE is also a technology that reduces greenhouse gases. Although the combustion process generates carbon dioxide emissions, there are avoided greenhouse gas emissions due to the prevention of landfill methane emissions, the displacement of electricity that would otherwise have been generated using fossil fuels and the recovery of metals for recycling. There is an overall reduction in greenhouse gases—generally 0.72 tons of carbon dioxide emissions are avoided per ton

ASH RESIDUE CHARACTERIZATION TEST RESULTS			
Semi-Annual Test Results - April 2021			
Constituent	***Test Result (mg/L)***	***Permit Limit (mg/L)***	***Pass or Fail***
Chromium	None Detected	5	Pass
Arsenic	None Detected	5	Pass
Selenium	None Detected	1	Pass
Silver	None Detected	5	Pass
Cadmium	0.058	1	Pass
Barium	0.965	100	Pass
Lead	0.088	5	Pass
Mercury	None Detected	0.2	Pass
Semi-Annual Test Results - October 2020			
Constituent	***Test Result (mg/L)***	***Permit Limit (mg/L)***	***Pass or Fail***
Chromium	None Detected	5	Pass
Arsenic	None Detected	5	Pass
Selenium	0.059	1	Pass
Silver	None Detected	5	Pass
Cadmium	None Detected	1	Pass
Barium	0.875	100	Pass
Lead	0.21	5	Pass
Mercury	None Detected	0.2	Pass
CONCLUSION			
Ash residue does NOT exhibit a hazardous characteristic. As such, it should continue to be managed as a non-hazardous solid waste.			

of trash processed. In 2021, approximately 258,500 tons of carbon dioxide emissions were avoided by processing non-recyclable waste at the WTE Facility.

Operational Excellence

2021 marks the Facility's 27th year of safe, reliable and efficient operations. In 2021, the Facility processed 358,997 tons of non-hazardous, non-recyclable waste (enough to overfill the Syracuse Carrier Dome) and, in doing so, generated 256,558 megawatt hours of electricity.

The Facility's metal recovery systems recovered approximately 12,818 tons of ferrous and non-ferrous metal for recycling, which would have otherwise ended up in a landfill.

Lastly, about 75,859 tons (21% of the original trash weight) of non-hazardous ash residue were sent to a landfill for use as alternative daily cover (see table for ash testing results). The beneficial reuse of the ash residue means that other materials, such as clean soil, do not need to be used for landfill daily cover.

In 2021, OCRRA continued one capital improvement project associated with the investment of over $13.5 million (beyond normal operations and maintenance efforts) to increase the efficiency and long-term reliability of the WTE Facility. Additional capital improvement projects may be planned for 2022 to continue expending OCRRA's $15 million capital improvement fund.

In 2015 OCRRA began investing in various parts of the WTE Facility including the addition of an aqueous ammonia system and a refuse crane to increase operational efficiencies, as well as continued replacement and upgrades to the air pollution control devices and emissions monitoring systems. New truck scales, a permanent dry carbon injection system, a reverse osmosis system, and ash discharges have also been installed at the Facility over the past five years.

Coupling environmental and operational excellence at the Onondaga County WTE Facility with one of the highest nationwide overall community recycling rates, OCRRA certainly succeeds in achieving its mission of serving the local community with a world-class resource recovery system.

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The results from the 2021 stack testing indicate that the Facility is operating acceptably and that the air pollution control devices are functioning properly. As shown by the following graph, many of the tested parameters were considerably below the permit limit.

2021 ANNUAL STACK TEST RESULTS

		Constituent	Average Measured Emissions[1] Unit 1	Unit 2	Unit 3	Permit Limit[2]	Pass/Fail P/F	3-Boiler Average	% Permit Limit[3]
TESTED ANNUALLY	FEDERAL	Cadmium (mg/dscm @ 7% O_2)	0.000203	0.000251	0.000281	0.035	P	0.000245	1%
		Cadmium (lb/hr)	0.0000286	0.0000362	0.0000469	0.0019	P	0.0000372	2%
		Carbon Monoxide (lb/hr)	1.32	1.22	1.85	8.04	P	1.46	18%
		Dioxins/Furans (ng/dscm @ 7% O_2)	0.347	0.262	0.524	30	P	0.38	1%
		Hydrogen Chloride (ppmdv @ 7% O_2)	13.70	2.42	1.85	25	P	5.99	24%
		Hydrogen Chloride (lb/hr)	2.780	0.514	0.471	5.24	P	1.255	24%
		Hydrogen Chloride Removal Efficiency (%)	97.9	99.6	99.7	≥ 95	P	99.1	--
		Lead (mg/dscm @ 7% O_2)	0.00209	0.00230	0.00293	0.400	P	0.002440	1%
		Lead (lb/hr)	0.000291	0.000334	0.000486	0.0381	P	0.0003703	1%
		Mercury (lb/hr)	0.0000767	< 0.0000691	< 0.0000830	0.004	P	0.0000763	2%
		Nitrogen Oxides (lb/hr)	44.5	46.8	49.4	58	P	46.9	81%
		Particulate (gr/dscf @ 7% O_2)	0.001150	0.000290	0.000401	0.010	P	0.000614	6%
		PM_{10} (gr/dscf @ 7% O_2)	0.000245	0.0000	0.000398	0.010	P	0.000214	2%
		PM_{10}, Filterable (lb/hr)	0.0866	0.000	0.140	3.16	P	0.076	2%
		Sulfur Dioxide (lb/hr)	3.23	0.0487	0.00244	16.2	P	1.0937	7%
	STATE	Ammonia (ppmdv @ 7% O_2)	< 0.625	< 0.633	< 0.597	50	P	0.618	1%
		Ammonia (lb/hr)	< 0.0591	< 0.0621	< 0.0711	4.88	P	0.0641	1%
		Dioxins/Furans-2,3,7,8 TCDD TEQ (ng/dscm @ 7% O_2)	0.00332	0.00169	0.00612	0.4	P	0.003710	1%
		Dioxins/Furans-2,3,7,8 TCDD TEQ (lb/hr)	0.000000000534	0.000000000249	0.000000000987	0.000000129	P	0.00000000059	0%
		Mercury (µg/dscm @ 7% O_2)	0.541	< 0.485	< 0.503	28	P	0.510	2%
		Mercury Removal Efficiency (%)	99.2	> 98.9	> 98.6	≥ 85	P	98.9	--

NOTES:

