



# Addison County Solid Waste Management District



1223 Route 7 South  
Middlebury, VT 05753

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F. 802-388-0271  
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[AddisonCountyRecycles.org](http://AddisonCountyRecycles.org)

## 2018 Annual Report and Proposed Budget for Calendar Year 2019

## BOARD OF SUPERVISORS

### ADDISON

Rep: Bill Munoff  
Alt: Alden Harwood

### BRIDPORT

Rep: Ed Payne  
Alt: Andrew Manning

### BRISTOL

Rep: Joel Bouvier  
Alt: Valerie Capels

### CORNWALL

Rep: Bill Kernan  
Alt: Andrea Landsberg

### FERRISBURGH

Rep: Steve Huffaker

### GOSHEN

Rep: Diane Mott  
Alt: David Sabatini

### LEICESTER

Rep: Richard Reed  
Alt: Diane Benware

### LINCOLN

Rep: Bill Finger  
Alt: Oakley Smith

### MIDDLEBURY

Rep: Eric Murray  
Alt: Laura Asermily

### MONKTON

Rep: Deborah Gaynor  
Alt: Stephen Pilcher

### NEW HAVEN

Rep: Patrick Palmer  
Alt: Megan Battey

### ORWELL

Rep: Vacant

### PANTON

Rep: Paul Sokal

### RIPTON

Rep: Steven Zwicky  
Alt: Jay Harrington

### SHOREHAM

Rep: Randy Orvis  
Alt: Jason Paquette

### STARSBORO

Rep: Susan Reit deSalas

### VERGENNES

Rep: Cheryl Brinkman\*\*  
Alt: Vacant

### WALTHAM

Rep: Andrew Martin  
Alt: Timothy Ryan

### WEYBRIDGE

Rep: Tim Wickland\*  
Alt: Gale Hurd

### WHITING

Rep: Eric Zuesse  
Alt: Carolyn Schmidt

\* Vice Chair

\*\* Chair

## DISTRICT MISSION STATEMENT

*The Addison County Solid Waste Management District is a union municipality that exists to cooperatively and comprehensively address the solid waste management interests of its member municipalities. The mission of the District is to:*

- *promote waste reduction and pollution prevention;*
- *maximize diversion of wastes through reuse, recycling, and composting;*
- *provide for the disposal of remaining wastes; and*
- *seek environmentally sound and cost-effective solutions in all of its programs, services and facilities.*

## DISTRICT STAFF

District Manager.....Teresa Kuczynski  
Business Manager.....Patti Johnson  
Program Manager.....Donald Maglienti  
Transfer Station Supervisor.....Gary Hobbs  
Public Outreach Coordinator.....Vacant  
Administrative Assistant.....Chantel Bolduc  
Transfer Station Operators.....Richard Cota  
Chad Kimball  
Jake Vukas  
Transfer Station Attendants (P/T).....Wes Kimball  
Kim Kimler  
Ricky Rheame  
Scalehouse Operator .....Shelly Edson

## DISTRICT TRANSFER STATION and OFFICE

Location: 1223 Route 7 South, Middlebury, VT  
Telephone: (802) 388-2333  
Fax: (802) 388-0271  
Email: [acswmd@acswmd.org](mailto:acswmd@acswmd.org)  
Website: [www.AddisonCountyRecycles.org](http://www.AddisonCountyRecycles.org)  
Transfer Station Hours: Mon-Fri, 7 AM - 3 PM  
Sat, 8 AM - 1 PM  
HazWaste Center Hours  
(at District Transfer Station): Mon-Fri, 8 AM - 2 PM  
Sat, 8 AM - 1 PM  
District Office Hours: Mon-Fri, 8 AM - 4 PM



## ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT

1 223 ROUTE 7 SOUTH  
MIDDLEBURY, VT 05753

ADDISON  
BRIDPORT  
BRISTOL  
CORNWALL  
FERRISBURGH  
GOSHEN  
LEICESTER  
LINCOLN  
MIDDLEBURY  
MONKTON  
NEW HAVEN  
ORWELL  
PANTON  
RIPTON  
SHOREHAM  
STARSBORO  
VERGENNES  
WALTHAM  
WEYBRIDGE  
WHITING

October 29, 2018

TO: Select Boards, Aldermen and Interested Citizens of Addison County

We are pleased to present the 2018 Annual Report of the Addison County Solid Waste Management District. The attached report highlights the District's activities over the past year. It also includes a **proposed budget** for the 2019 calendar year and the results of an independent audit of the District's financial statements for the year ending December 31, 2017.

The District continues to fulfill its mission of promoting waste reduction and maximizing diversion of waste through reuse, recycling and composting. The District serves as an important resource for its member municipalities in providing responsible planning and management of solid waste, particularly with respect to the ongoing implementation of Act 148, Vermont's Universal Recycling Law. In addition to owning and operating a full-service, award-winning Transfer Station in Middlebury, the District provides its residents and businesses with high quality services and options such as hazardous waste management, waste audits and advice on waste diversion for businesses, community composting classes, and school programs on reuse, recycling and composting. The District will continue to plan for long-term solid waste services, limit future liabilities, foster competition and minimize costs to its member municipalities.

The District's website, [www.AddisonCountyRecycles.org](http://www.AddisonCountyRecycles.org), serves as a resource for news and information on managing waste in Addison County. We also encourage you to find us on Facebook by searching, "Addison County Solid Waste Management District."

Please take a few moments to review the Annual Report and the proposed 2019 Annual Budget. We welcome your comments and suggestions. A **public hearing** on the proposed budget will be held on **Thursday, November 15, at 7:00 PM at the Addison County Regional Planning Commission Office at 14 Seminary Street in Middlebury**. The Board of Supervisors will consider any comments and adopt a final budget on or before December 31, 2018.

We look forward to seeing you at the public hearing!

Sincerely,

Teresa A. Kuczynski  
District Manager  
cc: ACSWMD Board of Supervisors

(802) 388-2333 • FAX (802) 388-0271

ACSWMD@ACSWMD.ORG  
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## 2018 Community Survey Respondents

- *I appreciate the good work of the ACSWMD! I appreciate the many options for recycling, dealing with hazardous waste, and trash disposal at the transfer station.*
- *I love what you are doing. Everything is so organized!*
- *I think Addison County does a great job at keeping us informed and providing info and services at the Middlebury facility.*
- *Thank you for all you do for our community!*
- *The Middlebury Transfer Station is great! Helpful and pleasant staff, well-organized, and reasonably priced.*

# Addison County Solid Waste Management District 2018 Annual Report

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**An electronic version of this Annual Report is available at  
[www.AddisonCountyRecycles.org](http://www.AddisonCountyRecycles.org).**

# 2018 Annual Report

## HISTORY OF THE DISTRICT

The Addison County Solid Waste Management District is a union municipal district formed in November 1988 to cooperatively and comprehensively address the solid waste management interests of its 20 member municipalities:

Addison, Bridport, Bristol, Cornwall, Ferrisburgh, Goshen, Leicester, Lincoln, Middlebury, Monkton, New Haven, Orwell, Panton, Ripton, Shoreham, Starksboro, Vergennes, Waltham, Weybridge, and Whiting.

## BOARD OF SUPERVISORS

The Addison County Solid Waste Management District is governed by a Board of Supervisors comprised of one representative and one alternate from each of the 20 member municipalities. Each member municipality appoints its representative and alternate every year after Town Meeting Day and before the Board's Annual Organizational Meeting held on the second Thursday in April. Anyone interested in serving on the Board of Supervisors is encouraged to contact his or her selectboard to express interest in the position. There is no limit to the number of successive terms. The Board regularly meets on the third Thursday of the month at 7 PM in the conference room of the Addison County Regional Planning Commission Office, 14 Seminary Street, Middlebury, VT.

## EXECUTIVE BOARD

The Executive Board, a subgroup of the Board of Supervisors, meets on a monthly basis, eight days prior to the monthly Board meetings (usually on the second Wednesday), at 3 PM in the conference room of the Addison County Solid Waste Management District office at 1223 Rte. 7 South, Middlebury, VT. The Board of Supervisors delegates specific roles to the Executive Board such as financial and personnel functions, and acting as an appeal board for ordinance enforcement decisions of the District Manager.

Board and Executive Board meeting dates are subject to change, so be sure to call the District office at (802) 388-2333, or check the schedule posted on the calendar at the District's website: [www.AddisonCountyRecycles.org](http://www.AddisonCountyRecycles.org).

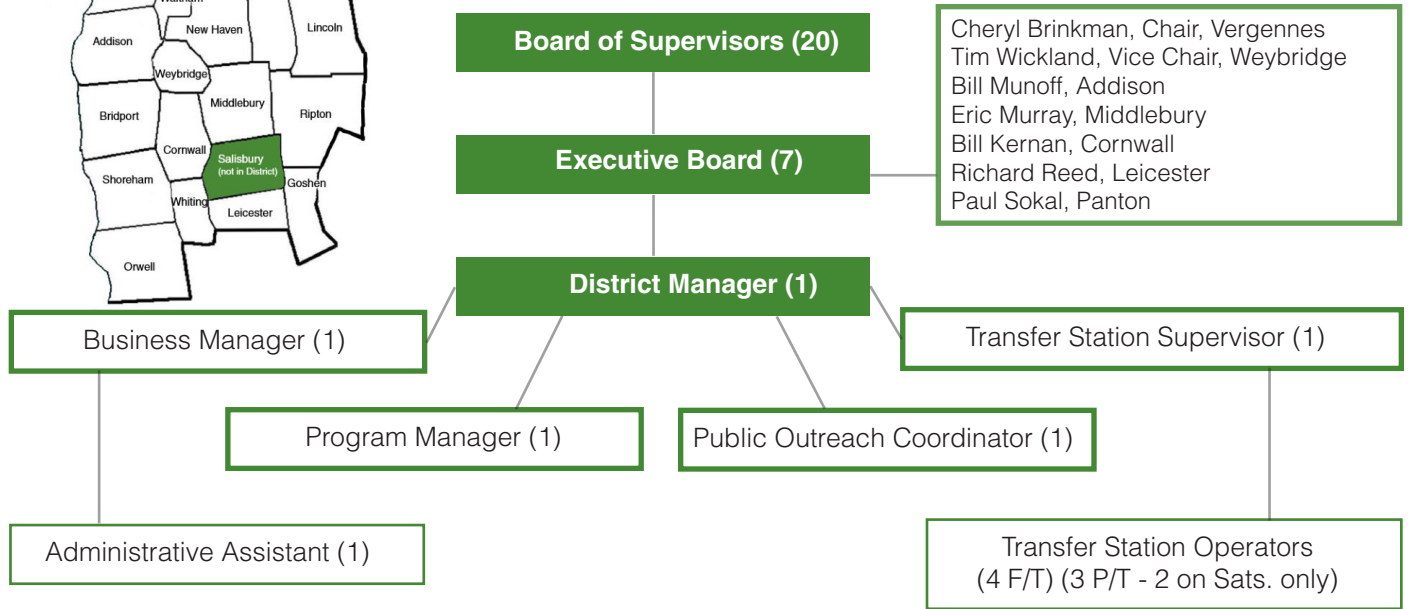
Meetings of the Board of Supervisors and Executive Board are open to the public, and a public comment period is offered at each meeting.

# 30 Years of Waste Management





## 2018 DISTRICT ORGANIZATIONAL CHART



## DISTRICT MANAGER'S REPORT

The Addison County Solid Waste Management District (District) continued its efforts this year to further implement the goals outlined in Vermont's Universal Recycling Law, which was passed unanimously in 2012. Food scrap diversion remains one of the most challenging aspects of the Law in a rural Vermont county with low population density. The District's efforts thus far have helped increase food scrap diversion, both at local town drop-offs as well as at the District Transfer Station. This year, more Addison County businesses and schools transitioned to a sustainable diversion system for food scraps. With the 2020 landfill ban for food scraps fast approaching, the District is focusing its efforts on organics diversion for both residents and businesses. These efforts include increased outreach, increased training for businesses, and cost-effective solutions for haulers struggling to add organics to their menu of services. The District also provided numerous workshops and training on backyard composting this year, and is planning a similar schedule for 2019. As residents tune in to the 2020 organics ban next year, the District plans to offer discounts on backyard bin purchases, and increased technical support for those looking to compost at home.

### Recycling

One of the most pressing aspects of waste diversion is the downturn in recycling revenues, specifically for single-stream recycling. For many years, China was the export market for one-third of all recyclables in the U.S. With the advent of single-stream recycling, exported materials from this country already require costly processing to create marketable bales of various commodities. The Chinese government recently enacted its National Sword initiative, which is designed to strengthen environmental standards but has resulted in a disruption of international recycling markets. Under the National Sword, acceptable levels of contamination in imported bales of recycled commodities are so low that few, if any, facilities in the U.S. can meet the new standard. The result has been a halt to most exports of recycling to China, and a glut of recycled materials in the U.S. This has brought revenues for recycling to historic lows, and prompted municipalities, processing facilities, and haulers to re-examine the materials they are collecting with a heavy focus on reducing contamination. In spite of this

development, the District's commitment to recycling remains steadfast. The District will continue to improve efforts to educate the public about what is and is not recyclable, and to work with local processors, haulers, and the State of Vermont to ensure that we can collectively weather this crisis until markets eventually rebound.

## Product Stewardship

The recycling or safe disposal of certain products in the marketplace poses unique financial challenges. Extended Producer Responsibility (EPR) laws are a useful tool to help distribute the cost of recycling and safe management of these products between industries, government, and consumers. EPR can alleviate the financial burden for municipalities and residents, while mitigating environmental impacts from disposal by increasing collection and recycling rates of covered products. Vermont's EPR programs remain effective at collecting targeted materials, largely due to education and collection efforts by the State and solid waste districts/alliances. After California, Vermont has the second highest number of EPR laws in the Nation, and has recently led the way with a law on primary cell batteries. The success of these laws, and their economic benefits to the 20 towns within the District, have prompted efforts to investigate the feasibility of similar laws for household hazardous waste, as well as packaging and printed materials. These efforts are coordinated through the Vermont Product Stewardship Council, of which the District is a member, and which recently celebrated its tenth year of successfully solving waste and recycling problems for Vermont's residents and towns.

