

March 9, 2016

To the Audit Committee  
Onondaga County Resource Recovery Agency

We have audited the financial statements of Onondaga County Resource Recovery Agency (OCRRA) for the year ended December 31, 2015, and have issued our report thereon dated March 9, 2016. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 12, 2016. Professional standards also require that we communicate to you the following information related to our audit.

**Significant Audit Findings**

***Qualitative Aspects of Accounting Practices***

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by OCRRA are described in Note 2 to the financial statements. OCRRA changed accounting policies related to financial reporting guidance and reporting format by adopting the following Statements of the Governmental Accounting Standards Board during 2015:

- GASB Statement No. 68 - *Accounting and Financial Reporting for Pensions*.
- GASB Statement No. 71 - *Pension Transitions for Contributions Made Subsequent to the Transition Date*.

As described in Note 2, adoption of this guidance resulted in a cumulative increase on beginning net position in the amount of \$92,480.

We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting OCRRA's financial statements were:

Management's estimate of Other Postemployment Benefits (OPEB). We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Estimates related to the net pension asset, deferred outflows, net pension liability and deferred inflows are based upon actuarial information from audited financial statements of the pension plan.

Management's estimate of depreciation expense is based upon an estimate of the useful lives of the related assets. We evaluated the key factors and assumptions used to develop the calculation in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

***Difficulties Encountered in Performing the Audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no such misstatements noted in the current year.

***Disagreements with Management***

For purposes of this letter, a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

***Management Representations***

We have requested certain representations from management that are included in the management representation letter dated March 9, 2016.

***Management Consultations with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

***Other Audit Findings or Issues***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

**Other Matters**

We applied certain limited procedures to 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, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

This information is intended solely for the use of the Audit Committee, Board of Directors and management of OCRRA and is not intended to be and should not be used by anyone other than these specified parties.

*Bonadio & Co., LLP*