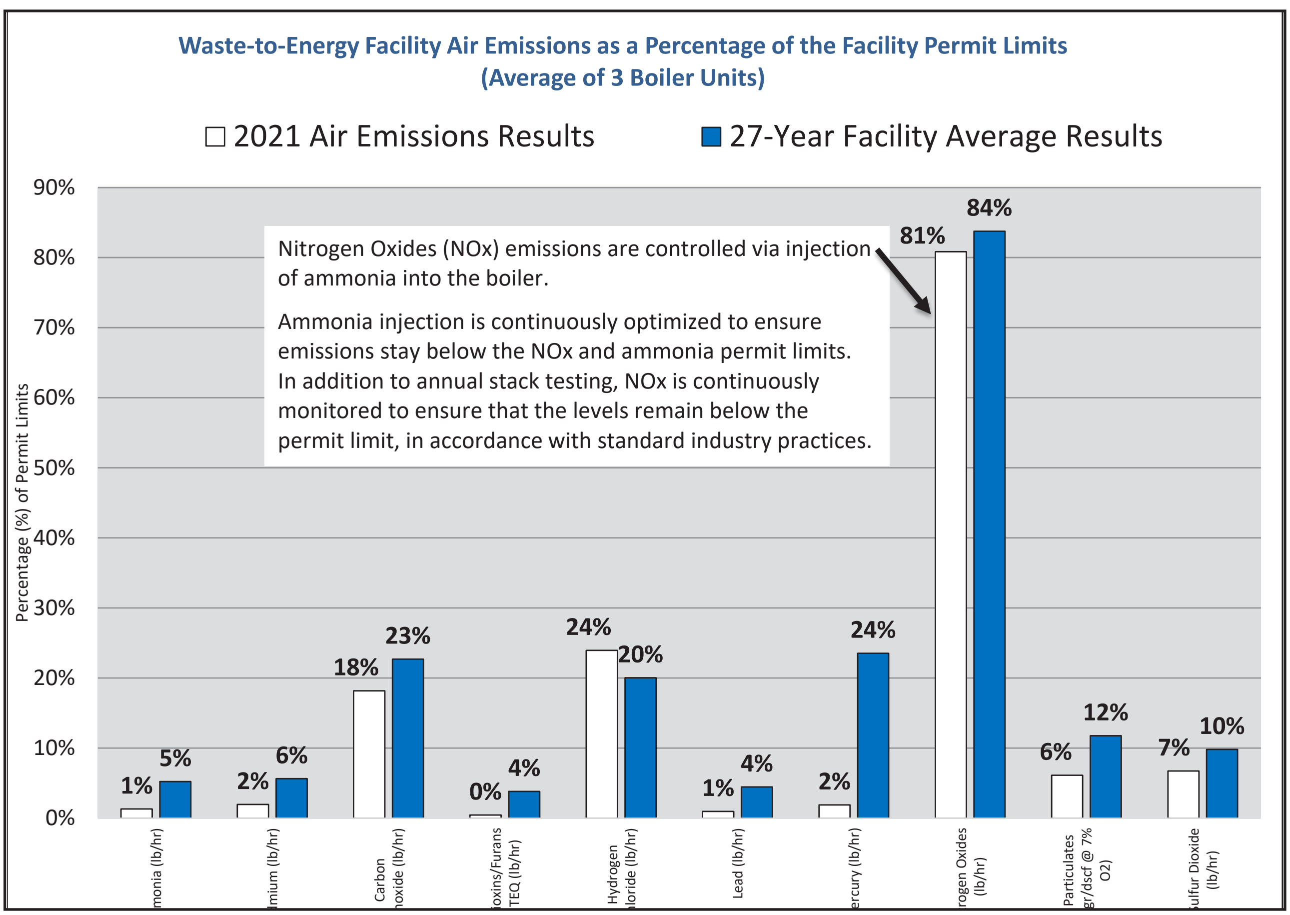
[1] Based on 3 test runs for each unit; used for compliance with permit limit.

[2] NYSDEC Title V Permit #7-3142-00028

[3] Based on 3-Boiler Average; informational only; not used for compliance.

UNITS:

gr/dscf = grains per dry standard cubic foot
ppmdv = parts per million dry volume
lb/hr = pounds per hour
dscm = dry standard cubic meter
@ 7% O2 = concentration corrected to 7% oxygen
ng = nanograms
µg = micrograms
mg = milligrams



2021 Financial Statements

ONONDAGA COUNTY RESOURCE RECOVERY AGENCY

As of December 31, 2021 and 2020
Together with Independent Auditor's Report

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CERTIFIED PUBLIC ACCOUNTANTS PLLC

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Onondaga County Resource Recovery Agency
North Syracuse, New York

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the Onondaga County Resource Recovery Agency (OCRRA) as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise OCRRA's basic financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the Onondaga County Resource Recovery Agency as of December 31, 2021 and 2020, and the respective changes in its financial position and cash flows thereof for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of OCRRA and to meet our other ethical responsibilities, in accordance with the 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 audit opinions.

Responsibilities of Management for the Financial Statements

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

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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 OCRRA's ability to continue as a going concern for one year beyond the financial statement date.

Auditor's Responsibility 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 auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- 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 audit 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 OCRRA'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 OCRRA'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 audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, other postemployment benefits plan – schedule of funding progress, schedule of proportionate share of net pension liability (asset), and schedule of contributions – pension plans be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit 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 does not include the financial statements and our auditor's report thereon. Our opinions on the 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the 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 9, 2022 on our consideration of OCRRA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering OCRRA's internal control over financial reporting and compliance.

Grossman St Amour CPAs

Syracuse, New York
March 9, 2022

ANALYSIS OF FINANCIAL POSITION

One of the most important questions asked about the OCRRA's finances is "*Is OCRRA, as a whole, better off or worse off as a result of the year's activities?*" The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position report information about OCRRA's activities in a way that will help answer this question. These two statements report the net position of OCRRA and changes in them. You can think of OCRRA's net position - the difference between assets and liabilities - as one way to measure financial health or financial position. Over time, increases or decreases in OCRRA's net position are one indicator of whether its financial health is improving or deteriorating. Additionally, OCRRA places an emphasis on strategically building and using cash reserves to provide price stability for its member municipalities. You will need to also consider other non-financial factors such as changes in economic conditions, population growth, consumer behavior and new or changed legislation or regulation.

Another important question is whether "*What direction OCRRA, as a whole, trended in 2021?*" OCRRA's total net position increased by $7,413,405, operating revenues increased from the previous year by about 23 percent while operating expenses decreased just under four percent. OCRRA's total net position was $26,998,769 and $19,585,364 on December 31, 2021 and 2020, respectively.

Table 1

	2021	2020	2019
Current assets	$ 28,302,516	$ 21,124,892	$ 21,917,986
Assets limited as to use – long term	1,313,211	2,265,611	9,101,225
Property, plant and equipment - net	19,946,188	20,588,936	18,289,247
Facility lease - net of current portion	42,465,703	44,985,635	47,397,234
Total assets	92,027,618	88,965,074	96,705,692
Deferred outflows of resources	2,694,589	2,350,713	918,926
Current liabilities	7,793,257	7,738,786	9,716,877
Long-term liabilities	55,696,455	62,862,259	65,189,618
Total liabilities	63,489,712	70,601,045	74,906,495
Deferred inflows of resources	4,233,726	1,129,378	1,385,531
Net position - Net investment in capital Assets	8,516,721	8,846,208	9,569,601
Restricted	6,298,400	5,946,749	5,206,224
Unrestricted	12,183,648	4,792,407	6,556,767
Total net position	$ 26,998,769	$ 19,585,364	$ 21,332,592

Changes in OCRRA's net position can be determined by reviewing the following condensed Statement of Revenues, Expenses and Changes in Net Position for the years 2021, 2020 and 2019.

ANALYSIS OF FINANCIAL POSITION (Continued)

Table 2

	2021	2020	2019
Operating revenues	$ 43,041,629	$ 35,114,461	$ 37,423,627
Other revenues	1,854,112	2,166,694	2,237,888
Total revenues	44,895,741	37,281,155	39,661,515
Operating expenses	35,262,134	36,678,429	36,474,204
Other expenses	2,220,202	2,349,954	2,384,642
Total expenses	37,482,336	39,028,383	38,858,846
Change in net position	7,413,405	(1,747,228)	802,669
Net position - beginning of year	19,585,364	21,332,592	20,529,923
Net position end of year	$ 26,998,769	$ 19,585,364	$ 21,332,592

The increase in OCRRA's net position in 2021 was primarily due to commodity prices, particularly electricity, metal, recycled fiber and recycled plastics, along with strict expenditure controls.

OCRRA'S FUNDS

OCRRA does not utilize Funds or Fund Accounting. OCRRA maintains funds on deposit with a Trustee as required by contractual obligations entered into as part of OCRRA's 2015 debt restructuring as detailed in the financial statements. As of December 31, 2021, OCRRA funds held by the trustee of $6,298,400 are recorded as Restricted under the OCRRA's Net Position. These restricted assets are due to the Indenture of Trust agreement between OCRRA and U.S. Bank National Association (the Trustee) that requires OCRRA operating revenues to be maintained on deposit with the Trustee until any necessary payments are made on the 2015 and 2019 Bonds and to the operator of the Waste-to-Energy Facility.

Budgetary Highlights

OCRRA's 2021 electricity and metal revenues exceeded budgeted amounts due to higher market rates than anticipated. OCRRA's 2021 grant revenues greatly exceeded budgeted amounts as money from NYS capital grants was received that was not budgeted for 2021. OCRRA's 2022 adopted budget was based primarily on the 2020 results and anticipated similar pricing in commodity markets and incoming tonnages. Substantially all of the rates OCRRA charges users were held steady for 2022.