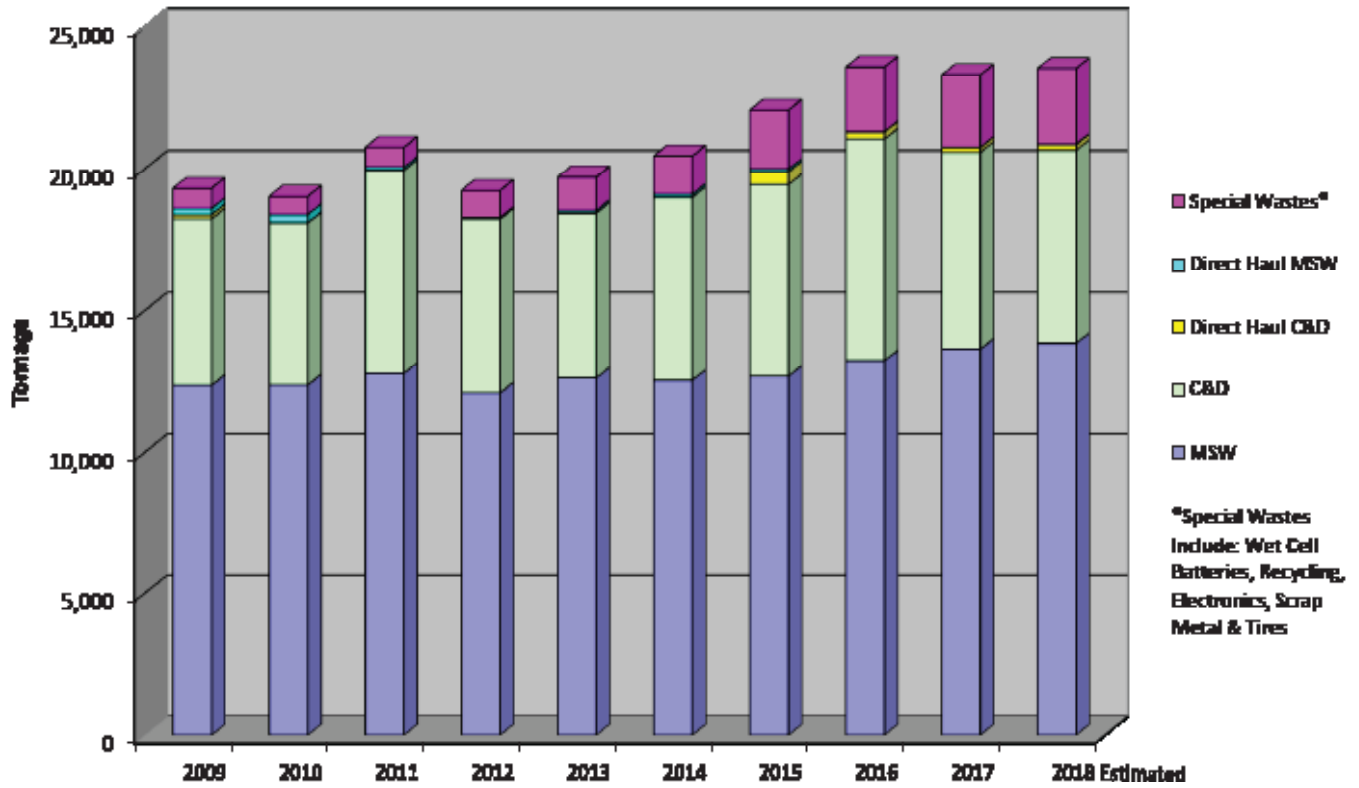
## DISTRICT TRANSFER STATION

The District Transfer Station is a regional solid waste management facility owned and operated by the District. Located at 1223 Rt. 7 South in Middlebury, the Facility accepts Municipal Solid Waste (MSW) and Construction & Demolition Debris (C&D) and transfers it to out-of-District disposal sites. Other waste materials are accepted, from member municipalities only, at the Transfer Station for reuse, recycling and composting. The Transfer Station is also a registered Collector of Vermont-generated Electronic Waste (E-Waste), Mercury-Containing Devices, Paint (member municipalities only), and Batteries under the State's Extended Producer Responsibility (EPR) programs.

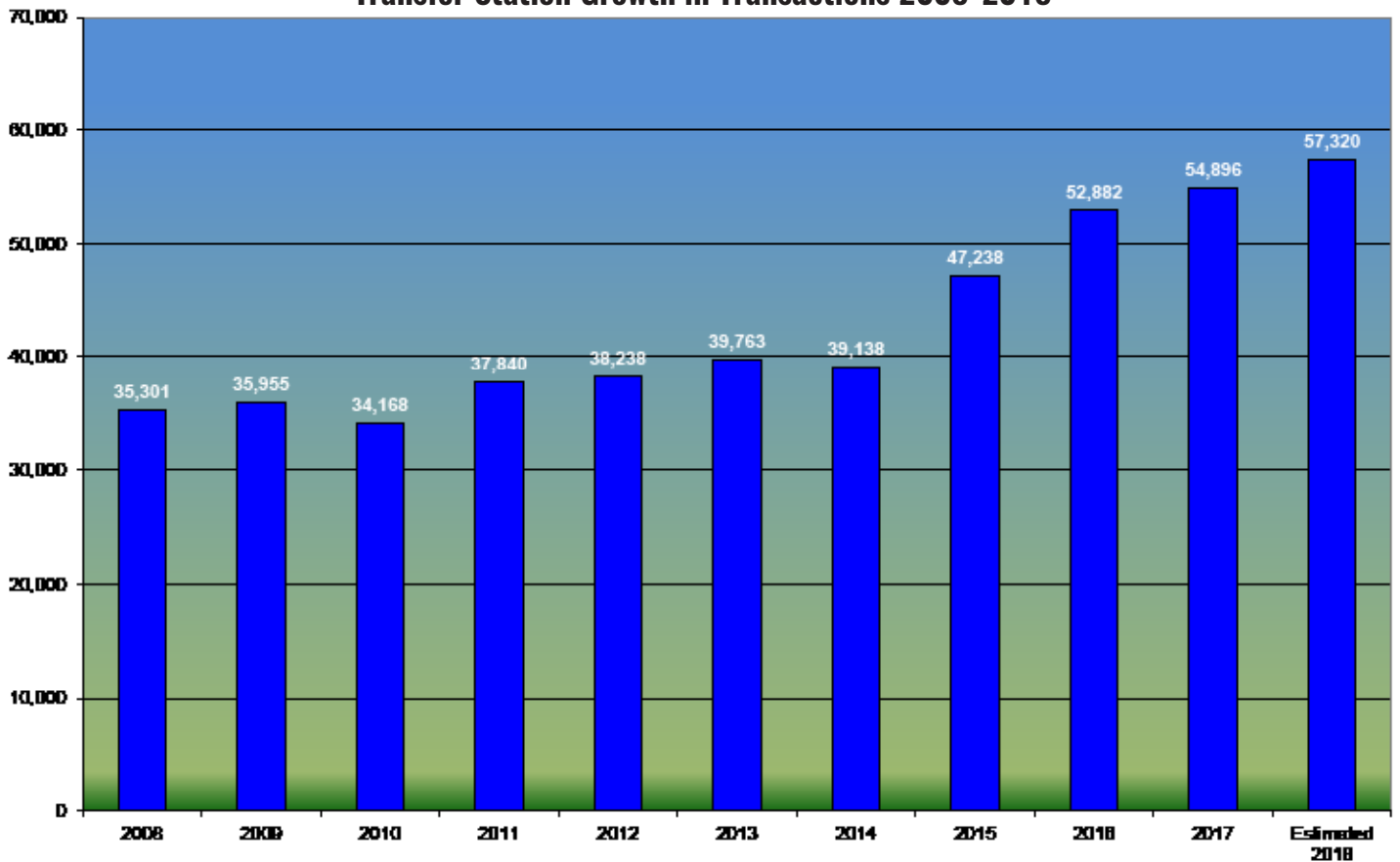
The District HazWaste Center, located at the Transfer Station, is open year-round for residents and businesses of member municipalities. Also located at the Transfer Station is the District **REUSE IT OR LOSE IT!** program, which provides separate drop-and-swap areas for household goods and reusable building materials. The District office, co-located at the Transfer Station, provides information and technical assistance on a wide range of waste management, reduction and recycling topics. For a complete list of items and any associated fees collected at the Transfer Station, please refer to the inside back cover of this report. This information is also available on the District's website, [www.AddisonCountyRecycles.org](http://www.AddisonCountyRecycles.org).







### Transfer Station Growth in Transactions 2008-2018



# 2018 PROGRAM SUMMARY

## Community and School Outreach Programs

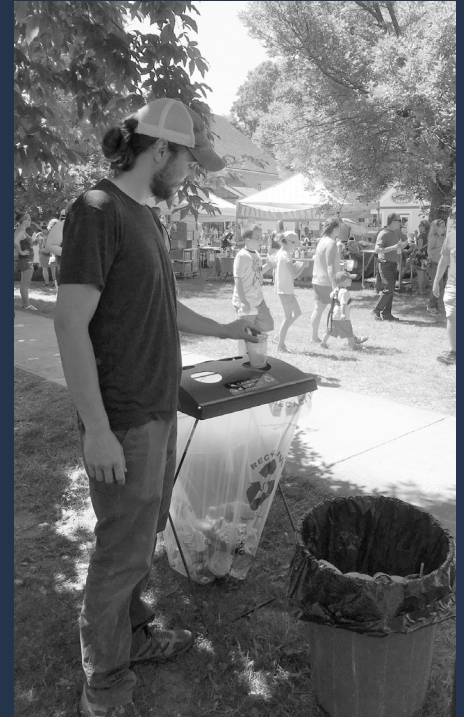
The District promotes its mission of waste reuse, reduction, recycling and organics composting through direct outreach to the community in various formats. This generally includes presentations and workshops to schools, businesses, community groups and institutions, in addition to spreading awareness through our biannual *News to Reuse* newsletter, on social media outlets such as Front Porch Forum and Facebook, in ads in local newspapers, on the radio, and at a number of special events.

The District provides, free of charge, two 16-gallon recycling “blue bins” to all new residents and replacement bins for anyone who needs them. Blue bins are also made available at town clerks’ offices throughout the District. The District provides businesses with tall recycling bins, small office recycling bins, 4-gallon food scrap buckets, and signage, guides, and window decals to let customers know of their local businesses’ great environmental stewardship efforts. Portable recycling bins are being loaned to a growing number of public events each year. These bins are free for the event organizers to use, and are a great way to boost recycling awareness. The District provides liner bags, set-up instructions, and in some cases, materials collection at no cost.

The District also provides 5-gallon buckets to any household that brings food scraps to either the 15 drop-offs that accept food scraps, or the District Transfer Station. These resources will continue to be available to help District residents reach the final phase of compliance with the Universal Recycling Law in 2020.

District staff offers free backyard composting workshops onsite as well as tours of the Transfer Station in Middlebury for school groups and others interested in learning more about how recyclables and waste are managed. In addition, staff is always available to provide educational presentations on waste reduction, recycling, composting and hazardous waste to any interested audience. The District’s Master Composter certified staff is also available for compost management troubleshooting and advice.

The District’s website, [www.AddisonCountyRecycles.org](http://www.AddisonCountyRecycles.org), is a great resource for tips on waste reduction, reuse, composting and hazardous waste, as well as for quick answers to everyday trash and recycling questions. The website includes a searchable library and links to other websites with useful information. The District’s online A-Z Disposal Guide features reuse, recycling or disposal options for over 100 unique and interesting materials.



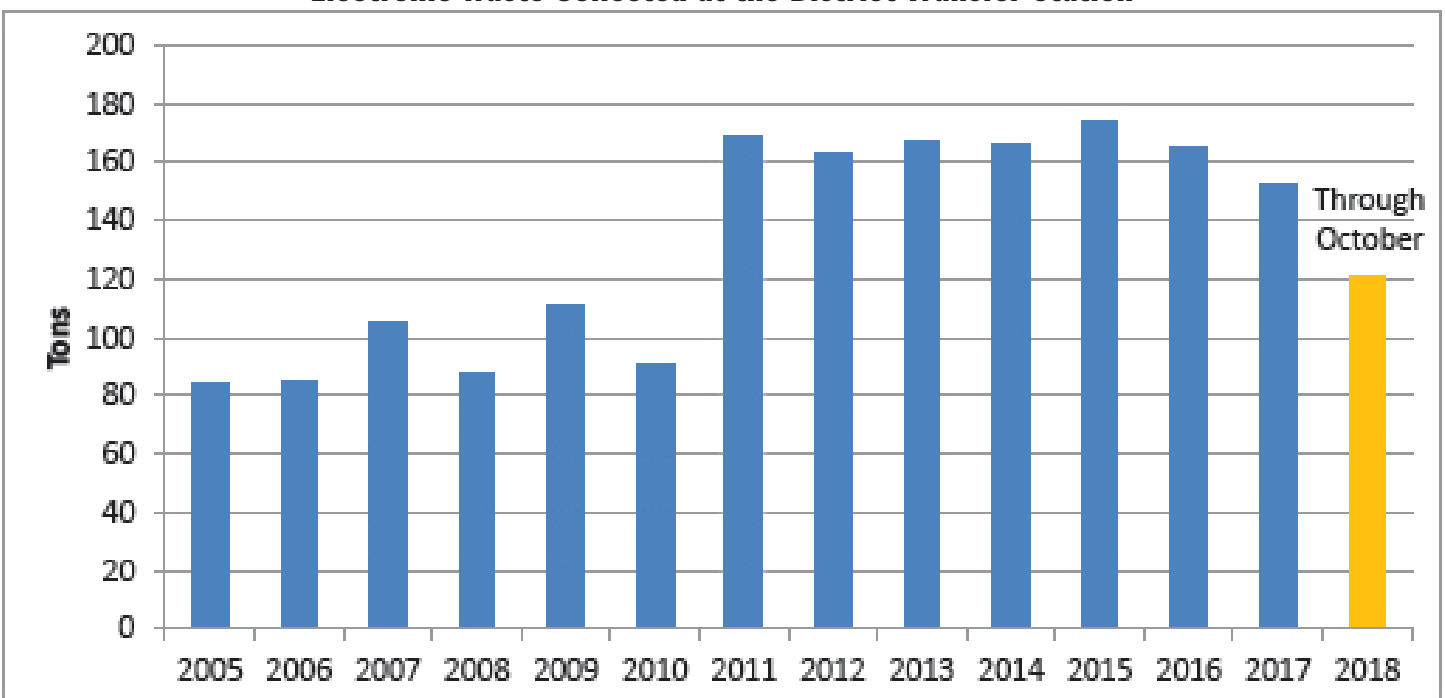
## Electronic Waste

Electronic waste (E-Waste) refers to a broad category of waste products that typically contain various electrical components, circuit boards, batteries, and in many cases, a variety of heavy metals and other toxic materials. Solid waste districts in Vermont have long identified E-Waste as a priority for diversion from landfills. The Addison County Solid Waste District was one of the first in the State to begin recycling E-Waste 18 years ago. The VT E-Cycles Law categorizes two types of E-Waste: “covered” devices, and “non-covered” devices. Covered devices are TVs, computers, printers, and computer peripherals. Covered devices are those E-Wastes for which manufacturers have to pay the cost of recycling, and are therefore accepted at the District Transfer Station at no charge. Non-covered devices include items such as universal power supplies (UPS), fax machines, VCRs, DVD players, stereos, CD players, shredders, photocopiers, and small items such as telephones, adaptors, CDs, DVDs and tape cassettes. The District charges a fee for these items to cover the cost of recycling them. For a list of all fees, please refer to the inside back page of this Report or the District’s website.



The chart below summarizes the annual amounts of E-Waste collected at the District Transfer Station from 2005 through October 2018. The District Transfer Station is one of the largest collectors of E-Waste under the VT E-Cycles program, which began in 2011. Based on volumes collected, the program has been very successful. The District has already recycled more than 121 tons of E-Waste this year through October.

**Electronic Waste Collected at the District Transfer Station**

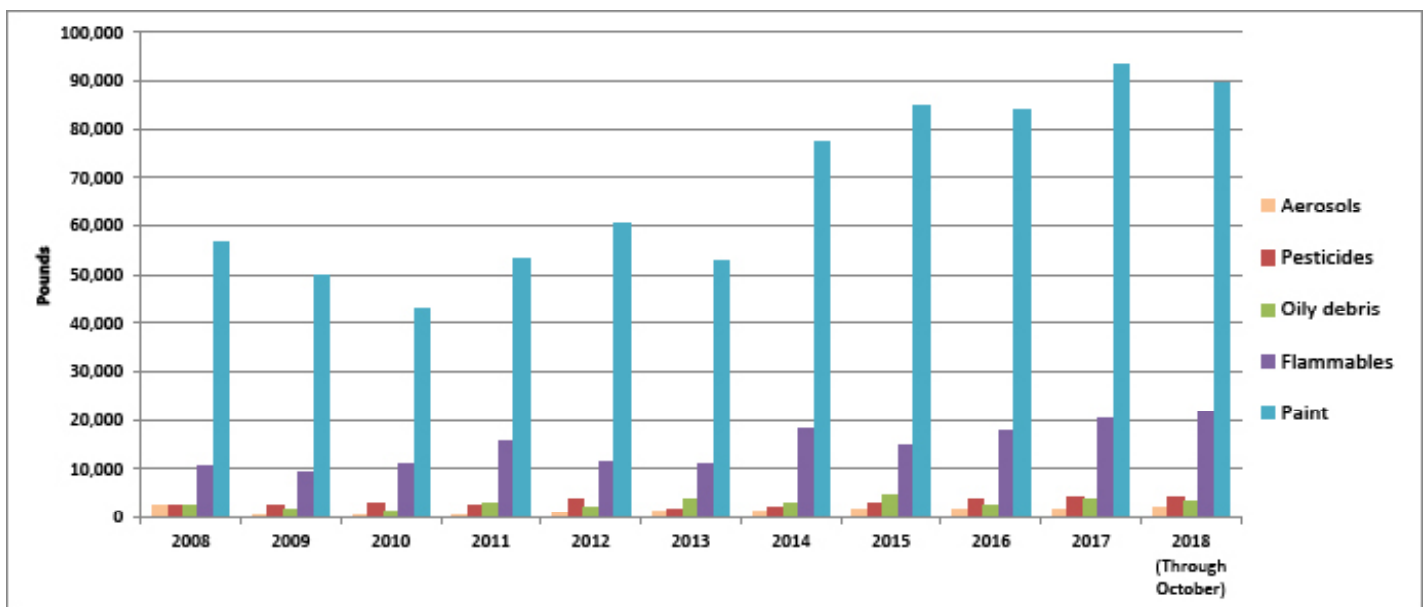


## Household Hazardous Waste (HHW) and Conditionally-Exempt Generator (CEG) Hazardous Waste Diversion

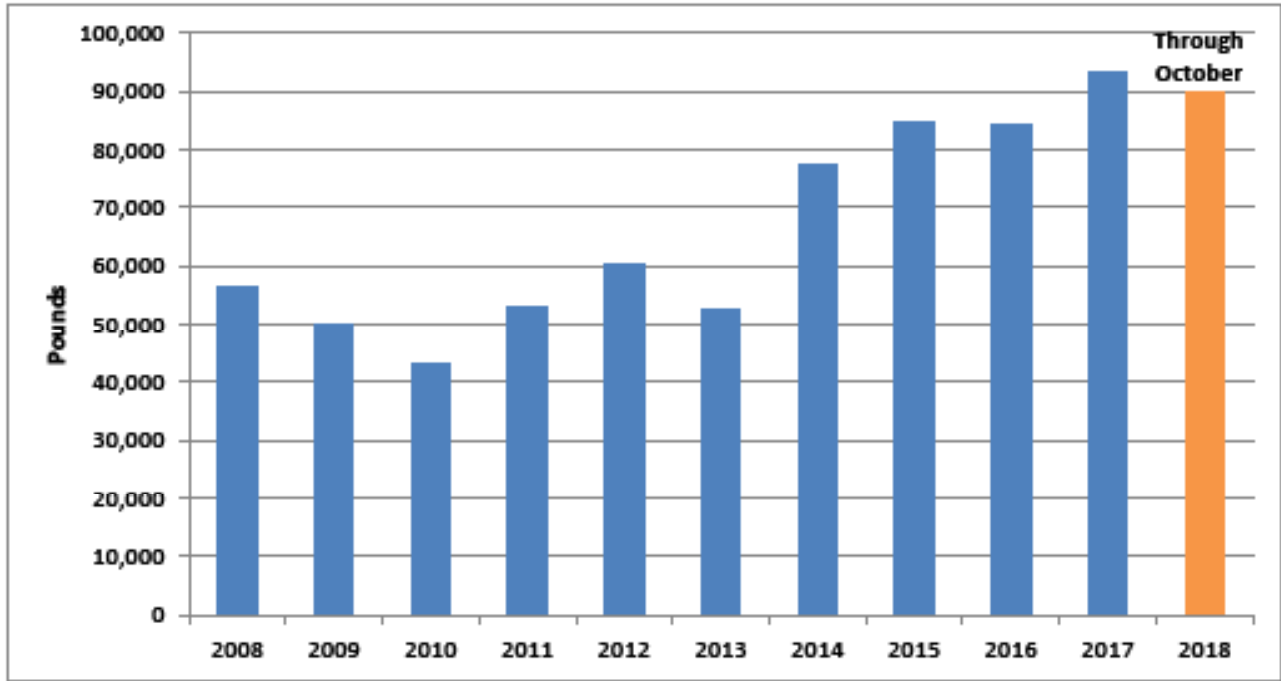
The District's HazWaste Center, located at the Transfer Station, continues to provide year-round collection of unregulated hazardous waste from residents and small businesses in the District. In 2017, residential participation reached a record high of 2,469 households, a 9% increase over the 2016 participation. Through the end of September 2018, a total of 1,907 residents dropped off their HHW, and 67 small businesses brought in their CEG hazardous waste. This year the District also held three remote collection events for HHW, serving a total of 224 households. The number of businesses taking advantage of our reasonably-priced CEG hazardous waste disposal services has remained steady due to the convenience of a safe, year-round collection center. Paint still constitutes the largest percentage of waste material collected at the HazWaste Center. All architectural paints collected through the HazWaste Center were managed through the Vermont PaintCare program, a manufacturer take-back program that provides significant savings for the District, as well as for local businesses needing to dispose of paint. Through the end of October 2018, the HazWaste Center collected a total of 129,084 lbs of flammable, toxic, and corrosive materials, of which 86,948 lbs. (67%) was paint, including both oil-based paint and latex paint (see chart below). The District does receive partial funding for its HHW diversion program through grants from the VT Agency of Natural Resources and the VT Agency of Agriculture, Food & Markets.



**Five Most Common Hazardous Wastes Collected at the HazWaste Center**



## Waste Paint Collected at the HazWaste Center



## Illegal Burning & Disposal

The District contracted with the Addison County Sheriff's Department in 2018 to enforce its illegal Burning & Disposal Ordinance. The Sheriff's office investigates all illegal burning/disposal complaints, which occasionally result in the issuance of a warning or a ticket. The District continues to serve as County Coordinator for Green-Up Day, Vermont's annual litter clean-up event. In addition to assisting the many area volunteers who organized collection of roadside litter, the District provides free disposable gloves, prizes for children, and most importantly, free disposal of the accumulated roadside waste. On Green-Up Day this year, the District subsidized disposal of 17.3 tons of roadside trash (see chart on following page), 0.39 tons of tires, 4 automotive batteries, 11 electronic devices, 1 appliance, and various other

abandoned hazardous wastes for a total economic benefit to its member towns of \$5,424. As a reminder, Act 148 requires all publicly accessed spaces in public buildings and on public land to place a recycling bin next to any trash bin (except for bathrooms).

## Annual Tons of Roadside Trash Collected by District Towns on Green-Up Day



## Organics Diversion

Act 148, Vermont's new Universal Recycling Law, has directed much of the District's efforts on organics diversion this year. On July 1, 2017, the organics mandate under Act 148 required food scrap generators of 18 or more tons/year to divert that material if any certified organics recycling facility with available capacity is located within 20 miles and is willing to accept these materials. Generators may also donate quality food to food shelves, provide appropriate food scraps to farmers for animal feed, and manage food scraps onsite, provided certain requirements are met. Also on July 1, 2017, all facilities (including non-mobile drop-off stations) had to begin offering collection of food scraps. In 2018, the law was amended to require "fast trash" and mobile facilities to begin collecting food scraps. By July 1, 2020: all commercial haulers that offer collection of Municipal Solid Waste must begin offering collection of food scraps; all generators, including residents, must divert food scraps; and a landfill ban on food scraps takes effect. The District is committed to working with each of its member towns, haulers and businesses to help them decide how best to comply with these new rules.

The District is preparing for these ambitious organics diversion requirements by continuing its focus on commercial food waste collection, increasing community and school outreach, promoting backyard composting, and ensuring that a compost facility and/or anaerobic digester is available to manage the food scraps. The District continues to sell home compost bins, solar digesters and kitchen compost collectors to any area resident. And thanks to a grant from the Agency of Natural Resources, the District was able to offer a more substantial discount on compost bins and solar digesters for those residents who attended the District's free backyard composting workshops. For those unable to compost at home, the Transfer Station accepts residential food scraps at no charge. Fifteen of the 16 town drop-off facilities within the District also now accept food scraps at a charge determined by the haulers who operate individual drop-offs. Haulers can provide free 5-gallon buckets at the drop-offs to all participants. The District promotes composting in schools through individual classroom presentations, technical assistance, and grant opportunities.

This year the District completed two grants through the VT Agency of Natural Resources (ANR), and one grant through the High Meadows Fund. One ANR grant allowed the District to provide \$3,500 directly to residents in the form of half-price discounts on composting bins and solar digesters. The discounts were also effective at increasing outreach efforts and training for residents, since receipt of the discount was contingent on residents attending a District-sponsored workshop. A second ANR grant provided a maximum of \$3,150 toward the cost of improving the District-owned box truck with colorful graphic decals and lettering. This will further promote the State-wide use of standardized logos for recycling, food scraps, hazardous waste, and special waste. The High Meadows Fund grant provided more than \$5,000 toward the cost of purchasing residential food scrap collection containers, including 5-gallon pails and 32-gallon carts. The District is continuing to distribute the 5-gallon pails as more households start to divert their food scraps. This grant was also used to refine and improve outreach materials for food scrap collection in District member towns. The District issued two grants of its own to area schools for improved recyclables sorting and onsite composting.



## Recycling Collection

Since the District Transfer Station began accepting single stream recyclables from commercial haulers in 2012, the volume of recyclables collected has increased dramatically. Through September of this year, 1,568 tons of single stream recyclables were received at the Transfer Station, representing a 20% increase above the first three quarters of 2017. Although a large percentage of the roughly 5,300 tons of single stream recyclables generated in the District is hauled directly to material recovery facilities, the Transfer Station serves as a local option for commercial haulers and local businesses.



As a reminder, all generators - residents and businesses - are required by state law and District ordinance to separate mandated recyclables from their waste. A State landfill ban of mandated recyclables took effect on 7/1/15. A list of mandated recyclables is available by contacting the District office or by visiting the District website. Recyclables collected in the District are now part of a “single stream” system, meaning they may be co-mingled in one recycling container. Commercial haulers in the District are therefore able to offer collection of plastics #3-#7 in addition to the list of mandated recyclables. The single stream recyclables are hauled to a material recovery facility, where they are mechanically sorted, baled and marketed.

Other types of Special Wastes and Prohibited Wastes are required by state regulations and/or District ordinance to be separated from the waste by the generator, and commercial haulers are not allowed to collect these wastes mixed with the trash. Complete lists of Special Wastes and Prohibited Wastes are available on the District’s website or by calling the District office.

All commercial hauling companies operating within member municipalities must be licensed by the District and the State, and all licensed commercial haulers who provide curbside waste collection are required by state law and District ordinance to offer recycling collection service to their customers. For residential customers, commercial haulers must imbed the cost of recycling in the trash bag rate.

In 2018, 19 District municipalities had access to town or private recycling drop-off centers. A list of the drop-off facilities can be found in Appendix B of this Report. The Town of Goshen provides curbside collection of trash and recyclables for its residents and businesses. Businesses and commercial haulers are able to drop off recyclables at the District Transfer Station.

## Reuse

The **REUSE IT OR LOSE IT!** Sheds at the Transfer Station continue to be busy. One shed is for reusable household goods such as lamps, furniture, dishware, toys, etc.; and a second shed is for reusable building materials such as windows, doors, cabinets, lumber and hardware. Program details, as well as guidelines for accepting materials for reuse, are available on the District's website, [www.AddisonCountyRecycles.org](http://www.AddisonCountyRecycles.org).

In addition to our regular reuse program, the District works with the Southern Windsor/Windham Solid Waste District to collect usable sewing machines for Sewing Peace, a non-profit that collects and distributes them to developing countries for vocational education and community service programs.

The District hosted Addison County's first Repair Café this summer. The free community event promoted repair in order to keep usable, fixable items out of the landfill. Repair experts from the community generously volunteered their time to fix broken household items, which participants brought from home. Some of the 65 attendees participated in the repair of their items and many learned new skills. The most common items were clothes and other textiles (bags and purses), small appliances such as toasters, fans, and teapots, and bikes. Of the approximately 70 items brought in for repair, 75 percent were successfully repaired by our awesome team of fixperts!



## Special Waste Recycling

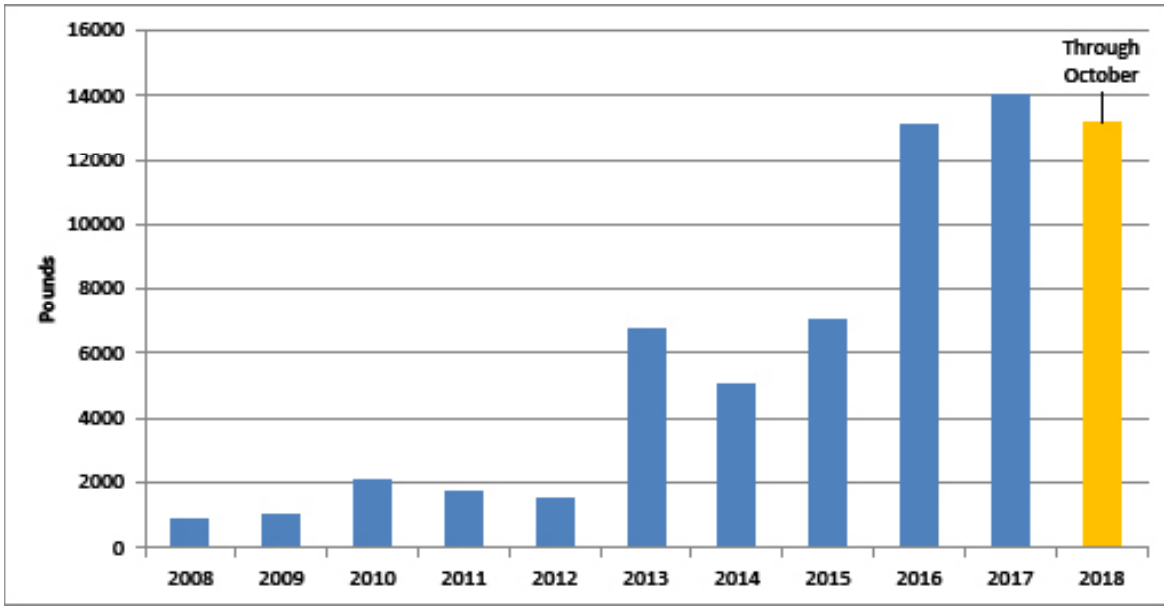
As a Collector under the VT Primary Battery Stewardship Law, the District is now recycling all "primary cell" batteries, which include non-rechargeable alkaline and carbon-zinc batteries. Last year the District collected 5,340 lbs. of primary cell household batteries, and 8,440 lbs. of rechargeable household batteries. Through September of this year, the District collected 4,760 lbs. of primary cell batteries, and 7,860 lbs. of rechargeable batteries. The District also continues to recycle non-rechargeable lithium batteries and button cell batteries.