Capital Assets

At the end of 2021, OCRRA had approximately $19.9 million in book value related to capital assets. Capital Assets consist primarily of two transfer stations, a composting facility, and various pieces of operating equipment. During 2021 Property, Plant & Equipment, net decreased by approximately $643,000, which reflects depreciation of approximately $1.9 million offset by limited replacement equipment purchases of approximately $1.3 million.

Bonds

During 2021, OCRRA reduced outstanding 2015 bonds by $2,115,000, and its 2019 bonds by $525,000. The 2015 and 2019 Bonds mature in 2035 and 2034, respectively.

OCRRA'S FUNDS (Continued)

Capital Leases

As of December 31, 2021, OCRRA had approximately $1.3 million in capital leases outstanding. This program allows OCRRA to spread the cash impact of capital purchases over multiple years.

Direct Finance Lease – through May 2035

On November 12, 2014, OCRRA reached an agreement (extension) with Covanta Onondaga, L.P. to continue the facility lease of the Onondaga County Resource Recovery Facility for 20 years, commencing on May 8, 2015 and continuing until May 8, 2035, with a mutual option of an additional 5-year extension.

In 2015, OCRRA obtained extension financing for the refunding of the 2003 Series B bonds, and for the establishment of the Capital Refurbishment Fund. See Note 8 for additional information.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The 2022 Budget develops the revenue and expense requirements to continue OCRRA's efforts to provide sound environmental solid waste disposal solutions to our community.

OCRRA operates in a highly complex contractual business setting with rigid regulatory oversight. Its waste disposal infrastructure was very expensive to site and construct, leading to high fixed costs of operation. Budgets are designed around historic waste levels, and recent commodity prices. For the last several years normally predictable revenue streams have been more variable. These economic conditions have prompted changes in fees in order to maintain the services OCRRA provides to the community. From time to time, OCRRA will strategically use reserves to maintain the high quality of its services while minimizing the impact of fee changes on the community. Should conditions improve, or get worse, OCRRA will consider case by case program reviews to provide high levels of environmental performance with watchful stewardship of public service fees and reserves.

During 2021, OCRRA retained approximately $6 million in cash reserves, which will be deployed when necessary to provide continued stability to the community's solid waste and recycling programs. OCRRA's 2022 Budget was passed with a surplus of $650,000. The 2022 Budget is fiscally conservative, reflects current commodity market conditions, and did not increase any significant rates. OCRRA's strict expenditure controls at a management and Board level are expected to continue to maintain and improve OCRRA's financial condition over time.

CONTACT REGARDING THE AGENCY'S FINANCES

This financial report is designed to provide County residents, customers and creditors with a general overview of OCRRA's finances. If you have questions about this report or need additional financial information, contact OCRRA's Public Information Officer at 100 Elwood Davis Road, North Syracuse, NY 13212-4312.

ONONDAGA COUNTY RESOURCE RECOVERY AGENCY

STATEMENTS OF NET POSITION
DECEMBER 31, 2021 AND 2020

	2021	2020
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 14,253,240	8,224,393
Accounts receivable (net of an allowance for bad debts of $50,000 in 2021 and $50,000 in 2020)	3,437,587	2,791,823
Electric revenue receivable	451,610	339,696
Metal revenue receivables	43,758	51,509
Prepaid expenses	1,597,921	1,655,722
Facility lease, current portion	2,220,000	2,115,000
Assets limited to use, current portion	6,298,400	5,946,749
Total current assets	28,302,516	21,124,892
NON-CURRENT ASSETS:		
Assets limited as to use:		
Funds held by trustee under indenture	1,313,211	2,265,611
Property, plant and equipment, net	19,946,188	20,588,936
Facility lease, net of current portion	42,465,703	44,985,635
Total noncurrent assets	63,725,102	67,840,182
Total assets	92,027,618	88,965,074
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows - pension related	2,694,589	2,350,713
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable	3,619,732	3,405,644
Bonds payable - 2015 Series A, current portion (NOTE 8)	2,220,000	2,115,000
Bonds payable - 2019, current portion (NOTE 9)	550,000	525,000
Capital lease liability, current portion	556,796	853,746
Accrued interest	417,860	440,880
Accrued expenses and other current liabilities	428,869	398,516
Total current liabilities	7,793,257	7,738,786
NON-CURRENT LIABILITIES:		
Bonds payable - 2015 Series A (NOTE 8)	40,880,000	43,100,000
Bonds payable - 2019 (NOTE 9)	9,255,000	9,805,000
2015 Bond Premium	3,065,703	3,295,635
2019 Bond Premium	1,238,415	1,338,827
2015 Capital Fund	250,573	1,057,960
Capital lease liability	772,056	788,367
Net Pension liability	10,945	3,102,083
Other postemployment benefits (NOTE 11)	223,763	374,387
Total non-current liabilities	55,696,455	62,862,259
Total liabilities	63,489,712	70,601,045
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows - pension related	3,294,766	119,990
Unearned revenue - bond related	938,960	1,009,388
Total deferred inflows of resources	4,233,726	1,129,378
NET POSITION		
Net investment in capital assets	8,516,721	8,846,208
Restricted	6,298,400	5,946,749
Unrestricted	12,183,648	4,792,407
Total net position	$ 26,998,769	$ 19,585,364

The accompanying notes are an integral part of these statements.

ONONDAGA COUNTY RESOURCE RECOVERY AGENCY

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
OPERATING REVENUES:		
Tipping fees	$ 33,375,187	$ 29,746,535
Electric revenue	5,225,211	2,878,924
Recovered material revenue	1,808,224	856,209
Grant revenue	1,201,093	496,051
Compost revenue	538,047	571,850
Other	893,867	564,892
Total operating revenues	43,041,629	35,114,461
OPERATING EXPENSES:		
Personal services	5,141,758	6,111,808
Contractual services -		
Landfill contracts	2,122,372	2,072,437
Other contractual services	90,207	71,783
Materials and supplies	514,772	468,128
Professional fees	401,668	289,292
Recycling	525,846	2,102,686
Compost	287,026	206,853
Hazardous waste disposal	127,475	96,101
Repairs and maintenance	769,825	676,094
Utilities	142,141	126,387
Insurance	524,202	560,571
Operating leases	117,023	113,112
Depreciation	1,919,563	1,967,012
Taxes and other payments to Host Communities	198,410	197,830
Other	452,827	247,000
Waste-to-Energy operations cost	21,927,019	21,371,335
Total operating expenses	35,262,134	36,678,429
OPERATING INCOME	7,779,495	(1,563,968)
NON-OPERATING REVENUE (EXPENSE):		
Interest income - cash and repurchase agreements	1,203	31,506
Interest income - non-system	8,563	33,814
Amortization on 2015 deferred inflow	70,428	70,428
Interest income - lease receivable	1,773,918	1,878,001
2015 Bond Interest expense	(1,773,918)	(1,878,001)
2019 Bond Interest expense	(396,838)	(415,888)
Interest expense capital leases	(49,446)	(56,065)
Gain on sale of machinery and equipment	-	152,945
Non-operating revenue (expenses), net	(366,090)	(183,260)
CHANGE IN NET POSITION	7,413,405	(1,747,228)
NET POSITION - beginning of year	19,585,364	21,332,592
NET POSITION - end of year	$ 26,998,769	$ 19,585,364

The accompanying notes are an integral part of these statements.