Last year, the Transfer Station received 73 tons of books for recycling into paper, and 210 tons of tires for use as tire-derived fuel (see chart below). Through October of this year, the District collected 68 tons of books and 156 tons of tires. Used books are also typically available to the public in the household **REUSE IT OR LOSE IT!** program. Other items collected so far this year were: 350 tons of scrap metal; 2,700 gallons of waste oil; 40 drums of oil filters; 250 grill-size propane cylinders; 1,600 small propane cylinders; 170 fire extinguishers; and more than 8,700 lbs. of used maple sap tubing, which was recycled into new plastic products.

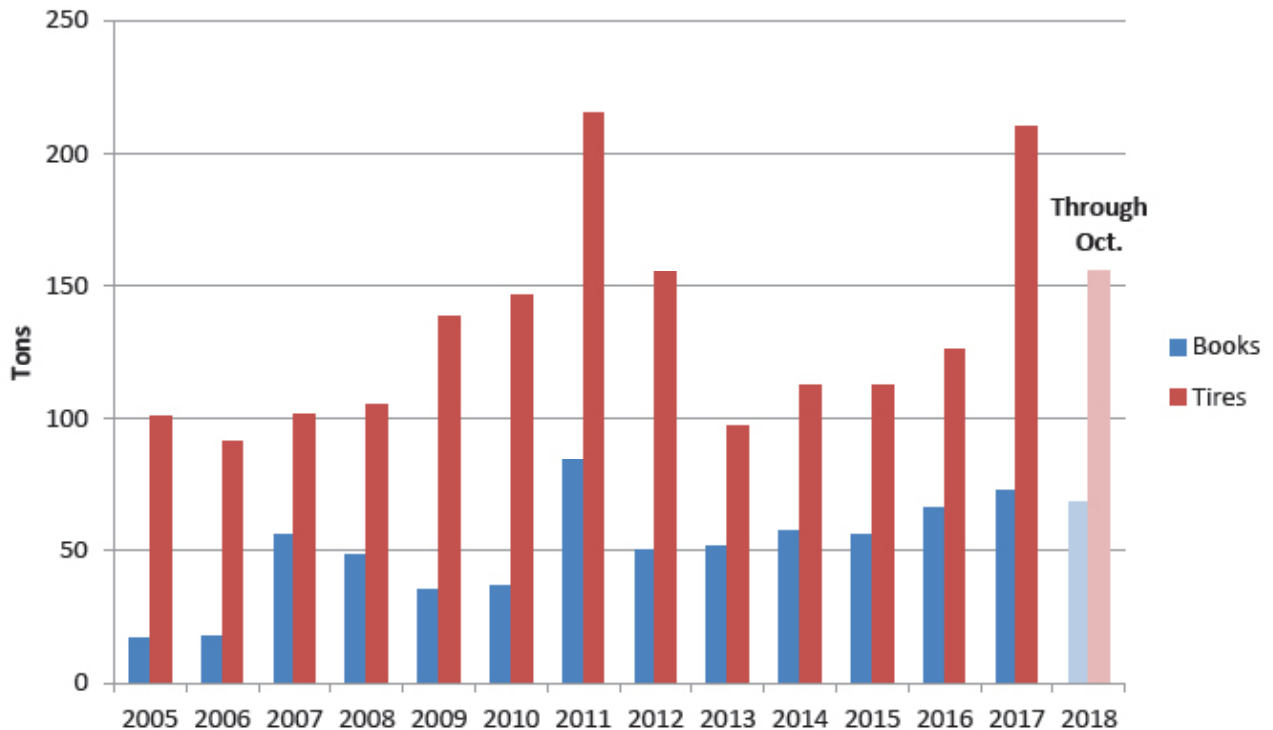


### Household Batteries Collected at the District Transfer Station



The District Transfer Station continues to serve as a Collector under the Vermont’s Mercury-containing Lamp Law, which requires manufacturers to take back and pay for recycling of fluorescent lamps. The District Transfer Station accepts general purpose fluorescent lamps in quantities of 10 or fewer per day, as well as any quantity of compact fluorescent lamps (CFLs), at no charge. A nominal fee applies for larger quantities (>10 lamps/day) of general purpose lamps and for all specialty bulbs such as high intensity discharge and ultraviolet bulbs, which are not covered by the program. All mercury-containing lamps are banned from landfill disposal in Vermont. Through September of this year, the Transfer Station recycled 6.59 tons of fluorescent lamps, which include numerous CFLs, as well as U-shaped, circular, ultraviolet, and many straight tubes of various lengths. All mercury lamps are recycled at a certified facility that recovers the aluminum end caps, glass, phosphor powder, and mercury.

### Books and Tires Collected at the District Transfer Station



# 2019 Proposed Annual Budget

The Addison County Solid Waste Management District's proposed Annual Budget for the 2019 calendar year is \$3,223,095. This represents a 7.69% increase from the 2018 Annual Budget of \$2,992,908. The District has based the proposed 2019 Annual Budget on receiving an estimated 20,662 tons of waste. The District continues to maintain \$100,000 in a Recycling Stabilization Fund and \$200,000 in an Organics Stabilization Fund. These funds will give the District the flexibility of withstanding the volatility of recycling market prices, and enable us to assist our member towns and local haulers with organics collection programs. The Capital Reserve, Closure, Rate Stabilization and Municipal & School Diversion Grant Funds will continue to be funded in 2019.

## Rates in 2019

The District Board proposes the following rate changes for 2019:

Program	2018 Rate	2019 Proposed Rate
Municipal Solid Waste (MSW) and Construction & Demolition (C&D)	\$123 per ton	\$126 per ton
Minimal Load (up to 100 pounds)	\$6 per minimum	\$7 per minimum
Single Stream Recycling Commercial Haulers	\$50 per ton	\$92 per ton
Single Stream Recycling Self-hauled Businesses	\$0	\$5 minimum load 1 CY or less \$92 per ton weighed
Asbestos - Non-Friable	\$200 per ton	\$250 per ton
Maple Sap Tubing	\$0	\$20 per load for tubing with fittings
Oil filters from businesses	\$60 per 55 gal drum	\$65 per 55 gal drum
Reuse Shed Visitors Fee for Small Item Drop-off	\$0	\$1 per visit or < 50 lbs drop-off fee
Reuse Shed Visitors Fee for Large Item Drop-off	\$3 > 50 lbs	\$4 > 50 lbs
Fluorescent Lamps (quantities of greater than 10 per day - combined)	\$.25 for 2' and 4' \$.50 for 8'	\$.35 for 2' and 4' \$.60 for 8'
Books	\$0	\$1 per residential transaction \$5 per business transaction
Commercial Hauler's Annual License Fee	\$20 per hauler	\$0 per hauler

As with prior years, the 2019 Annual Budget will be funded by a combination of: (1) tipping fees collected at the Transfer Station; (2) a per-ton District Fee on all waste generated within the District and destined for disposal; (3) donations or fees at special events sponsored by the District; (4) the sale of items such as compost bins; (5) grants, if available; (6) profit sharing of single stream recyclables and scrap metal; and (7) manufacturer EPR reimbursements. **No assessments to member municipalities are proposed for 2019.**

We encourage you to attend the District's Public Hearing on the Proposed 2019 Annual Budget. The hearing is scheduled for **Thursday, November 15, 2018 at 7:00 pm, at the Addison County Regional Planning Commission Office at 14 Seminary Street in Middlebury.** Your comments and suggestions are always welcome. We look forward to seeing you there!

# ACSWMD 2019 Budget - DRAFT

	2018 Approved Budget	Estimated 2018 Year End Total	2019 Proposed Budget
<b>General Operating Budget</b>			
<b>Revenues</b>			
Carry Over from Prior Year	392,501	461,168	291,513
Basic District Fee - Direct Haul (\$33.40/ton)	9,997	7,675	3,741
Basic District Fee - ADC (\$10/ton)	500	304	800
Admin Fee	24,038	24,174	24,348
Penalty Surcharges	3,500	764	1,500
Interest	2,128	6,374	5,995
Rental Income	7,800	6,600	3,900
Hauler's License	600	520	0
Governmental Tip Fees (Direct)	183,823	236,062	333,992
Due From Other Funds	37,271	50,997	52,028
Transfer Station MSW & C&D Tip Fees	2,581,173	2,573,903	2,603,374
Transfer Station Other Tip Fees - Tires	28,800	27,264	29,525
Asbestos	1,700	783	1,000
Certified Weights	1,900	1,625	1,700
Bond Interest	1,992	1,992	1,992
<b>Total Revenues</b>	<b>\$3,277,723</b>	<b>\$3,400,205</b>	<b>\$3,355,407</b>
<b>Expenditures</b>			
Personal Emoluments	922,240	875,323	989,663
General Office Expense	86,906	83,744	86,995
Transfer Station General	86,984	85,279	89,504
Transfer Station Direct	1,247,732	1,257,130	1,265,675
Utilities	23,970	23,233	24,860
Indirect Maintenance	19,450	20,139	22,378
Insurance	67,000	58,949	61,000
Local PILOT	21,000	21,529	22,000
Training/ Travel	17,600	19,728	22,360
Professional Expenses	13,200	13,340	9,200
Programs	256,727	295,298	408,740
Debt Service	30,000	30,000	0
Bad Debt	100	0	100
Designated Funds	200,000	325,000	220,620
<b>Total Expenditures</b>	<b>\$2,992,908</b>	<b>\$3,108,692</b>	<b>\$3,223,095</b>
<b>Net Gain (Loss)</b>	<b>\$284,815</b>	<b>\$291,513</b>	<b>\$132,312</b>

	2018 Approved Budget	Estimated 2018 Year End Total	2019 Proposed Budget
<b>Capital Reserve Fund Budget</b>			
<b>Revenues</b>			
Capital Res from Prior Year End	388,064	418,518	569,185
Funding from Cur. Year Budget	200,000	200,000	220,000
Interest	727	410	737
Fund Balance Transfer	0	107,957	0
Loans/ Sale of Equipment	0	0	0
<b>Total Funding</b>	<b>\$588,791</b>	<b>\$726,885</b>	<b>\$789,922</b>
<b>Expenditures</b>			
Capital Acquisitions	13,000	136,700	13,000
Capital Development	98,000	21,000	277,000
<b>Total Expenditures</b>	<b>\$111,000</b>	<b>\$157,700</b>	<b>\$290,000</b>
<b>Net Gain (Loss)</b>	<b>\$477,791</b>	<b>\$569,185</b>	<b>\$499,922</b>
<b>Grant Fund &amp; Transfer Budget</b>			
<b>Revenues</b>			
Beginning Budgeted Balance	37,271	50,997	52,028
<b>Expenditures</b>			
Due to General Operating Budget	(37,271)	(43,039)	(52,028)
Due to Capital Reserve Budget		(7,957)	
<b>Net Gain (Loss)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Rate Stabilization Fund - Tip Fee</b>			
<b>Revenues</b>			
Beginning Balance	100,070	100,000	101,886
Interest Revenue	167	1,390	0
<b>Expenditures</b>			
	0	0	0
<b>Fund Balance</b>	<b>\$100,236</b>	<b>\$101,390</b>	<b>\$101,886</b>
<b>Closure Fund</b>			
<b>Revenues</b>			
Beginning Balance	56,351	56,385	56,497
Interest Revenue	28	112	0
Transfer from General Fund	0	0	620
<b>Expenditures</b>			
	0	0	0
<b>Fund Balance</b>	<b>\$56,379</b>	<b>\$56,497</b>	<b>\$57,117</b>

	2018 Approved Budget	Estimated 2018 Year End Total	2019 Proposed Budget
<b>Municipal Diversion Grant Fund</b>			
<b>Revenues</b>			
Beginning Balance	35,544	35,544	30,544
Interest Revenue	0	0	0
<b>Expenditures</b>			
	-10,000	-5,000	-10,000
<b>Fund Balance</b>	<b>\$25,544</b>	<b>\$30,544</b>	<b>\$20,544</b>

### Rate Stabilization Fund - Recycling

<b>Revenues</b>			
Beginning Balance	100,070	100,426	101,126
Interest Revenue	167	700	0
Funds Transfer		0	
<b>Expenditures</b>			
	0	0	0
<b>Fund Balance</b>	<b>\$100,236</b>	<b>\$101,126</b>	<b>\$101,126</b>

### Rate Stabilization Fund - Organics

<b>Revenues</b>			
Beginning Balance	200,194	200,780	203,482
Interest Revenue	466	2,702	0
<b>Expenditures</b>			
	0	0	0
<b>Fund Balance</b>	<b>\$200,660</b>	<b>\$203,482</b>	<b>\$203,482</b>

### School Diversion Grant Fund

<b>Revenues</b>			
Beginning Balance	34,509	36,565	50,565
Fund balance transfer from GF	0	25,000	
<b>Expenditures</b>			
	-10,000	-11,000	-10,000
<b>Fund Balance</b>	<b>\$24,509</b>	<b>\$50,565</b>	<b>\$40,565</b>

# **Appendix A**

## **ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT**

### **Financial Statements**

**December 31, 2017**

**(With Independent Auditor's Report)**

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# Telling & Associates, CPA PC

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Certified Public Accountants  
5 Park Street – Middlebury, VT 05753

## **Independent Auditor's Report**

To the Board of Supervisors  
Addison County Solid Waste Management District  
Middlebury, VT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Addison County Solid Waste Management District, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Addison County Solid Waste Management District, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-12 and 32-33 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our 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.

Telling & Associates, CPA PC

Telling & Associates, CPA PC

Middlebury, Vermont

March 1, 2018

License # 092-0000692

**ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2017  
Unaudited**

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The discussion and analysis of the financial performance of the Addison County Solid Waste Management District ("District") provides an overall review of the District's financial activities for the year ended December 31, 2017. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the basic financial statements immediately following this discussion, to enhance their understanding of the District's financial performance.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for 2017 are as follows:

- The District began CY2017 with \$385,441 in undesignated funds in the General Fund. The Capital Reserve Fund ("CRF"), Rate Stabilization Fund ("RSF"), Municipal Diversion Grant Fund ("MDGF") and School Diversion Grant Fund ("SDGF") continued to be fully funded in 2017.
- In order to prepare for further implementation of the Universal Recycling Law ("Act 148"), the District carried over \$100,000 in a Recycling Rate Stabilization Fund ("RRSF") and \$200,000 in an Organics Rate Stabilization Fund ("ORSF"). These funds were to give the District the flexibility of transitioning into these programs without a major rate increase. In August of 2017, in order to increase the interest rates received on these funds, the District removed them from the General Fund and placed them into separate CDARS through the National Bank of Middlebury. The CDARS are laddered at 6, 12 and 24 months, respectively.
- In August of 2017, the Closure Fund ("CLF") was moved out of the regular "savings account" and into a 6-month CD through the National Bank of Middlebury, for the purpose of increasing the amount of interest earned on the principal balance of the fund. The CD rolls over automatically every 6 months. The CLF carried over to 2018 was \$56,386.
- **Rates:** Although the District Board of Supervisors ("Board") adopted some specific, per-piece rate changes, it did not adopt any per-ton rate changes for Municipal Solid Waste ("MSW") or Construction & Demolition Debris ("C&D") disposal, or for Single Stream Recyclables at the District Transfer Station ("Transfer Station") in 2017. The Transfer Station tipping fee remained at \$123/ton for MSW and C&D. The District Fee of \$33.40/ton on all solid waste destined for disposal, and \$10/ton on contaminated soils approved by the VT Agency of Natural Resources ("ANR") for use as Alternative Daily Cover ("ADC") at the landfill remained the same. The tipping fee for Single Stream Recyclables from Commercial Haulers remained at \$50/ton and no charge for self-haul businesses. Due to a rapid drop in recycling market prices, the District had to pay to recycle rather than receive any revenue sharing. The 2017 Average Commodity Revenue (ACR) in the Casella Hauling & Recycling contract began at \$74.00/ton on 1/1/17 and finished at \$51.71/ton on 12/31/17. Because the contract established a \$75/ton processing fee, the District had to pay the difference for any ACR below \$75/ton.
- The assets of the District exceeded its liabilities at the close of the year ended December 31, 2017 by \$3,403,585 (net position). Of this amount, a gain of \$75,727 in undesignated net position was incurred (12/31/16 undesignated fund balance of \$385,441, plus year ending 12/31/17 undesignated gain equals 12/31/17 undesignated fund balance of \$461,168). The designated net position of \$948,717 includes: \$418,518 in the CRF; \$100,496 in the RSF; \$56,386 in the CLF;

\$100,426 in the RRSF; \$200,781 in the ORSF; \$35,544 in the MDGF; and \$36,566 in the SDGF. In addition, \$1,993,700 is invested in capital assets net of related debt.

- The District awarded three School Diversion Grants this year for a total of \$2,410.66: \$604.41 was awarded to the Mary Hogan Elementary School for the installation of a waste sorting table in the cafeteria; \$1,000 was awarded to Middlebury Union Middle School for the construction of a food waste diversion table in the cafeteria; and \$806.25 was awarded to the Shoreham Elementary School for the installation of a refillable water bottle station.
- The District did not award any Municipal Diversion Grants to its District towns this year, as no towns submitted an application.

### Other Highlights

- The District completed year two of a three-year extended contract with Casella Waste Management (“CWM”) for the hauling & disposal of MSW/C&D.
- *GASB, Statement 49 for Accounting and Financial Reporting for Pollution Remediation Obligations* mandates that municipalities with pollution remediation obligations account for the cost of this liability on their balance sheets. The District has no pollution remediation obligations to report for 2017. We will continue, through careful monitoring and adherence to strict policies and state regulations, to reduce the risk of any such event.
- The District continued to collect scrap metal under a recycling contract with New England Quality Service, Inc. d/b/a Earth Waste Systems. The revenue sharing in the contract is based on a negotiated market price indicator. Scrap metal prices began the year at a very low price of \$34.82 /ton but rose steadily throughout the year to \$138.21/ton by year’s end.
- The CWM contract for transport and recycling services was due to end on 12/31/17. Due to a lack of competitive bidders to haul the District’s recyclables to the Chittenden Solid Waste District Material Recovery Facility (“MRF”), as well as positive customer service from CWM, the District voted to extend the CWM contract on 9/21/17 for one year, 1/1/18 – 12/31/18.
- The District’s contract with NCER was extended for a one-year period of 1/1/18 – 12/31/18. Under this agreement, the District was reimbursed \$.08 cents per pound for all Covered E-Waste.
- In 2017, the District continued with its BCBS/VT Qualified Health Plan and the VT Health Exchange and opted to purchase health insurance on behalf of all employees (who work at least 30 hrs/wk.) and their dependents.
- The District renewed an agreement with Eco AmeriCorps to have an AmeriCorps Member assist the District in school education and outreach in the areas of recycling and food waste reduction. Our new AmeriCorps member began her term in September 2017 and will serve until August 2018.
- The District devoted most of its resources in 2017 toward assisting towns, haulers, schools and businesses in preparing for Act 148 mandates that took effect on 7/1/17: (1) all food scrap generators of 18 tons/year (1/3 ton/week) or more having to divert their food scraps; and (2) transfer stations and drop-off facilities having to begin offering food scrap collection. Although the 7/1/17 deadline for haulers to offer food scrap collection was extended by the Legislature to 7/1/18, the majority of haulers parked at town drop-offs began to collect food waste.
- The District completed a Business Outreach Grant from the VT Agency of Natural Resources (“ANR”) and received two other grants: the High Meadows Fund Food Scrap Collection Grant

of \$5,841 and the ANR Composting Supplies Grant of \$3,500. These grant funds helped the District achieve and exceed the 2017 Act 148 mandates for food scrap collection.

- On 11/17/17, the District received a formal written request from the Town of Salisbury Selectboard to join the District.

## USING THIS ANNUAL FINANCIAL REPORT

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the District as a financial whole or as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial conditions. The basic financial statements of the District include both government-wide statements and fund financial statements.

*The Statement of Net Position and Statement of Activities* - also referred to as the “government-wide” financial statements - provide information about the activities of the whole District, presenting both an aggregate view of the District’s finances and a longer-term view of those assets. These statements distinguish between the governmental and business-type activities of the District.

*Major fund financial statements* provide the next level of detail about the District’s funds. The fund financial statements report on the operating results and financial position of the District’s most significant funds in more detail than the government-wide statements. Separate statements for each fund category - Governmental and Proprietary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds. For governmental funds, these statements tell how grants were spent in the short-term as well as what dollars remain for future spending. For proprietary funds, operating revenues result from exchange transactions associated with the principal activity of the fund.

The District reports on: (1) the Governmental Fund - the General Fund; and (2) the Proprietary Fund - the Transfer Station Fund, or Enterprise Fund. The Government-wide and Proprietary Fund financial statements are reported using the accrual basis of accounting. Governmental Funds are reported using the modified accrual basis of accounting.

## REPORTING THE DISTRICT AS A WHOLE

### Statement of Net Position and Statement of Activities

While this document contains information about the funds used by the District to provide services to its citizens, the view of the District as a whole looks at all financial transactions and asks the question, “How did we do financially during 2017?” The Statement of Net position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting, similar to the accounting used by the private sector companies. This basis of accounting takes into consideration all of the current year’s revenues and expenses regardless of when the cash is received or paid.

These two statements report the District’s net position and the change in those assets. This change in net position is important because it tells the reader whether the overall financial position of the District has improved or diminished. However, in evaluating the overall position of the District, non-financial information, such as changes in the condition of the District’s capital assets, also needs to be evaluated.

In the Statement of Net position and the Statement of Activities, the District is divided into two kinds of activities:

- *Governmental Activities* – Governmental activities are generally financed through the District Fees, state or federal grants, manufacturer EPR

reimbursements, recycling revenue sharing and miscellaneous non-exchange transactions.

- *Business-Type Activities* – Business-type activities are financed in whole or in part by fees charged to external parties.

**Changes in Net Position**

The Statement of Activities (Tables I and II) shows that the 2017 net position of the District was \$3,403,585, an increase of \$184,773. Of that total, the net position of the District's Governmental Activities decreased by (\$24,294), and the net position of the Enterprise Fund increased by \$209,067.

**Table I**  
**Net Position of Governmental and Business-type Activities**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current and Other Assets			1,695,321	1,572,270	1,695,321	1,572,270
Capital Assets	<u>637,442</u>	<u>661,736</u>	<u>1,385,254</u>	<u>1,500,015</u>	<u>2,022,696</u>	<u>2,161,751</u>
<b>Total Assets</b>	<b><u>637,442</u></b>	<b><u>661,736</u></b>	<b><u>3,080,575</u></b>	<b><u>3,072,285</u></b>	<b><u>3,718,017</u></b>	<b><u>3,734,021</u></b>
Long-term debt outstanding	0	0	23,399	28,996	23,399	28,996
Other liabilities	<u>0</u>	<u>0</u>	<u>291,033</u>	<u>486,213</u>	<u>291,033</u>	<u>486,213</u>
<b>Total Liabilities</b>	<b>0</b>	<b>0</b>	<b>314,432</b>	<b>515,209</b>	<b>314,432</b>	<b>515,209</b>
<b>Net Position:</b>						
Invested in capital assets, net of debt	637,442	661,736	1,356,258	1,291,019	1,993,700	1,952,755
Designated	0	0	948,717	880,616	948,717	880,616
Unrestricted (deficit)	<u>0</u>	<u>0</u>	<u>461,168</u>	<u>385,441</u>	<u>461,168</u>	<u>385,441</u>
<b>Total Net Position</b>	<b><u>637,442</u></b>	<b><u>661,736</u></b>	<b><u>2,766,143</u></b>	<b><u>2,557,076</u></b>	<b><u>3,403,585</u></b>	<b><u>3,218,812</u></b>
<b>Total Liabilities and Net Position</b>	<b><u>637,442</u></b>	<b><u>661,736</u></b>	<b><u>3,080,575</u></b>	<b><u>3,072,285</u></b>	<b><u>3,718,017</u></b>	<b><u>3,734,021</u></b>

**Table II**  
**Statement of Activities (Change in Net Position)**

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
<b>Revenues</b>						
<b>General Revenue</b>						
Basic District Fee	718,044	732,567	3,067	0	721,111	732,567
ADC	303	6,181	194	4,621	497	10,802
Interest	3,220	1,983	2,017	1,482	5,237	3,465
Miscellaneous	2,796	929	0	-2,500	2,796	-1,571
Admin Fees	15,611	13,824	9,975	10,335	25,586	24,159
Surcharge Fees	1,867	2,108	1,193	1,576	3,060	3,684
Certified Weights	1,013	200	647	150	1,660	350
DOT Barrels	273	217	163	163	436	380
Rental Income	4,759	4,463	3,041	3,337	7,800	7,800
Hauler's License Fees	220	217	140	163	360	360
Grant Revenues	45,527	40,754	0	856	45,527	41,610
Gain on Sale of Equipment	0	1,144	0	0	0	1,144
<b>Program Revenues</b>						
Appliances	15,113	14,160	0	0	15,113	14,160
Ballasts	792	1,150	0	0	792	1,150
Blue Bins	110	30	0	0	110	30
Clean Wood	5,427	4,834	0	0	5,427	4,834
Compost Program	12,816	6,097	0	0	12,816	6,097
Electronics	10,966	11,318	0	0	10,966	11,318
Fluorescent Lights	2,956	3,414	0	0	2,956	0
Food Waste	76	0	0	0	76	0
HHW/ CEG Program	11,439	8,861	0	0	11,439	8,861
Leaf & Yard Waste	998	799	0	0	998	799
Oil Filters	1,634	1,318	0	0	1,634	1,318
Pressurized Cylinders	1,138	1,120	0	0	1,138	1,120
Recycling Drop Off	84,975	80,329	0	0	84,975	80,329
Reuse Centers	33	33	0	0	33	33
Tire Recycling	30,965	18,274	0	0	30,965	18,274
<b>Material Sales Revenue</b>						
Batteries	5,370	4,075	0	0	5,370	4,075
Books	0	150	0	0	0	150
E-Waste Sales	18,583	15,520	0	0	18,583	15,520
Fluorescent Lights Sales	1,633	3,101	0	0	1,633	3,101
Recycling Sales	5,348	0	0	0	5,348	0
Scrap Metal Sales	51,363	18,776	0	0	51,363	18,776
<b>Tipping Fees</b>						
Non Friable Asbestos		0		931	0	931
MSW & C&D		0	1,913,374	1,943,373	1,913,374	1,943,373
<b>Total Revenues</b>	<b>1,055,367</b>	<b>997,947</b>	<b>1,933,611</b>	<b>1,964,486</b>	<b>2,989,178</b>	<b>2,959,020</b>
<b>Expenses</b>						
Wages	355,641	290,167	227,242	216,930	582,883	507,097
Benefits	160,440	135,925	102,515	101,619	262,955	237,544
General Office Expense	50,758	53,608	27,903	30,939	78,661	84,547
Transfer Station General	8,414	6,806	76,489	56,391	84,903	63,197
Transfer Station Direct	0	0	1,245,275	1,246,885	1,245,275	1,246,885
Utilities	12,322	10,916	8,911	8,161	21,233	19,077
Maintenance Indirect	6,956	6,759	6,942	7,751	13,898	14,510
Insurance	38,115	31,630	24,854	23,646	62,459	55,276
Interest	0	0	1,442	3,800	1,442	3,900
Local PILOT	12,268	11,407	7,839	8,528	20,107	19,935
Training & Travel	7,878	6,580	5,331	3,009	13,209	9,589
Professional Expense	9,328	5,085	5,321	804	14,649	5,889
Programs	193,579	215,414	5,765	3,576	199,344	218,990
Capital Expenditures	0	0	0	0	0	0
Grant	2,411	4,713	0	0	2,411	4,713
Debt Service	0	0	0	0	0	0
Depreciation & Amortization	33,224	36,947	177,415	165,446	210,639	202,393
<b>Total Expenses</b>	<b>891,334</b>	<b>815,956</b>	<b>1,922,744</b>	<b>1,877,585</b>	<b>2,814,078</b>	<b>2,693,542</b>
<b>Net Income (Loss)</b>	<b>164,033</b>	<b>181,991</b>	<b>11,067</b>	<b>86,899</b>	<b>175,100</b>	<b>268,891</b>
<b>Transfers</b>	<b>-188,327</b>	<b>-146,752</b>	<b>188,327</b>	<b>146,752</b>	<b>0</b>	<b>0</b>
<b>Changes in Net Position</b>	<b>-24,294</b>	<b>35,239</b>	<b>199,394</b>	<b>233,651</b>	<b>175,100</b>	<b>268,891</b>
<b>Prior Period Adjustment</b>	<b>0</b>	<b>0</b>	<b>9,674</b>	<b>0</b>	<b>9,674</b>	<b>0</b>
<b>Net Position- 12/31/16</b>		<b>626,497</b>	<b>2,557,075</b>	<b>2,323,424</b>	<b>3,218,811</b>	<b>2,949,921</b>
<b>Net Position 12/31/17</b>	<b>-24,294</b>	<b>661,736</b>	<b>2,766,143</b>	<b>2,557,075</b>	<b>3,403,585</b>	<b>3,218,812</b>

## REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

### Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objects. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: Governmental Funds and Proprietary Funds. Fund financial reports provide detailed information about the District's major funds. In the case of the District, the Governmental Fund is the General Fund, and the Proprietary Fund is the Enterprise (Transfer Station) Fund.

**Governmental Funds:** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is more than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The Governmental Fund financial statements can be found on pp. 15-18 of this report.

**Proprietary Funds:** The District maintains one type of Proprietary Fund – the Enterprise Fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District's Enterprise Fund accounts for the Transfer Station operations. The Proprietary Fund financial statements can be found on pp. 19-21 of this report.