ONONDAGA COUNTY RESOURCE RECOVERY AGENCY

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
CASH FLOW FROM OPERATING ACTIVITIES:		
Receipts from tipping fees	$ 32,729,423	$ 29,673,962
Receipts from electric revenue	5,113,297	2,845,949
Other operating receipts	4,448,982	2,535,390
Payments to vendors and suppliers	(5,474,806)	(8,838,174)
Payments to employees	(3,987,094)	(4,800,279)
Payments for Waste-to-Energy (WTE) operations	(17,738,169)	(17,181,735)
Payments for insurance and employee benefits	(2,062,272)	(1,249,760)
Net cash flow provided by operating activities	13,029,361	2,985,353
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Payments on bonds outstanding	(2,640,000)	(2,520,000)
Payments on capital lease obligations	(1,035,305)	(940,836)
Proceeds from the sale of machinery and equipment	-	237,385
Purchase of property, plant and equipment	(554,772)	(4,351,142)
Payments for interest on bonds outstanding	(2,573,566)	(2,706,534)
Net cash flow used in capital and related financing activities	(6,803,643)	(10,281,127)
CASH FLOW FROM INVESTING ACTIVITIES:		
Net change in funds held by trustee	(206,638)	5,478,869
Proceeds from interest on invested funds	9,767	65,320
Net cash flow (used in) provided by investing activities	(196,871)	5,544,189
CHANGE IN CASH AND CASH EQUIVALENTS	6,028,847	(1,751,585)
CASH AND CASH EQUIVALENTS - beginning of year	8,224,393	9,975,978
CASH AND CASH EQUIVALENTS - end of year	$ 14,253,240	$ 8,224,393

The accompanying notes are an integral part of these statements.

ONONDAGA COUNTY RESOURCE RECOVERY AGENCY

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
RECONCILIATION OF OPERATING LOSS TO NET CASH FLOW FROM OPERATING ACTIVITIES:		
Operating income (loss)	$ 7,779,495	$ (1,563,968)
Adjustments to reconcile operating loss to net cash flow from operating activities:		
Depreciation	1,919,563	1,967,012
WTE operations used to reduce lease costs	4,188,850	4,189,600
Other postemployment benefits expense	(150,624)	(72,132)
Bond insurance amortization	38,994	38,994
Pension expense	(263,134)	566,561
Changes in:		
Accounts receivable	(645,765)	(72,573)
Electric revenue receivable and other receivables	(104,163)	13,413
Prepaid expenses	21,703	(96,789)
Accounts payable, accrued expenses and other current liabilities	244,442	(1,984,765)
Net cash flow provided by operating activities	$ 13,029,361	$ 2,985,353

The accompanying notes are an integral part of these statements.

1. ORGANIZATION

Onondaga County Resource Recovery Agency (OCRRA) was statutorily created in 1981 as a public benefit corporation under New York State law. OCRRA began active operations in 1990. OCRRA is exempt from federal income taxes under Internal Revenue Service Code Section 115.

Under an agreement between OCRRA and the County of Onondaga (County), OCRRA is responsible for implementing the County Solid Waste Management Program, as well as the construction, operation and otherwise ensuring the availability of solid waste management and recycling facilities for participating municipalities in the County of Onondaga, State of New York. Under current contracts, OCRRA's operations service the thirty-three participating municipalities in Onondaga County.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Measurement Focus and Basis of Accounting

OCRRA operates as a proprietary fund. Proprietary funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flows. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) associated with their activities are reported.

OCRRA utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or an economic asset is used.

The accounting policies of OCRRA conform to generally accepted accounting principles as applicable to governmental units. The accepted standard setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Other Postemployment Benefits

OCRRA provides health insurance benefits to certain retired employees and their spouses and beneficiaries. OCRRA accrues the costs for these benefits based on an annual valuation of future expenses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents
Cash and cash equivalents consist of cash held in checking, savings, money market accounts, and from time to time treasury bills with maturity dates of twelve months or less.

Accounts Receivable
Accounts receivable are carried at their estimated collectible amounts. They are periodically evaluated for collectability based on past credit history with customers and their current financial condition.

Property, Plant and Equipment
Property, plant and equipment over $5,000 are capitalized and recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which range from 4 to 40 years. Depreciation expense amounted to $1,919,563 and $1,967,012 for the years ended December 31, 2021 and 2020, respectively.

Deferred Outflows of Resources
In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as expense until then.

Deferred Inflows of Resources
In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents a receipt of net position that applies to a future period and so will not be recognized as revenue until then.

Assets Limited as to Use
Assets limited as to use represent funds restricted as to use under OCRRA's Revenue Bond and Capital Lease Agreements.

Net Position
GASB requires the classification of net position into three components. These classifications are displayed in three components below:

a. Net investment in capital assets - capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

b. Restricted net position - 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. See page 14 for detail the $6,298,400 restricted net position at December 31, 2021.

c. Unrestricted net position - net position that does not meet the definition of restricted or net investment in capital assets.

When both restricted and unrestricted resources are available for use, it is OCRRA's policy to use restricted resources first, then unrestricted resources as they are needed.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Classification
Tipping fees, commodity revenues, fees related to our principal operations and grants are considered operating revenues, as they derive from the OCRRA's principal purpose. Interest income and other miscellaneous sources are considered nonoperating.

Landfill and Related Costs
OCRRA has secured the required permit for the construction of an in-county landfill to be located in the Town of Van Buren (the "Landfill"). Currently, OCRRA transports the ash from the Waste-to-Energy Facility and other non-recyclable waste that cannot be processed at the facility to the High Acres Landfill, near Fairport, New York, the Seneca Meadows Landfill near Waterloo, New York and the Madison County Landfill near Nelson, New York generally under long-term contracts. Construction of the in-county landfill will occur when environmental and economic factors dictate that it is in the best interest of Onondaga County businesses and residents. The cost of the designated site is included in property, plant and equipment (see Note 6). Engineering and consulting fees related to siting, environmental studies and permitting of the Landfill are capitalized. According to Governmental Accounting Standards Board Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs*, should OCRRA decide to transport waste to the Landfill, OCRRA is required to accrue a portion of the estimated total of closure and postclosure care in each period that waste is accepted at the site. Recognition of such a liability shall begin on the date the Landfill begins accepting waste. As of December 31, 2021 there has been no waste delivered to the Landfill.

Environmental and Regulatory Risk
OCRRA operates in an environmentally sensitive industry and is subject to extensive federal and state laws and regulations adopted for the protection of the environment. The laws and regulations are primarily applicable to discharge of emissions into the air and management of solid waste but can also include those related to water use, discharges to water and hazardous waste management. Certain aspects of these laws have extensive and complicated requirements relating to obtaining operating permits, monitoring, record keeping and reporting. Management believes that its facilities are in material compliance with permits and other applicable environmental laws.

3. CASH AND CASH EQUIVALENTS

Custodial credit risk is the risk that in the event of a bank failure, OCRRA's deposits may not be returned to it.

Statutes authorize OCRRA to maintain deposits with financial institutions and to invest in certificates of deposit, obligations of New York State, the United States Government and its agencies, and repurchase agreements collateralized by U.S. obligations.

Unrestricted and restricted cash equivalents are covered or collateralized by either federal depository insurance, securities held by the pledging bank's trust department in OCRRA's name, or are U.S. Government and/or federal agency securities held by the Trustee.

At December 31, 2021, the carrying value of OCRRA's cash deposits were approximately $21,614,000, and the bank balances were approximately $21,740,000. OCRRA's deposit policies require OCRRA's cash to either be covered by depository insurance or collateralized by governmental securities held by the depository institution. At December 31, 2021, OCRRA had collateralized cash balances of approximately $6,176,000, deposits at the Trustee of $6,980,000 and the remainder was covered by depository insurance.