**Notes to the Financial Statements:** The notes provide additional information that is essential to a full understanding of the data provided in the governmental-wide and fund financial statements. The notes to the financial statements begin on p. 22 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$3,403,585 (\$637,442 in Governmental activities and \$2,766,143 in Business-type activities) on 12/31/2017. The District's capital assets net of accumulated depreciation - such as land, buildings and equipment - less outstanding debts used to acquire those assets, amounted to \$1,993,700. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The District's solvency - the ability to fulfill its total obligations - is measured by comparing debt-to-assets ratio and debt-to-net position ratio. Debt-to-assets ratio, which equals 8.4%, a decrease of 5.4%, computes the percent of assets financed with debt. Debt-to-net position ratio, which equals 9.2%, a decrease of 6.8%, computes the amount that is owed for debt on every dollar that the District has available for use in providing services and programs.



At the end of the current fiscal year, the District is able to report positive balances in all three categories of net position: for the government as a whole, as well as for its separate Governmental and Business-type activities.

### **Governmental Activities**

The District administrative activities and programs relate to the governing body and staff in performance of their primary duties and subsidiary activities. These activities directly support other programs of the District and service its citizens.

**Grants:** The District continued to pursue and acquire grants provided by state government. ANR continued to allocate SWIP Grants to solid waste districts, alliances and municipalities based on a combination of population and number of communities in each. SWIP Grants are funded by the \$6/ton State Franchise Tax on VT-generated waste destined for disposal. SWIP Grant funds are limited to Household Hazardous Waste (“HHW”) activities, organics diversion activities and new diversion programs. In 2017, the District used the \$29,271 in SWIP Grant funds toward its HHW costs.

On 7/1/17, the District approved a Pesticides Grant from the VT Agency of Agriculture, Food & Markets (“AAF”) for a two-year term with a not-to-exceed \$16,000 for the disposal of pesticides that would otherwise have to be paid by the generators of the District. The cost of collection and disposal of pesticides invoiced to this grant and reimbursed in 2017 was \$10,414.

The District completed a \$5,128 Business Outreach Grant from ANR and received two others: \$5,841 from the High Meadows Fund Food Scrap Collection Grant; and \$3,500 from the ANR Composting Supplies Grant.

Including interest revenue of \$3,220, total revenues from Governmental activities were \$1,055,367.

**Recycling & Extended Producer Responsibility (EPR):** The District procured, negotiated, and/or maintained favorable contracts for scrap metal recycling, single stream hauling/ recycling, CFC removal from appliances, HHW/CEG hazardous waste disposal, book recycling, pressurized cylinder recycling, and clean wood grinding. The District also procured and negotiated favorable rates for recycling services for waste oil and oil filters, fluorescent lamps, E-Waste, ballasts and batteries. The District is a registered collector under the following Vermont Extended Producer Responsibility (“EPR”) programs: VT E-Cycles, VT Mercury Lamp Recycling, VT PaintCare, and VT Primary Battery Recycling. The District was reimbursed \$18,583 from the VT E-Cycles program to pay for collection, transportation and recycling of the “covered devices” under the law. The District was reimbursed \$1,633 from the VT Mercury Lamp Recycling program to pay for recycling of “covered” mercury-containing lamps. The VT PaintCare program covered all costs associated with transportation and recycling of leftover architectural paint collected by the District. Under the VT Primary Battery Recycling program, the District received free transportation and recycling of all household dry-cell batteries, as well as \$4,272.10 to help defray the costs of collection.

**Ordinances:** The District continued to contract with the Addison County Sheriff’s Department to provide enforcement of the District’s Illegal Burning & Disposal Ordinance. The District also utilized the auditing services of the Vermont Compliance Investigator, whose salary is paid in part by a grant from ANR, to monitor waste hauler compliance with the District’s Waste Management Ordinance.

### **Business-Type Activities**

In 2017, the District continued to operate its Transfer Station in Middlebury. General and tipping fee revenues from Business-type activities were \$1,931,794. Including the interest revenue of \$1,442, the total revenue from Business-type activities was \$1,933,236.

## FINANCIAL ANALYSIS OF DISTRICT FUNDS

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### Governmental Type Funds

#### *General Fund*

The focus of the District's Governmental Fund, or General Fund, is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

In 2017, the Financial Statements took into account all of the "governmental" or program activities and show both the direct and indirect revenues as well as expenses in this fund. This fund continues to include all grant activities as well. P. 17 of the financial statements shows the statement of revenues, expenses and changes in fund equity for all governmental fund types.

The General Fund is the chief operating fund of the District. On 12/31/2017, the District's Governmental Funds reported combined ending fund balances of \$0.

### Proprietary Type Funds

The Proprietary-type Fund used by the District is the Transfer Station Fund, or Enterprise Fund. It is used to account for operations that are financed and operated in a manner similar to private business enterprises where the costs (expenses, including depreciation) of providing transfer station services to the general public on a continuing basis are financed through user fees and other sources earmarked for these purposes.

Due to a trend in decreasing disposal tonnage over the past few years, the District was conservative in budgeting 2017 tonnage at 20,073 - closer to the budgeted 2016 level of 20,194 tons than the actual YE2016 tonnage of 21,438. Actual 2017 tonnage (including tires) was 21,687 tons - 1,614 tons higher than the 2017 budgeted figure. It is important to note that without including tires, the actual YE2017 tonnage was only 49 tons more than the actual YE2016 tonnage, showing that growth in MSW/C&D tonnage was minimal.

The 2017 year-end General Fund balance turned out to be higher than anticipated. Unrestricted funds increased by \$51,039, for a 2017 year-end, unrestricted General Fund Balance of \$461,168.

Designated funds were at a 2017 year-end balance of \$948,717, consisting of the following: (1) Capital Reserve Fund (CRF - \$418,518); (2) Closure Fund (CLF - \$56,386); (3) Rate Stabilization Fund for unanticipated hauling and disposal rate increases (RSF - \$100,496); (4) Recycling Rate Stabilization Fund for unanticipated recycling rate increases (RRSF - \$100,426); Organics Rate Stabilization Fund for unanticipated organics management costs, or to comply with Act 148 (ORSF - \$200,781); Municipal Diversion Grant Fund (MDGF - \$35,544); and School Diversion Grant Fund (SDGF - \$36,566).

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

The District's investment in capital assets for its Governmental and Business-type activities as of 12/31/2017 amounted to \$2,022,696 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, and equipment and machinery (including transfer trailers). Note 4 (Capital Assets) of the financial statements summarizes capital asset activity during 2017.

Major capital asset events during 2017 included the following budgeted items:

- The District's total fixed assets decreased by (\$136,055), mostly due to Depreciation. New Asset purchases included \$12,654 in the Transfer Station Area to improve drainage, replace the roof on the reuse shed, and purchase a new storage shed. Additional assets added were: \$6,485 for a new office telephone system, \$50,000 for a replacement Used Yard Truck, and \$2,444 for storage cabinets in the office conference room.
- The District secured a five-year, \$520,000 construction loan at 2.95% interest with the National Bank of Middlebury in 2014. The principal balance on the account as of 12/31/17 was \$28,996.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

- Predicting the tonnage for 2018 remains a challenge. However, it is reasonable to assume that MSW and C&D will either plateau or continue to decline slowly due to diversion efforts. The 2018 Annual Budget was therefore conservatively based on lower estimates than 2017 year-end tonnage. With the VT Architectural Waste Recycling Law ("Act 175") and an expanded focus on C&D diversion opportunities, it is risky to forecast an increase in C&D tonnage.
- On 11/16/17, the Board adopted the 2018 Annual Budget of \$2,992,908, an increase of 0.12%. The District has based the proposed 2018 Annual Budget on receiving an estimated 21,284 tons of MSW/C&D. The 2018 general operating revenues were budgeted at \$3,277,723, with a projected net gain of \$284,815. This assumed a 2018 Beginning Fund Balance ("BFB") in the General Fund of \$392,501.
- The CY2018 rates for MSW and C&D at the Transfer Station will remain at \$123/ton. The District Fees of \$33.40/ton on all waste destined for disposal, and \$10/ton on contaminated soils approved by ANR for use as ADC at the landfill will also remain the same.
- The Transfer Station rate for Single Stream Recyclables will remain at \$50/ton for Commercial Haulers, in anticipation of a continued decline in recycling market commodity prices and a resulting increase in the District's recycling costs. This is due to China's "National Sword" restrictions: (a) a ban on imported mixed paper and numerous types of plastics to take effect in January; and (b) a 0.5% contamination standard to take effect in March.
- Of the total adopted budget, 42.43% is directly related to the Proprietary Fund – the direct costs associated with the transfer and disposal of MSW and C&D. The remaining 57.57% supports District programs, services and administration. As with prior years, the 2018 Annual Budget will be funded by a combination of: (1) tipping fees and administrative fees collected at the District Transfer Station; (2) a per-ton District Fee on all waste generated within the District and destined for disposal; (3) donations or fees at special events sponsored by the District; (4) the sale of items such as compost bins; (5) state and federal grants, if available; (6) revenue sharing of recyclables such as scrap metal; and (7) extended producer responsibility (EPR) reimbursements from manufacturers. The Board adopted no assessments to member municipalities for 2018.
- The District will make the final payment on its five-year, \$520,000 construction loan in Feb. 2018.
- In 2018, the District will receive a SWIP Grant from ANR in the amount of \$39,027.54. The 2018 SWIP Grant includes a one-time increase of \$10,000 due to extra funds available to ANR for grants. In 2017, the District received a \$5,481 grant from the High Meadows Fund for Food Scrap Collection at Transfer Stations, and a \$3,500 Composting Supplies Grant from ANR.
- On 7/1/17, the District approved a two-year Pesticides Disposal Grant from the AAFM in the amount of \$16,000. Of that, \$10,414 was expensed and reimbursed in 2017. The District

anticipates spending \$8,000 in 2018. If necessary, it will request additional grant funds from the AAFM.

- The District contract with CWM for hauling and disposal services will continue for the third year of a three-year contract term. However, since adoption of the 2018 budget, CWM raised its per-ton disposal rate from \$58.15/ton to \$59.00/ton, a 1.014% annual CPI increase allowed under the terms of the contract. The CWM contract also allows for a Fuel Surcharge to be adjusted each month using the prior month's average fuel index from EIA/ Gov New England (PADD1A) index. Based on January diesel costs, fuel costs are up on average 21% in 2018 over 2017. At the end of 2017, diesel fuel was approximately \$2.40/gallon, far below the contracted \$3.75/gallon, the threshold where CWM could begin surcharging its fuel cost on its loads.
- On September 21, 2017, the District Board approved a one-year extension of its CWM contract for transportation and recycling services, with a contract end date of 12/31/18. Since the adoption of the 2018 budget, CWM raised its per-haul rate from \$283.78 to \$287.92, a 1.0145% annual CPI increase allowed under the terms of the contract.
- The District entered into a contract with NCER for the period of July 1, 2016 - December 31, 2017 for Electronic Waste ("E-Waste") recycling. This contract will be extended for one year beginning in Jan. 2018.
- The District will extend its contract with Shred-Ex for another year in 2018 for the recycling of books and the shredding/ recycling of confidential documents at the Transfer Station.
- In January, the District sent the Town of Salisbury a draft Admission Agreement for the Town of Salisbury to become a member of the District. The Town thereafter appointed a negotiator for the Agreement. The Town Selectboard discussed warning the two requisite votes to approve the Agreement and to join the District later in 2018. District membership is contingent upon final closure of the Town's unlined landfill, a factor that may affect the timing of the two votes.
- The District will continue to promote expansion of food waste collection and composting projects with local haulers and VT Natural Ag Products and will provide technical assistance, training and bin liners for participating businesses. The District will continue to promote backyard composting by offering regular composting classes and the sale of composters to residents. The next Act 148 deadline will take effect on 7/1/18 for haulers to begin offering collection of food scraps.
- In order to comply with its Materials Management Plan, the District anticipates spending extra funds on outreach to its residents, institutions and businesses in 2018, including copies, legal ads, displays at public events, and mailings. The District will also have to provide three HHW collection events for outlying municipalities.
- The District Municipal Drop-off Advisory Committee will pursue two goals: (1) to present revised Transfer Station / MRF Site Selection Criteria to the BOS for inclusion in its SWIP; and (2) to examine the public's need for a regional waste drop-off. The first step will be a survey to post on the District's website and to hand out at Town Meeting Day to gauge the public's interest in the availability of more facilities at more convenient hours and with access to drop-offs that accept more than MSW, C&D, leaf & yard debris and food scraps.
- The District will work with Weston & Sampson to review options for restructuring the wastewater and leachate systems at the Transfer Station. Weston & Sampson – the design and engineering company for the last transfer station expansion – reviewed the site capacity for diverting wastewater and leachate to the Town WWTF. They will research options and costs of constructing a lift station v. continuing to pump out the leachate and septic tanks on a regular basis.

**ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT**  
**Statement of Net Position**  
**December 31, 2017**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>Assets</b>			
Current assets:			
Cash	\$ -	\$ 1,561,224	\$ 1,561,224
Accounts receivable, less allowance	-	12,111	12,111
Grant receivable	-	29,271	29,271
Inventory	-	26,066	26,066
Prepaid expenses	-	66,649	66,649
Total current assets	-	1,695,321	1,695,321
Property, plant, and equipment net of accumulated depreciation	637,442	1,385,254	2,022,696
<b>Total assets</b>	<b>\$ 637,442</b>	<b>\$ 3,080,575</b>	<b>\$ 3,718,017</b>
 <b>Liabilities and net position</b>			
Current liabilities:			
Accounts payable	\$ -	\$ 100,578	\$ 100,578
Accrued liabilities	-	28,271	28,271
Unearned revenue	-	133,188	133,188
Note payable, current	-	28,996	28,996
Total current liabilities	-	291,033	291,033
Long-term liabilities:			
Accrued vacation	-	23,399	23,399
	-	23,399	23,399
Total liabilities	-	314,432	314,432
Net position:			
Net investment in capital assets	637,442	1,356,258	1,993,700
Unrestricted:			
Designated	-	948,717	948,717
Undesignated	-	461,168	461,168
Total net position	637,442	2,766,143	3,403,585
<b>Total liabilities and net position</b>	<b>\$ 637,442</b>	<b>\$ 3,080,575</b>	<b>\$ 3,718,017</b>

The accompanying notes are an integral part of the financial statements.

**ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT**  
**Statement of Activities**  
**Year Ended December 31, 2017**

Functions/Programs	Program Revenues		Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Grants	Governmental Activities	Business-type Activities	Total
<b>Primary government:</b>						
<b>Governmental activities</b>						
General fund	\$ 891,334	\$ 1,006,620	\$ 45,527	\$ 160,813	\$ -	\$ 160,813
<b>Business-type activities</b>						
Transfer station	1,922,744	1,931,794	-	-	9,050	9,050
<b>Total primary-government</b>	<b>\$ 2,814,078</b>	<b>\$ 2,938,414</b>	<b>\$ 45,527</b>	<b>\$ 160,813</b>	<b>\$ 9,050</b>	<b>\$ 169,863</b>
<b>General revenues</b>						
Net transfers				(188,327)	188,327	-
Interest income				3,220	2,017	5,237
<b>Total general revenue and transfers</b>				<b>(185,107)</b>	<b>190,344</b>	<b>5,237</b>
<b>Change in net position</b>						
				(24,294)	199,394	175,100
<b>Net position - beginning of year, as previously reported</b>						
Prior period adjustment				661,736	2,557,075	3,218,811
<b>Net position - beginning of year, as restated</b>				<b>661,736</b>	<b>2,566,749</b>	<b>3,228,485</b>
<b>Net position - end of year</b>				<b>\$ 637,442</b>	<b>\$ 2,766,143</b>	<b>\$ 3,403,585</b>

The accompanying notes are an integral part of the financial statements.