4. OPERATING CONSIDERATIONS

The Onondaga County Solid Waste Management System (System) has implemented a multi-layer "flow control" arrangement to ensure that all legal means of requiring delivery of waste into the System are utilized. First, OCRRA has "delivery agreements" with all 33 participating municipalities in Onondaga County. Those "delivery agreements" commit each municipality to "deliver or cause the delivery" of municipal solid waste (MSW) from their community to the System. Most of the residential MSW is delivered to the System pursuant to municipal pick-up, municipally contracted pick-up, and solid waste districts, implemented in accordance with the "delivery agreements." In addition, in 2000 - 2001, all 33 municipalities enacted approved, in-state waste site designation laws committing delivery of all of their MSW to the System if the MSW is to be disposed of within the State. Also, in 2003, the Onondaga County Legislature enacted a local "flow control" law, based closely on the language and criteria found in the Oneida-Herkimer Law that directs all municipal solid waste in the 33 participating municipalities to OCRRA's public Waste-To-Energy Facility. This type of arrangement was reviewed and deemed Constitutional by the U.S. Supreme Court in its April 2007 Oneida-Herkimer case. The 33 member municipalities have entered into delivery agreements with automatic renewals through 2035. Finally, OCRRA, as additional security, enters into hauler contracts directly with the area's private and municipal waste haulers, wherein they have contractually committed to deliver all MSW picked up in the 33 participating municipalities to the System. The contracts provide stiff stipulated contractual damage penalties for violation of that contact provision.

5. ASSETS LIMITED AS TO USE

Assets limited as to use are held by a trustee in accordance with the terms of the Revenue Bonds Master Bond Resolution (see Note 8) and certain trustee funds represent restricted net position reported on the Statement of Financial Position. The restricted net position includes the following funds at December 31:

	2021	2020
Funds accumulated from System revenues to pay for 2015 debt service obligations	$ 1,822,485	$ 1,770,110
Funds accumulated from System revenues to pay for 2019 debt service obligations	454,656	441,430
Accumulation of earnings from System revenues to satisfy general OCRRA obligations	4,021,259	3,735,209
Total	$ 6,298,400	$ 5,946,749

6. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment activity for the year ended December 31, 2021 was as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Land	$ 396,190	$ -	$ -	$ 396,190
Landfill site	3,854,290	-	-	3,854,290
Landfill site costs	195,760	-	-	195,760
Landfill buildings and improvements	590,484	-		590,484
Buildings and improvements	10,037,793	279,642	-	10,317,435
Machinery and vehicles	11,583,607	997,173	158,669	12,422,111
Furniture and fixtures	152,945	-	-	152,945
Computer equipment	101,257	-	-	101,257
Leasehold improvements	3,375,062	-	-	3,375,062
Land improvements	3,247,367	-	-	3,247,367
Construction in progress	-	-	-	-
Total property, plant and equipment	33,534,755	1,276,815	158,669	34,652,901
Less: Accumulated depreciation				
Landfill buildings and improvements	(562,966)	(2,964)	-	(565,930)
Buildings and improvements	(2,461,614)	(276,081)	-	(2,737,695)
Machinery and vehicles	(8,292,513)	(1,445,569)	(158,669)	(9,579,413)
Furniture and fixtures	(121,941)	(4,134)	-	(126,075)
Computer equipment	(86,698)	(2,647)	-	(89,345)
Leasehold improvements	(1,395,129)	(185,753)	-	(1,580,882)
Land improvements	(24,958)	(2,415)	-	(27,373)
Total accumulated depreciation	(12,945,819)	(1,919,563)	(158,669)	(14,706,713)
Property, plant and equipment, net	$ 20,588,936	$ (642,748)	$ -	$ 19,946,188

Property, plant and equipment activity for the year ended December 31, 2020 was as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Land	$ 396,190	$ -	$ -	$ 396,190
Landfill site	3,854,290	-	-	3,854,290
Landfill site costs	195,760	-	-	195,760
Landfill buildings and improvements	590,484	-		590,484
Buildings and improvements	3,338,308	6,920,958	221,473	10,037,793
Machinery and vehicles	13,969,581	367,824	2,753,798	11,583,607
Furniture and fixtures	152,945	-	-	152,945
Computer equipment	139,239	-	37,982	101,257
Leasehold improvements	3,375,062	-	-	3,375,062
Land improvements	48,310	3,199,057	-	3,247,367
Construction in progress	6,136,697	4,518,737	10,655,434	-
Total property, plant and equipment	32,196,866	15,006,576	13,668,687	33,534,755
Less: Accumulated depreciation				
Landfill buildings and improvements	(560,002)	(2,964)	-	(562,966)
Buildings and improvements	(2,396,190)	(202,842)	(137,418)	(2,461,614)
Machinery and vehicles	(9,482,996)	(1,563,314)	(2,753,797)	(8,292,513)
Furniture and fixtures	(117,807)	(4,134)	-	(121,941)
Computer equipment	(119,925)	(5,099)	(38,326)	(86,698)
Leasehold improvements	(1,208,156)	(186,973)	-	(1,395,129)
Land improvements	(22,543)	(2,415)	-	(24,958)
Total accumulated depreciation	(13,907,619)	(1,967,741)	(2,929,541)	(12,945,819)
Property, plant and equipment, net	$ 18,289,247	$ 13,038,835	$ (10,739,146)	$ 20,588,936

7. FACILITY LEASE AND SERVICE AGREEMENT

In 1992, OCRRA issued Project Revenue Bonds for the purpose of constructing a Waste-to-Energy Facility (the "Facility") and funding certain reserves and other related costs. Pursuant to various agreements, Covanta Onondaga, L.P. (the "Partnership") also funded certain project costs and constructed the Facility. OCRRA leased the Facility and equipment to the Partnership under a long-term lease expiring May 8, 2015 with the Partnership having the option to purchase the Facility for $1. This lease and service agreement was extended as described in the "Renewal of Facility Lease and Service Agreement" section below.

Pursuant to the facility lease agreement the real property comprising a portion of the Facility is leased to the Partnership.

Pursuant to the service agreement the Partnership operates and maintains the Facility for the processing of solid waste delivered by OCRRA to the Facility.

All revenues of the Facility, which include rates, fees, charges and other realized income received by OCRRA from the ownership, operation, use or services of the Facility, in excess of expenses, are to be paid directly to the Trustee for the benefit of the Partnership and Trustee. After satisfaction of those obligations, remaining revenues revert to OCRRA for its use.

OCRRA's obligation is unconditional and requires payment by OCRRA if there is no waste delivered; OCRRA remains responsible for debt service, which is also paid through the Trustee.

The obligations of the Partnership under the service agreement and facility lease are guaranteed to OCRRA and the Trustee by Covanta Energy Corporation.

Renewal of Facility Lease and Service Agreement

In November 2014, OCRRA entered into a twenty (20) year extension of the Second Amended and Restated Service Agreement with the Partnership until May 8, 2035. The extension includes a mutual option to extend the term of the Service Agreement for an additional five (5) years until May 8, 2040. Under this Service Agreement extension, OCRRA was required to refinance the 2003 Series B bonds for a term that is coterminous with the base term of the Service Agreement extension (See Note 8). This is in addition to the service fee and other facility related OCRRA cost obligations, i.e. operations and maintenance charge, pass through costs, ash disposal costs and debt service on any Capital Refurbishment bonds.

OCRRA committed to a minimum annual waste delivery obligation of 320,000 in 2015 and 345,000 tons for full years thereafter, with OCRRA paying shortfall damages equal to the Partnership's lost electric and metal revenue for each shortfall ton. The maximum annual waste capacity is the Facility's permitted capacity less some limited tonnage available to the Partnership for Supplemental Waste. Net electric revenue is shared 90% OCRRA/10% Partnership and metal revenue is shared 50%/50% with a ceiling amount. OCRRA remains responsible for ash transport and disposal with some limited exceptions.

OCRRA will have legal ownership of the Facility during the term but at the end of the term, the Partnership will own it with an option to OCRRA to purchase it at that point for Fair Market Value. The Partnership will retain tax ownership of the Facility during the term.

OCRRA established a Capital Refurbishment Fund to assist in funding OCRRA's share of needed Capital Refurbishment Projects, which is included with assets limited to use on the statement of net position.

7. FACILITY LEASE AND SERVICE AGREEMENT (Continued)

Renewal of Facility Lease and Service Agreement (Continued)

As described in Note 8, OCRRA issued 2015A and 2015B series debt in accordance with the terms of the facility lease renewal. This resulted the recognition of new facility lease assets, which will be recognized throughout the term of the contract extension and in an amount approximating the underlying debt service requirements of the 2015A and 2015B series debt. OCRRA may refinance, issue or call any debt issued under the contract extension at OCRRA's sole discretion as long as such action does not violate the extension agreement terms. OCRRA may call any new bonds issued under the terms of any bond indenture provided OCRRA provides adequate advance notice to the Partnership at least prior to October 1st of the preceding year. The debt service for the refinanced 2003 Series B bonds and Capital Refurbishment bonds, as applicable, will be added to the Service Fee, and payment will be made in a similar fashion as under the previous service agreement. The Partnership will provide an initial $21,000,000 parent guarantee declining on an annual basis by $500,000 per year until it reaches $16,000,000.

The Waste-to-Energy operations cost is composed of the following:

	2021	2020
Operating and pass through costs	$ 17,738,169	$ 17,181,735
Capital charge (2015 Bond Debt Service)	4,188,850	4,189,600
Total	$ 21,927,019	$ 21,371,335

Future minimum annual lease payments from the Partnership are as follows at December 31:

Year	Amount
2022	$ 2,220,000
2023	2,330,000
2024	2,445,000
2025	2,570,000
2026 – 2030	14,895,000
2031 – 2034	14,615,000
2035	4,025,000
Total future minimum lease payments	43,100,000
Less: Income recognized prior to May principal payment	(1,480,000)
Net Investment in Lease	41,620,000
Less: Current portion	(2,220,000)
Long-term portion	$ 39,400,000

8. 2015 SERIES A AND 2015 SERIES B BONDS PAYABLE

In 2015, OCRRA issued $54,560,000 in Revenue Bonds, consisting of Series 2015A Tax-Exempt Bonds totaling $53,505,000 and Series 2015B Taxable Bonds totaling $1,055,000. The 2015A bonds bear interest at an escalating rate from 3% to 5%. The 2015A bonds have a tiered maturity schedule with annual principal maturations through May 1, 2030, and an $18,640,000 final maturity on May 1, 2035. The 2015B bonds bore interest at 1.75%, and matured May 1, 2016.

The 2015A bonds maturing on May 1, 2035 are subject to mandatory sinking fund requirements on May 1, 2031 and on each May 1 thereafter as follows:

May 1:	Amount
2031	$ 3,445,000
2032	3,580,000
2033	3,720,000
2034	3,870,000
2035	4,025,000

As part of the debt issuance, $42,695,385 in outstanding 2003B bonds were refunded and retired.

Activity relative to the 2015A and 2015B bonds payable for the year ended December 31, 2021 was as follows:

	Balance at December 31, 2020	Additions	Reductions	Balance at December 31, 2021	Due in one year
2015A	$ 45,215,000	$ -	$ (2,115,000)	$ 43,100,000	$ 2,220,000
2015B	-	-	-	-	-
Total	$ 45,215,000	$ -	$ (2,115,000)	$ 43,100,000	2,220,000
Bond Premium	3,295,635	-	(229,932)	3,065,703	229,932
Total	$ 48,510,635	$ -	$ (2,344,932)	$ 46,165,703	$ 2,449,932

Activity relative to the 2015A and 2015B bonds payable for the year ended December 31, 2020 was as follows:

	Balance at December 31, 2019	Additions	Reductions	Balance at December 31, 2020	Due in one year
2015A	$ 47,230,000	$ -	$ (2,015,000)	$ 45,215,000	$ 2,115,000
2015B	-	-	-	-	-
Total	$ 47,230,000	$ -	$ (2,015,000)	$ 45,215,000	2,115,000
Bond Premium	3,525,567	-	(229,932)	3,295,635	229,932
Total	$ 50,755,567	$ -	$ (2,244,932)	$ 48,510,635	$ 2,344,932

8. 2015 SERIES A AND SERIES B BONDS PAYABLE (Continued)

General covenants require OCRRA to impose charges sufficient to pay debt service, enforce certain contractual obligations that assure continued flow of Onondaga County waste into the System, prepare annual budgets and maintain proper books and records, and to furnish appropriate financial information to the Trustee on an annual basis. These bonds are available on the secondary market but are not actively traded. Specific covenants include the setting of tipping fees and user charges that when taken together with other System Revenues, produces revenues available for debt service in each fiscal year equal to or exceeding 110% of all debt service on the bonds outstanding during the period, and the maintaining of $3,000,000 in unencumbered cash reserves as of June 30 and December 31 of each fiscal year.

Interest paid as of December 31, 2021 and 2020, amounted to $1,773,918 and $1,878,001 respectively.

The following is a schedule of the future minimum payments under the bond agreement, including mandatory sinking fund requirements as of December 31:

Year	Principal	Interest	Total
2022	$ 2,220,000	$ 1,913,100	$ 4,133,100
2023	2,330,000	1,799,350	4,129,350
2024	2,445,000	1,679,975	4,124,975
2025	2,570,000	1,554,600	4,124,600
2026	2,695,000	1,422,975	4,117,975
2027 – 2031	15,645,000	4,916,100	20,561,100
2032 – 2034	11,170,000	1,164,800	12,334,800
2035	4,025,000	80,500	4,105,500
Total	$ 43,100,000	$ 14,531,400	$ 57,631,400

9. 2019 BONDS PAYABLE

In 2019, OCRRA issued $10,835,000 in Revenue Bonds, as subordinate lien bonds under the 2015 Master Indenture. The 2019 bonds bear interest at an escalating rate from 3% to 5%. The 2019 bonds have a tiered maturity schedule with annual principal maturations through May 1, 2034. Interest paid in 2021 amounted to $500,750. These bonds are subject to the covenants contained in the 2015 Master Indenture.

Activity relative to the Series 2019 bonds payable for the year ended December 31, 2021 was as follows:

	Balance at December 31, 2020	Additions	Reductions	Balance at December 31, 2021	Due in one year
Series 2019	$ 10,330,000	$ -	(525,000)	$ 9,805,000	$ 550,000
Bond Premium	$ 1,338,827	$ -	(100,412)	$ 1,238,415	$ 100,412

9. 2019 BONDS PAYABLE (Continued)

The following is a schedule of the future minimum payments under the Series 2019 supplemental bond agreement as of December 31:

Year	Principal	Interest	Total
2022	$ 550,000	$ 476,500	$ 1,026,500
2023	580,000	448,250	1,028,250
2024	605,000	418,625	1,023,625
2025	640,000	387,500	1,027,500
2026	670,000	354,750	1,024,750
2027 – 2031	3,905,000	1,221,375	5,126,375
2032 – 2034	2,855,000	218,875	3,073,875
Total	$ 9,805,000	$ 3,525,875	$ 13,330,875

10. RETIREMENT PLANS

New York State Employees' Retirement System (NYSERS)

OCRRA participates in the New York State Employees' Retirement System (NYSERS) also referred to as New York State and Local Retirement System (the System). This is a cost-sharing, multiple employer public employee retirement system, providing retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), established to hold all net position and record changes in plan net position allocated to the System, System benefits are established under the provisions of the New York State Retirement and Social Security Law (NYS RSSL). Once an employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. OCRRA also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to the benefits provided, may be found on the following website shown: www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12244.

The System is noncontributory for the employees who joined prior to July 27, 1976. For employees who joined the Systems after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary, except that employees in the Systems more than ten years are no longer required to contribute. For employees who joined after January 1, 2010 and prior to April 1, 2012, employees in NYSERS contribute 3% of their salary throughout their active membership. For employees who joined after April 1, 2012, employees contribute 3% of their salary until April 1, 2013 and then contribute 3% to 6% of their salary throughout their active membership. The Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31.