**ADDISION COUNTY SOLID WASTE MANAGEMENT DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2017**

	<u><b>General Fund</b></u>
<b><i>Assets</i></b>	
Total assets	\$ <u><u>-</u></u>
<b><i>Fund balance</i></b>	
Unassigned	\$ <u>-</u>
Total fund balance	<u>-</u>
<b><i>Total liabilities and fund balance</i></b>	\$ <u><u>-</u></u>

The accompanying notes are an integral part of the financial statements.

**ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Position**  
**December 31, 2017**

	<u>Total Governmental Funds</u>	<u>Long-term Assets and Liabilities</u>	<u>Statement of Net Position</u>
<b>Assets</b>			
Property, plant, and equipment net of accumulated depreciation	\$ <u>-</u>	\$ <u>637,442</u>	\$ <u>637,442</u>
Total assets	\$ <u><u>-</u></u>	\$ <u><u>637,442</u></u>	\$ <u><u>637,442</u></u>
<b>Fund balance/net position</b>			
Total fund balance/net position	<u>-</u>	<u>637,442</u>	<u>637,442</u>
<b>Total liabilities and fund balance/net position</b>	\$ <u><u>-</u></u>	\$ <u><u>637,442</u></u>	\$ <u><u>637,442</u></u>

The accompanying notes are an integral part of the financial statements.



**ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT**  
**Statement of Revenues, Expenses, and Change in Fund Balance**  
**Governmental Funds**  
**Year Ended December 31, 2017**

**Revenues**

General revenues	
Admin fee	\$ 15,611
Basic district fee	718,044
Contaminated soil	303
Grants	45,527
Interest	3,220
Miscellaneous revenue	9,060
Surcharge fees	1,867
Total general revenue	<u>793,632</u>

Tipping fees	
Appliances	15,113
Ballasts	792
Blue bins	110
Clean wood	5,427
Compost program	12,816
Computers and televisions	10,966
Fluorescent lights	2,956
Food waste	76
Household hazardous waste	11,439
Leaf and yard waste	998
Oil filter recycling	1,634
Propane tanks	1,138
Recycling drop off	84,975
Reuse center	33
Tires	30,965
Total tipping fees	<u>179,438</u>

Material sales revenue	
Batteries	5,370
E-waste	18,583
Fluorescent lights	1,633
Recycling sales	5,348
Scrap metal	51,363
Total material sales revenue	<u>82,297</u>

**Total revenues** 1,055,367

**Expenditures**

Wages	355,641
Benefits	160,440
Capital	8,930
General office expense	50,758
Grant	2,411
Insurance	38,115
Local pilot	12,268
Maintenance indirect	6,956
Professional expense	9,328
Programs	193,579
Training and travel	7,878
Transfer station general expense	8,414
Utilities	12,322

**Total expenditures** 867,040

**Excess of revenues over expenditures** 188,327

**Other financing use**

Transfers out	(188,327)
<b>Total other financing use</b>	<u>(188,327)</u>

**Change in fund balance**

**Fund balance - beginning of year** -

**Fund balance - end of year** \$ -

The accompanying notes are an integral part of the financial statements.

**ADDISION COUNTY SOLID WASTE MANAGEMENT DISTRICT**  
**Reconciliation of the Statement of Revenues,**  
**Expenditures, and Changes in Fund Balances of**  
**Governmental Funds to the Statement of Activities**  
**Year Ended December 31, 2017**

	Total Governmental Funds	Long-term Revenues and Expenses	Capital Related Funds	Statement of Activities Totals
<b>Revenues</b>				
General revenues	\$ 793,632	\$ -	\$ -	\$ 793,632
Program revenues	179,438	-	-	179,438
Materials sales revenue	82,297	-	-	82,297
<b>Total revenues</b>	<b>1,055,367</b>	<b>-</b>	<b>-</b>	<b>1,055,367</b>
<b>Expenditures</b>				
Wages	355,641	-	-	355,641
Benefits	160,440	-	-	160,440
Capital	8,930	33,224	(8,930)	33,224
General office expense	50,758	-	-	50,758
Grant	2,411	-	-	2,411
Insurance	38,115	-	-	38,115
Local pilot	12,268	-	-	12,268
Maintenance indirect	6,956	-	-	6,956
Professional expense	9,328	-	-	9,328
Programs	193,579	-	-	193,579
Training and travel	7,878	-	-	7,878
Transfer station general expense	8,414	-	-	8,414
Utilities	12,322	-	-	12,322
<b>Total expenditures</b>	<b>867,040</b>	<b>33,224</b>	<b>(8,930)</b>	<b>891,334</b>
<b>Excess of revenues over expenditures</b>	<b>188,327</b>	<b>(33,224)</b>	<b>8,930</b>	<b>164,033</b>
<b>Other financing use</b>				
Transfers out	(188,327)	-	-	(188,327)
<b>Total other financing use</b>	<b>(188,327)</b>	<b>-</b>	<b>-</b>	<b>(188,327)</b>
<b>Change in fund balance/net position</b>	<b>\$ -</b>	<b>\$ (33,224)</b>	<b>\$ 8,930</b>	<b>\$ (24,294)</b>

The accompanying notes are an integral part of the financial statements.

**ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT**  
**Statement of Net Position - Proprietary Fund**  
**December 31, 2017**

	<u>Transfer Station Fund</u>
<b>Assets</b>	
Current assets:	
Cash	\$ 1,561,224
Accounts receivable, less allowance	12,111
Grants receivable	29,271
Inventory	26,066
Prepaid expenses	66,649
Total current assets	<u>1,695,321</u>
Property, plant and equipment net of accumulated depreciation	<u>1,385,254</u>
<b>Total assets</b>	<b>\$ <u><u>3,080,575</u></u></b>
<b>Liabilities and net position</b>	
Current Liabilities:	
Accounts payable	\$ 100,578
Accrued liabilities	28,271
Unearned revenue	133,188
Note payable, current	28,996
Total current liabilities	<u>291,033</u>
Long-term liabilities:	
Accrued vacation pay	<u>23,399</u>
Total liabilities	<u>314,432</u>
Net position:	
Net investments in capital assets	1,356,258
Unrestricted:	
Designated	948,717
Undesignated	461,168
Total net position	<u>2,766,143</u>
<b>Total liabilities and net position</b>	<b>\$ <u><u>3,080,575</u></u></b>

The accompanying notes are an integral part of the financial statements.

**ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT**  
**Statement of Revenues, Expenses, and Change in Net Position**  
**Proprietary Fund**  
**Year Ended December 31, 2017**

	<u>Transfer Station Fund</u>
<b>Revenues</b>	
General Revenues	
Admin fees	\$ 9,975
Basic district fee	3,067
Contaminated soil	194
Miscellaneous revenue	303
Rental income	3,041
Surcharge fees	1,193
Total general revenue	<u>17,773</u>
Tipping fees:	
Certified weight	647
Disposal MSW & C&D	1,913,374
Total tipping fees	<u>1,914,021</u>
<b>Total revenues</b>	<u>1,931,794</u>
<b>Expenses</b>	
Wages	227,242
Benefits	102,515
Depreciation	177,415
General office expense	27,903
Insurance	24,354
Local pilot	7,839
Maintenance indirect	6,942
Professional expenses	5,321
Program expenses	5,765
Training and travel	5,331
Transfer station direct	1,245,275
Transfer station general expense	76,489
Utilities	8,911
<b>Total operating expenses</b>	<u>1,921,302</u>
<b>Operating income</b>	10,492
<b>Nonoperating revenues (expenses)</b>	
Interest revenue	2,017
Interest expense	(1,442)
Net transfer from governmental fund	188,327
<b>Total nonoperating revenues (expenses)</b>	<u>188,902</u>
<b>Net income</b>	<u>199,394</u>
<b>Net position - beginning of year, as previously reported</b>	2,557,075
Prior period adjustment	9,674
<b>Net position - beginning of year, as restated</b>	<u>2,566,749</u>
<b>Net position - end of year</b>	<u>\$ 2,766,143</u>

The accompanying notes are an integral part of the financial statements.

**ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT**  
**Statement of Cash Flows**  
**Proprietary Fund**  
**Year Ended December 31, 2017**

<b><i>Cash flows from operating activities:</i></b>	
Cash received from customers and users	\$ 1,907,164
Cash paid to employees	(323,927)
Cash paid to suppliers	(1,413,574)
<b>Net cash provided by operating activities</b>	<u>169,663</u>
 <b><i>Cash flows from capital and related financing activities:</i></b>	
Principal payments - notes	(180,000)
Interest paid on bonds and notes	(1,442)
Purchase of property, plant, and equipment	(62,654)
Transfer from governmental fund	188,327
<b>Net cash used by capital and related financing activities</b>	<u>(55,769)</u>
 <b><i>Cash flows from investing activities:</i></b>	
Interest on investments	<u>2,017</u>
<b>Net cash provided by investing activities</b>	<u>2,017</u>
 <b>Net increase in cash and equivalents</b>	 115,911
 <b>Cash and equivalent - beginning of year</b>	 <u>1,445,313</u>
 <b>Cash and equivalent - end of year</b>	 \$ <u><u>1,561,224</u></u>
 <b><i>Reconciliation of operating income to net cash provided by operating activities</i></b>	
<b>Operating income</b>	\$ <u>10,492</u>
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	177,415
Change in assets and liabilities:	
Decrease in accounts receivable	5,097
Increase in grant receivable	(2,928)
Decrease in prepaid expenses	16,757
Increase in inventory	(16,392)
Increase in accounts payable	191
Decrease in accrued liabilities	(1,232)
Increase in accrued vacation	7,062
Decrease in unearned revenue	(26,799)
<b>Total adjustments</b>	<u>159,171</u>
 <b>Net cash provided by operating activities</b>	 \$ <u><u>169,663</u></u>

The accompanying notes are an integral part of the financial statements.

## ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT

### Note to Financial Statements

#### **Note 1. Summary of Significant Accounting Policies**

The accounting policies of the Addison County Solid Waste Management District (the District) conform to generally accepted accounting principles (GAAP) as applicable to governmental units. The following is a summary of the more significant policies:

##### **a) Reporting Entity**

The Addison County Solid Waste Management District was approved by the voters on November 8, 1988. The District's charter was further approved by the state legislation on May 5, 1989. The District is a union municipality that exists to cooperatively and comprehensively address the solid waste management interest of its member municipalities. The mission of the District is to promote waste reduction; maximize diversion of waste through reuse, recycling, and composting; provide for the disposal of remaining waste; and seek environmentally sound and cost-effective solutions in all of its programs, services, and facilities.

The District is exempt from federal taxation under Internal Revenue Service Code 501(c) (1).

##### **b) Basis of Presentation**

###### **Government-wide Statements**

The Statement of Net Position and the Statement of Activities present financial information about the District's governmental and business-type activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Adjustments have been made to minimize the effect of internal transactions. Governmental activities generally are financed through grants and other nonexchange transactions.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities and for each segment of the District's business type activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of goods or services offered by the programs and grants and contributions that are restricted to meeting operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

###### **Fund Financial Statements**

The fund statements provide information about the District's funds. Separate statements for each fund category (governmental and proprietary) are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

# ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT

## Note to Financial Statements

### **Note 1. Summary of Significant Accounting Policies (continued)**

#### **b) Basis of Presentation (continued)**

##### **Governmental Fund**

**General Fund** - The General Fund is used to account for all revenues and expenditures applicable to the general operations of the governmental agency of the District. All general operating revenues which are not restricted as to use by sources external to the District are recorded in the General Fund.

##### **Proprietary Fund**

**Enterprise Fund** - Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that of the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges. The District uses one Enterprise Fund: The Transfer Station Fund.

#### **c) Measurement Focus and Basis of Accounting**

The governmental-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include grants and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if collected within sixty days of fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, which are recognized as expenditures to the extent they have matured. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisition under capital leases are reported as other financing sources.

#### **d) Budget**

The budget is developed using modified accrual and accrual basis of accounting and are approved by the Board of Supervisors. An annual budget is adopted for the General Fund and Proprietary Fund. The General Fund and Proprietary Fund budgetary basis of accounting utilizes generally accepted account principles.

#### **e) Cash and Cash Equivalents**

For the purposes of the statement of cash flows, the District considers all highly liquid investments available for current use with an original maturity of three months or less to be cash equivalents.

#### **f) Allowance for Uncollectible Accounts**

The District provides an allowance for uncollectible accounts for the estimated losses that will be incurred in the collection of all receivables. The estimated losses are based on the judgment of management and a review of the current status of existing receivables. The District has established an allowance of \$200 as of December 31, 2017.

# ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT

## Note to Financial Statements

### **Note 1. Summary of Significant Accounting Policies (continued)**

#### **g) Grants Receivable**

Grants receivables are shown as gross. No allowance for uncollectible accounts has been provided since the District expects to collect the full amount.

#### **h) Inventory**

Inventory consists of expendable items held for consumption. They are valued at cost on a first-in, first-out method.

#### **i) Capital assets**

Capital assets are reported at actual cost. Contributed assets are recorded at their estimated fair value at the time received. Net interest costs are capitalized on projects during the construction period. Depreciation is computed using the straight-line method over estimated useful lives as follows: buildings and building improvements – 10 to 20 years, transfer station equipment – 5 to 10 years, office equipment – 5 to 7 years, office building – 10 to 20 years. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in income for the period. The cost of maintenance and repairs is charged to income as incurred significant renewals and betterments are capitalized. Deduction is made for retirements resulting from renewals or betterments.

The capitalization policy adopted by the management specifies that an asset must exceed the following thresholds in order to be capitalized:

Buildings and building improvements	\$	750
Transfer station equipment		750
Office equipment		750
Office building	\$	750

#### **j) Long-term Debt and Deferred Charges**

In the government-wide and proprietary fund financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds on a straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

#### **k) Net position/Governmental Fund Balance**

In the government-wide financial statements, net position is classified in the following categories:

Net investments in capital assets – This category groups all capital assets into one component of net position. Accumulated depreciation and outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

Restricted net position – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.



## ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT

### Note to Financial Statements

#### **Note 1. Summary of Significant Accounting Policies (continued)**

##### **k) Net position/Governmental Fund Balance (continued)**

Unrestricted net position – This category includes both designated and undesignated net position of the District. Designated net position includes reserves that were established by the Board, which are considered internally designated. Undesignated net position is not restricted for any project or purpose.

In the fund basis statements there are five classifications of fund balance:

Non-spendable fund balance – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted – Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. All encumbrances of funds other than the General Fund are classified as restricted fund balances. The District does not have restricted fund balances.

Committed – Includes amounts that can only be used for the specific purpose pursuant to constraints imposed by formal action of the District's highest level of decision making authority. The District does not have committed fund balance as of December 31, 2017.

Assigned – Includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned – Includes all other governmental fund balance that do not meet the definition of the above four classifications and are deemed to be available for general use by the District.