Contributions for the current year and two preceding years were equal to 100 percent of contributions required, and were as follows:

Year	Amount
2021	$ 546,902
2020	535,318
2019	531,275

10. RETIREMENT PLANS (Continued)

New York State Employees' Retirement System (NYSERS) (Continued)

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

At December 31, 2021 and 2020, OCRRA reported a net pension liability of $10,945 and $3,102,083, respectively, for its proportionate share of the NYS ERS net pension liability. The net pension liability was measured as of March 31, 2021 and 2020, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuations as of those dates. OCRRA's proportion of the net pension liability was based on a projection of OCRRA's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At December 31, 2021 and 2020, OCRRA's proportion was .0109921% and .0117146%, respectively. For the years ended December 31, 2021 and 2020, OCRRA recognized pension adjustments of ($396,964) and $1,101,880, respectively.

At December 31, 2021, OCRRA reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 133,671	$ -
Changes of Assumptions	2,012,482	37,956
Net difference between projected and actual earnings on pension plan investments	-	3,144,126
Changes in proportion and differences between OCRRA's contributions and proportionate share of contributions	138,258	112,684
Contributions subsequent to the measurement date	410,177	-
Total	$ 2,694,588	$ 3,294,766

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended March 31:	Amount
2022	$ (169,707)
2023	(60,503)
2024	(173,941)
2025	(606,204)
Thereafter	-
Total	$ (1,010,355)

OCRRA recognized $410,177 as a deferred outflow of resources related to pensions resulting from contributions made subsequent to the measurement date of March 31, 2021, which will be recognized as a reduction of the net pension liability in the year ended December 31, 2022.

10. RETIREMENT PLANS (Continued)

New York State Employees' Retirement System (NYSERS) (Continued)

At December 31, 2020, OCRRA reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 182,570	$ -
Changes of Assumptions	62,461	53,934
Net difference between projected and actual earnings on pension plan investments	1,590,279	-
Changes in proportion and differences between OCRRA's contributions and proportionate share of contributions	113,913	66,056
Contributions subsequent to the measurement date	401,490	-
Total	$ 2,350,713	$ 119,990

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended March 31:	Amount
2021	$ 323,331
2022	464,034
2023	581,083
2024	460,784
Total	$ 1,829,232

OCRRA recognized $401,490 as a deferred outflow of resources related to pensions resulting from contributions made subsequent to the measurement date of March 31, 2020, which was recognized as a reduction of the net pension liability in the year ended December 31, 2021.

Actuarial Assumptions

The total pension liability at March 31, 2021 was determined by using an actuarial valuation as of April 1, 2020, with update procedures used to roll forward the total pension liability to March 31, 2021. The actuarial valuation used the following actuarial assumptions:

	ERS
Inflation	2.5%
Salary increases	4.2%
Investment Rate of Return (net investment expense and inflation)	6.8%
Cost of living adjustments	1.3%

Annuitant mortality rates are based on April 1, 2010 – March 31, 2015 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2014.

The actuarial assumptions used in the April 1, 2017 valuation are based on the results of an actuarial experience study for the period April 1, 2010 – March 31, 2015.

10. RETIREMENT PLANS (Continued)

New York State Employees' Retirement System (NYSERS) (Continued)

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 estimates of arithmetic real rates of return for each major asset class are summarized below:

Asset class	Target allocation	Long-term expected real rate of return
Domestic equity	32.0%	4.05%
International equity	15.0	6.30
Private equity	10.0	6.75
Real estate	9.0	4.95
Opportunistic/ARS portfolio	3.0	4.50
Credit	4.0	3.63
Real assets	3.0	5.95
Fixed Income	23.0	0.00
Cash	1.0	0.50
	100.0 %	

The real rate of return is net of the long-term inflation assumption of 2.00%.

Discount Rate

The discount rate used to calculate the total pension liability was 7.0%. 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 Plan'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.

Pension Plan Fiduciary Net Position (000's)

The components of the current-year net pension liability of the employers as of March 31, 2021 were as follows:

Total pension liability	$ 220,680,157
Net position	220,580,583
Net pension liability (asset)	$ 99,574
ERS net position as a percentage of total pension liability	99.95%

10. RETIREMENT PLANS (Continued)

New York State Employees' Retirement System (NYSERS) (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption – December 31, 2021

The following presents OCRRA's proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as what the OCRRA's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (4.9%) or 1% higher (6.9%) than the current rate:

	1% Decrease (4.9%)	Current Discount (5.9%)	1% Increase (6.9%)
Proportionate Share of Net Pension liability (asset)	$ 3,037,984	$ 10,945	$ (2,780,693)

New York State Employees' Retirement System (NYSERS) (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption – December 31, 2020

The following presents OCRRA's proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as what OCRRA's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (5.8%) or 1% higher (7.8%) than the current rate:

	1% Decrease (5.8%)	Current Discount (6.8%)	1% Increase (7.8%)
Proportionate Share of Net Pension liability (asset)	$ 5,693,198	$ 3,102,083	$ 715,655

Deferred Compensation Plan
Several of OCRRA's employees elect to participate in the New York State Deferred Compensation Plan under Section 457 of the Tax Law.

11. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Health Insurance Benefits
In addition to providing pension benefits, OCRRA provides health insurance benefits to certain retired employees and their spouses and beneficiaries, hired before April 10, 2002, between the ages of 55 and 65 under a single-employer defined benefit healthcare plan, the Onondaga County Resource Recovery Postretirement Healthcare Benefits Plan. The plan is administered by OCRRA. OCRRA's Board of Directors has the authority to establish and amend the plan's benefits.

Funding Policy
Eligible employees who retire from employment between the ages of 55 and 61 may waive their COBRA rights and continue their health insurance benefits (exclusive of dental coverage) by paying the full cost of the coverage. These employees at age 62 may continue coverage until they become Medicare eligible by paying 25% of the coverage with OCRRA contributing the other 75% of premiums for eligible retired plan members and their spouses. Once these employees are eligible for Medicare they lose their coverage and receive payments equal to $50 per month until their death. The payments are intended to offset the cost of Medicare supplemental benefits, but retirees are not required to use the payments for that purpose. Represented employees hired after January 1, 2002, and non-represented employees hired after April 10, 2002 are not eligible for any postemployment benefits.

11. **OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)**

Annual OPEB Cost and Net OPEB Obligation

OCRRA's annual other postemployment benefit (OPEB) cost is calculated based on the net OPEB obligation and the estimated amortization years remaining. OCRRA has elected to calculate the OPEB obligation and related information using the alternative measurement method permitted by GASB Statement 75 for employers in plans with fewer than one hundred total plan members. Currently, five retirees are receiving benefits. The following table shows the components of OCRRA's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in OCRRA's net OPEB obligation:

Annual required contribution	$ 24,863
Actuarial adjustment	(92,828)
Contributions made	(82,659)
Decrease in net OPEB obligation	(150,624)
Net OPEB obligation - beginning of year	374,387
Net OPEB obligation - end of year	$ 223,763
Annual OPEB cost	$ 24,863
Percentage of annual OPEB cost contributed	332%

OCRRA's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, the net OPEB obligation for the fiscal year 2021 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2019	$ 40,593	157.68%	$ 446,519
12/31/2020	37,439	224.35%	374,387
12/31/2021	24,863	332.46%	223,763

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about retirement age and healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with long-term perspective of the calculations. The valuation is performed December 31 of each year.

11. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Methods and Assumptions (continued)
The following simplifying assumptions were made:

- *Retirement age for active employees* - Based on the historical average retirement age for the covered group, active plan members were assumed to retire at age 63.4 years.
- *Marital status* - Marital status of members at the calculation date was assumed to continue throughout retirement.
- *Eligibility* - Retirees are entitled to benefits until the age of 65 years.
- *Healthcare cost trend rate* -The expected rate of increase in healthcare insurance premiums was a rate of 10% initially, reduced to an ultimate rate of 5% after eight years.
- *Health insurance premiums* - 2021 health insurance premiums for retirees were used as the basis for calculation of the present value of total benefits to be paid.
- *Early Retirees* - Health insurance costs for early retirees were calculated based on actual expenses during 2021 and assumes that each retiree retains their current coverage through the date they become Medicare eligible.

Based on the historical and expected returns of OCRRA's cash and cash equivalents, a discount rate of 4% was used.

12. COMMITMENTS AND CONTINGENCIES

Operating Leases
OCRRA leases land, equipment and office facilities under operating leases. Rental payments under these agreements were approximately $117,000 and $113,000 during 2021 and 2020, respectively. Obligations under all cancelable and non-cancelable long-term operating leases are as follows at December 31, 2021:

Year	Amount
2022	$ 50,360
2023	860
2024	500
2025	500
Thereafter	500
Total	$ 52,720

Capital Leases:

Since 2017, OCRRA utilizes a municipal finance lease program for the purchase of replacement equipment required for OCRRA operations. These capital leases allow OCRRA to preserve cash reserves while purchasing needed equipment in a timely manner. Interest rates on capital leases range 1.75% to 3.38%, and each lease is for a term of 5 years. During 2021, OCRRA made principal payments of $1,035,305, and interest payments of $51,344. The net book value of assets under capital leases at December 31, 2021 is $1,394,557.

12. COMMITMENTS AND CONTINGENCIES (Continued)

Capital Leases (continued):

The following is an aggregate schedule of future capital lease principal and interest payments as of December 31, 2021:

Year	Principal	Interest	Total
2022	556,796	35,872	592,668
2023	398,396	19,568	417,965
2024	146,331	9,518	155,849

Property Stabilization

In 1997, OCRRA approved a property stabilization program to assist a limited number of property owners who live immediately adjacent to the landfill site. Payments under the plan make up a portion of the difference between the fully assessed value of a property and the actual sales price. In 2021 and 2020, no such payments were made.

Landfill Contracts

OCRRA has a contract with High Acres Landfill for ash disposal through December 2025. The per ton incinerator ash residue disposal charge will range from $16.95 to $20.62 over the term of the contract. OCRRA has a contract with Seneca Meadows, Inc. through December 2025, for bypass, ash, and tire disposal. The per ton solid waste/bypass solid waste disposal charge will range from $29 to $43 for by-pass, $24 to $36 for ash, and $100 to $257/ton for tires, over the term of the contract. OCRRA has a contract with Madison County Dept. of Solid Waste for ash disposal through June 2027, with two four year options thereafter, a per ton incinerator ash residue disposal charge ranging from $14 to $15.50 through 2019, and an escalation of 2% per year thereafter. Total costs incurred under all agreements were $1,998,866 and $1,891,328 during 2021 and 2020; respectively, and are included in landfill contracts on the statements of revenues, expenses and changes in net position.

OCRRA entered into an Interim Host Community Agreement (Interim Agreement) with the Town of Van Buren (Van Buren) in 1998. The Interim Agreement provides for annual payments to Van Buren during the period prior to development of the landfill facility. The Interim Agreement includes provisions for annual increases based upon a five-year rolling average of the Van Buren tax rate. In no case shall such annual increase be greater than 2%, according to the Interim Agreement. The Host Community Interim Agreement was extended pursuant to an automatic renewal provision through the year 2022.

OCRRA recorded payments to Van Buren in the amount of $61,323 and $60,716 in 2021 and 2020, respectively.

Litigation

OCRRA is occasionally a party to various proceedings arising in the normal course of business. There are presently no proceedings pending that would have a significant impact on the financial position of OCRRA.

Recycling

OCRRA's current contract with a local material recovery facility has a market based termination clause. Should either party cancel this agreement, OCRRA could incur significant expenditures to continue its recycling program.

Union Contract

OCRRA’s contract with union employees runs through December 31, 2022.

12. COMMITMENTS AND CONTINGENCIES (Continued)

Financial Assurance

OCRRA maintains several permits and registrations with the NYS Department of Environmental Conservation (NYSDEC). Regulations require that OCRRA calculate and provide financial assurance for closure costs related to these facilities. OCRRA has elected to meet this requirement through a local government financial test. As of December 31, 2021 and 2020, OCRRA's estimated closure costs were $2,111,998 and $2,029,834, respectively, related to non-landfill facilities. These costs are recognized in the year a facility's operations cease; or amortized from the date a decision has been made to cease operations through the closure date. More information on these requirements can be found in the NYS DEC Regulations, specifically 6 NYCRR Part 360.

13. NATIONAL GRID AGREEMENT

OCRRA and National Grid participate in an electricity purchase agreement through 2025. National Grid and OCRRA have established the upper limit for the agreement at 243,000,000 Kwh. For calendar years 2016 through 2025, OCRRA receives 77.50% of the market rate. In 2021 and 2020, respectively OCRRA received an annual average sale price of 2.30 and 1.28 cents per kilowatt hour.

14. CONCENTRATION

The top five haulers delivered approximately 60% and 61% of the total municipal solid waste to OCRRA during the years ended December 31, 2021, and 2020, respectively. These haulers also accounted for approximately 67% and 66% of accounts receivable at December 31, 2021 and 2020, respectively.

15. SUBSEQUENT EVENTS

Subsequent events have been evaluated by management through March 9, 2022, the date the financial statements were available to be issued.

ONONDAGA COUNTY RESOURCE RECOVERY AGENCY

REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULE OF FUNDING PROGRESS
DECEMBER 31, 2021

Year	Actuarial Value of Assets	Total OPEB Liability	Funded Ratio
December 31, 2019	-	446,519	0%
December 31, 2020	-	374,387	0%
December 31, 2021	-	223,763	0%

ONONDAGA COUNTY RESOURCE RECOVERY AGENCY

REQUIRED SUPPLEMENTARY INFORMATION - PENSIONS
FOR THE YEAR ENDED DECEMBER 31, 2021

Schedule of Proportionate Share of Net Pension Liability (Asset) – in thousands

	2021	2020	2019	2018
Proportion of the net pension liability (asset)	.01%	.01%	.01%	.01%
Proportionate share of the net pension liability (asset)	$11	$3,102	$917	$420
Covered employee payroll	$3,673	$3,683	$4,044	$3,894
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	0.30%	84.22%	22.68%	10.78%
Plan fiduciary net position as a percentage of the total pension liability (asset)	99.95%	86.39%	96.27%	98.24%

Schedule of Proportionate Share of Net Pension Liability (Asset) – in thousands

	2017	2016	2015
Proportion of the net pension liability (asset)	.01%	.01%	.01%
Proportionate share of the net pension liability (asset)	$1,154	$2,019	$427
Covered employee payroll	$4,021	$3,653	$3,603
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	28.70%	55.26%	11.85%
Plan fiduciary net position as a percentage of the total pension liability (asset)	94.70%	90.70%	97.90%

Schedule of Contributions, Pension Plans – in thousands

	2021	2020	2019	2018
Contractually required contribution	$ 547	$ 535	$ 531	$ 553
Contributions in relation to the contractually required contribution	$ 547	$ 535	$ 531	$ 553
Contribution deficiency (excess)	-	-	-	-
Covered employee payroll	$3,673	$3,683	$4,044	$3,894
Contributions as a percentage of covered-employee payroll	14.89%	14.53%	13.13%	14.20%

Schedule of Contributions, Pension Plans – in thousands

	2017	2016	2015
Contractually required contribution	$ 524	$ 533	$ 658
Contributions in relation to the contractually required contribution	$ 524	$ 533	$ 658
Contribution deficiency (excess)	-	-	-
Covered employee payroll	$4,021	$3,653	$3,603
Contributions as a percentage of covered-employee payroll	13.03%	14.59%	18.26%

Information for periods prior to the implementation of GASB 68 (2008-2014) is unavailable and the above-related disclosures will be completed each year going forward as information becomes available.

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CERTIFIED PUBLIC ACCOUNTANTS PLLC

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*

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Onondaga County Resource Recovery Agency
North Syracuse, New York

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Onondaga County Resource Recovery Agency (OCRRA) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise OCRRA's basic financial statements, and have issued our report thereon dated March 9, 2022.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether OCRRA'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 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 OCRRA'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 OCRRA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Grossman St Amour CPAs

Syracuse, New York
March 9, 2022

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