Order of use of fund balance:

The District's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year. For all funds, non-spendable fund balances are determined first and then restricted fund balances for specific purposes determined. Any remaining fund balance amounts for funds other than the General Fund are classified as restricted fund balance. In the General Fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned. Assignment of fund balance cannot cause a negative unassigned fund balance.

##### **l) Use of Estimates**

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

## ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT

### Note to Financial Statements

#### **Note 2. Explanation of Certain Differences Between Governmental Fund Statements and the Government-Wide Statements**

Due to the difference in the measurement focus and basis of accounting used in the governmental fund statements and the government-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result from the economic focus of the statement of activities, compared with the current financial resources focus of the governmental funds.

Total fund balances of the District's governmental funds differ from "net position" of governmental activities reported in the statement of net position. This difference primarily results from the additional long-term economic focus of the statement of net position versus the solely current financial resources focus of the governmental fund balance sheet.

Differences between the governmental funds balance sheet and the statement on net position fall into one of the categories listed below:

1. The costs of building and acquiring capital assets (land, buildings and equipment) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the Balance Sheet. However, the Statement of Net Position includes those capital assets among the assets of the District as a whole, with their original costs capitalized and depreciation expensed annually over their useful lives.
2. Long-term liabilities are reported in the Statements of Net Position, but not in the governmental funds, because they are not due and payable in the current period.

#### Explanation of difference between Governmental Fund Balance and Governmental Net Position

Ending fund balance reported on governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balance	\$ -
Capital assets, net of related depreciation	<u>637,442</u>
Ending net position reported in Statement of Net Position for governmental activities	<u>\$ 637,442</u>

# ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT

## Note to Financial Statements

### **Note 2. Explanation of Certain Differences Between Governmental Fund Statements and the Government-Wide Statements (continued)**

Differences between the governmental funds statement of revenues, expenditures, and changes in fund balance and the statement of activities fall into one of the categories listed below.

1. Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities.
2. Capital related differences include the difference between proceeds for the sale of capital assets reported on fund statements and the gain or loss on the sale of assets as reported on the Statement of Activities and the difference between recording an expenditure for the purchase of capital items in the fund statements and depreciation expense on those items as recorded in the Statement of Activities.
3. Long-term debt transaction differences – Long-term debt transactions occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest payments are recorded in the statement of activities as incurred, and principal payments are recorded as a reduction of liabilities in the statement of net position.

#### Explanation of Differences Between Governmental Funds Operating Statements and the Government Wide Statement of Activities

Total revenues and other funding sources of governmental funds	\$	<u>1,055,367</u>
Total expenditures reported in governmental funds	\$	867,040
When the purchase or construction of capital assets is financed through governmental funds, the resources expended for those assets are reported as expenditures in the years they are incurred. However, in the Statements of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Expenditures for capital outlays		(8,930)
Current year depreciation		<u>33,224</u>
Total expenses of governmental activities in the Statement of Activities	\$	<u>891,334</u>

**ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT**

Note to Financial Statements

**Note 3. Concentration of Credit Risk – Cash and Cash Equivalents**

The carrying amount of the District's deposit with financial institutions was \$1,561,224 at December 31, 2017. The difference between the carrying amount and the bank balance represents reconciling items such as deposits in transit and outstanding checks, which have not been transmitted by the bank. The bank balances are categorized as follow at December 31, 2017:

Insured by FDIC	\$	500,000
Collateralized		1,131,252
Total bank balance	\$	<u>1,631,252</u>

**Note 4. Capital assets**

Capital asset activity for the year was as follows:

	<u>Balance January 1, 2017</u>	<u>Additions</u>	<u>Transfers &amp; Disposals</u>	<u>Balance December 31, 2017</u>
<b>Governmental-type activities:</b>				
Land	\$ 198,000	-	-	\$ 198,000
Building & site work	702,588	2,444	-	705,032
Equipment	108,297	6,486	(7,601)	107,182
Totals at historical cost	<u>1,008,885</u>	<u>8,930</u>	<u>(7,601)</u>	<u>1,010,214</u>
Less accumulated depreciation:	<u>(347,149)</u>	<u>(33,224)</u>	7,601	<u>(372,772)</u>
Governmental activities capital assets – net	<u>\$ 661,736</u>	<u>(24,294)</u>	<u>-</u>	<u>\$ 637,442</u>
	<u>Balance January 1, 2017</u>	<u>Additions</u>	<u>Transfers &amp; Disposals</u>	<u>Balance December 31, 2017</u>
<b>Business-type activities:</b>				
Building & site work	\$ 2,605,864	12,654	-	\$ 2,618,518
Transfer station equipment	1,061,727	50,000	-	1,111,727
Totals at historical cost	<u>3,667,591</u>	<u>62,654</u>	<u>-</u>	<u>3,730,245</u>
Less accumulated depreciation:	<u>(2,167,576)</u>	<u>(177,415)</u>	<u>-</u>	<u>(2,344,991)</u>
Business-type activities capital assets – net	<u>\$ 1,500,015</u>	<u>(114,761)</u>	<u>-</u>	<u>\$ 1,385,254</u>

**ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT**

Note to Financial Statements

**Note 5. Unearned Revenue**

The transfer station requires certain customers to maintain a deposit on account. Invoices are applied against the deposit. As of December 31, 2017, the District has received \$133,188 in transfer station fees for calendar year 2018.

**Note 6. Accrued Compensation Absences**

It is policy of the District to permit employees to accumulate earned but unused vacation benefits and compensatory time off. No liability is reported for unpaid accumulated sick leave because it is not a vested benefit. No expenditure is reported for these amounts in the governmental funds until paid. At December 31, 2017 vacation time payable amounted to \$23,399.

**Note 7. Bonds and Notes Payable and Schedule of Five Year Maturities**

Long-term liability activity for the year ended December 31, 2017 was as follows:

	<u>Balance January 1, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2017</u>
Business-type activities:				
Note payable	\$ 208,996	\$ -	\$ 180,000	\$ 28,996
	<u>\$ 208,996</u>	<u>\$ -</u>	<u>\$ 180,000</u>	<u>\$ 28,996</u>

<u>Description</u>	<u>Collateral</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Balance 12/31/17</u>
Note payable - NBM	Lien on property	2.95%	12/11/18	\$ 28,996
				(28,996)
				<u>\$ -</u>

The debt service requirements at December 31, 2017 for the next five years and thereafter are as follows:

	<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2018	\$ 28,996	\$ 1,000
Total	<u>\$ 28,996</u>	<u>\$ 1,000</u>

**ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT**

Note to Financial Statements

**Note 8. Designated Net position**

As of December 31, 2017, the Board of Supervisors has designated the net position of the Enterprise Fund as follows:

Capital Reserve Fund	\$	418,518
Closure Fund		56,386
Organic Rate Stabilization Fund		200,781
Rate Stabilization Fund		100,496
Recycling Stabilization Fund		100,426
Municipal Diversion Grant Fund		35,544
School Diversion Grant Fund		36,566
	\$	<u>948,717</u>

**Note 9. Deferred Compensation Plan**

The District offers its employees a deferred compensation in accordance with Internal Revenue Code Section 457. The District contributes on behalf of eligible employees in the amount of 5% of gross salary. The plan permits employees to defer a portion of their salaries until future years. Under provisions of the plan deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

The District paid total wages of \$582,883 in 2017 of which \$535,599 was covered by the plan. The District contributed \$26,780 in 2017.

**Note 10. Transfers**

The following table illustrates the transfer activity between the funds during 2017:

	Governmental Fund Activities	Business-type Activities
Surplus Operating Fund	\$ <u>(188,327)</u>	\$ <u>188,327</u>

Interfund operating transfers use unrestricted revenues collected in the General Fund to finance various programs that are accounted for in the proprietary fund in accordance with the budgetary authorization.

**Note 11. Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster. The District maintains insurance coverage through the Vermont League of Cities and Town Property and Casualty Intermunicipal Fund, Inc. covering each of those risks of loss.

## ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT

### Note to Financial Statements

#### ***Note 11. Risk Management (continued)***

Management believes such coverage is sufficient to preclude any significant uninsured losses to the District.

In addition, the District is a member of Vermont League of Cities and Towns Health Trust. The Health Trust is a nonprofit corporation formed to provide health insurance and wellness programs for Vermont municipalities and is owned by the participating members.

#### ***Note 12. Prior Period Adjustment***

The District corrected the amount recorded as inventory at December 31, 2016. The effect of the adjustment increased net position by \$9,674.

#### ***Note 13. Subsequent Events***

The Board of Supervisors has evaluated subsequent events through March 1, 2018, the date on which the financial statements were available to be issued.

**ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT**  
**Statement of Revenues, Expenses, and Change in Fund Balance Budget and Actual**  
**Budget to Actual - Governmental Funds**  
**Year Ended December 31, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
General revenues			
Admin fee	\$ 11,514	\$ 15,611	\$ 4,097
Basic district fee	681,561	718,044	36,483
Contaminated soil	-	303	303
Grants	34,343	45,527	11,184
Interest	864	3,220	2,356
Miscellaneous revenue	2,392	9,060	6,668
Surcharge fees	1,439	1,867	428
Prior year surplus	183,836	-	(183,836)
<b>Total general revenue</b>	<u>915,949</u>	<u>793,632</u>	<u>(122,317)</u>
Tipping fees			
Appliances	12,000	15,113	3,113
Ballasts	788	792	4
Blue bins	50	110	60
Clean wood	5,400	5,427	27
Compost program	5,920	12,816	6,896
Computers and televisions	10,760	10,966	206
Fluorescent lights	2,796	2,956	160
Food waste	4,400	76	(4,324)
Household hazardous waste	9,360	11,439	2,079
Leaf and yard waste	750	998	248
Oil filter recycling	2,075	1,634	(441)
Propane tanks	1,140	1,138	(2)
Recycling drop off	84,500	84,975	475
Reuse center	30	33	3
Tires	22,336	30,965	8,629
<b>Total tipping fees</b>	<u>162,305</u>	<u>179,438</u>	<u>17,133</u>
Material sales revenue			
Batteries	6,200	5,370	(830)
E-waste	18,400	18,583	183
Fluorescent lights	2,707	1,633	(1,074)
Recycling sales	-	5,348	5,348
Scrap metal	15,750	51,363	35,613
<b>Total material sales revenue</b>	<u>43,057</u>	<u>82,297</u>	<u>39,240</u>
<b>Total revenues</b>	<u>1,121,311</u>	<u>1,055,367</u>	<u>(65,944)</u>
<b>Expenditures</b>			
Wages	333,854	355,641	(21,787)
Benefits	181,756	160,440	21,316
Capital	80,598	8,930	71,668
Debt services	103,626	-	103,626
General office expense	42,228	50,758	(8,530)
Grant	-	2,411	(2,411)
Insurance	33,966	38,115	(4,149)
Local pilot	11,477	12,268	(791)
Maintenance indirect	9,585	6,956	2,629
Professional expense	10,593	9,328	1,265
Programs	277,930	193,579	84,351
Training and travel	9,450	7,878	1,572
Transfer station direct	679,503	-	679,503
Transfer station general expense	51,110	8,414	42,696
Utilities	13,198	12,322	876
<b>Total expenditures</b>	<u>1,838,874</u>	<u>867,040</u>	<u>971,834</u>
<b>Excess of revenues over expenditures</b>	<u>\$ (717,563)</u>	<u>\$ 188,327</u>	<u>\$ 905,890</u>

The accompanying notes are an integral part of the financial statements.



**ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Budget to Actual - Proprietary Fund**  
**Year Ended December 31, 2017**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>			
General revenue			
Admin fees	\$ 8,486	\$ 9,975	\$ 1,489
Basic district fees	-	3,067	3,067
Contaminated soil	-	194	194
Miscellaneous revenue	636	2,320	1,684
Rental income	-	3,041	3,041
Surcharge fee	1,061	1,193	132
Prior year surplus	135,490	-	(135,490)
Total general revenue	145,673	19,790	(125,883)
Tipping fees			
Asbestos	1,250	-	(1,250)
Certified weight	800	647	(153)
Other tip fees	300	-	(300)
Disposal MSW & C&D	1,798,556	1,913,374	114,818
Total tipping fees	1,800,906	1,914,021	113,115
<b>Total revenues</b>	<b>1,946,579</b>	<b>1,933,811</b>	<b>(12,768)</b>
<b>Expenses</b>			
Wages	246,056	227,242	18,814
Benefits	133,957	102,515	31,442
Capital	135,861	-	135,861
Depreciation	-	177,415	(177,415)
General office expense	31,123	29,345	1,778
Insurance	25,034	24,354	680
Local pilot	8,459	7,839	620
Maintenance indirect	7,065	6,942	123
Professional expense	7,722	5,321	2,401
Program expense	-	5,765	(5,765)
Training & travel	6,965	5,331	1,634
Transfer station direct	500,805	1,245,275	(744,470)
Transfer station general expense	37,669	76,489	(38,820)
Utilities	9,727	8,911	816
<b>Total expenses</b>	<b>1,150,443</b>	<b>1,922,744</b>	<b>(772,301)</b>
<b>Operating income</b>	<b>796,136</b>	<b>11,067</b>	<b>(785,069)</b>
<b>Net transfer from governmental fund</b>	<b>-</b>	<b>188,327</b>	<b>188,327</b>
<b>Net income</b>	<b>\$ 796,136</b>	<b>\$ 199,394</b>	<b>\$ (596,742)</b>





The accompanying notes are an integral part of the financial statements.

# Addison County Solid Waste Management District Town Drop-Off Information




**Addison:** Town Clerk Office, 65 VT Rte. 17 West      
Day and Time: Saturdays, 9am - 11am  
Hauler: R&L Rubbish (388-6288)





**Bridport:** Old Town Landfill on Happy Valley Rd.      
Day and Time: Saturdays, 7:30 am-12pm  
Hauler: Moose Rubbish and Recycling (897-5637)





**Bristol:** Town Garage on Pine St.      
Day and Time: Saturdays, 8am - 12pm  
Hauler: R&L Rubbish (388-6288)





**Cornwall:** Bingham Memorial School, 112 School St.      
Day and Time: Saturdays, 1pm - 3pm  
Hauler: R&L Rubbish (388-6288)


**Goshen:** Curbside Trash and Recycling      
Day and Time: Wednesdays  
Contact: Marci Hayes (247-3133)  
David Sabatini (247-6350)

**Leicester:** Town Shed, 2241 Fern Lake Rd.      
Day and Time: 1st and 3rd Saturday, 9am-12pm  
Contact: Van Denton (247-8340)





**Lincoln:** 1111 Downingsville Rd.      
Day and Time: Saturdays, 8am-1pm  
Hauler: Moose Rubbish and Recycling (897-5637)

**Middlebury:** Desabrais Glass, 198 Boardman St.      
Day and Time: Saturdays, 8am-10am  
Hauler: Desabrais Trash (989-4332)

**Monkton:** 4047 States Prison Hollow Rd.      
Day and Time: 2nd and 4th Saturday, 9am-12pm  
Contact: Amy Moody (453-5847)  
Hauler: PDS (453-7548)  
Casella (388-2915)

**New Haven:** Next to Fire station on Rte. 17 East      
Day and Time: Saturdays, 8am-12pm  
Contact: Town Clerk (453-3516)  
Hauler: R&L Rubbish (388-6288)

**Orwell:** Seguin Services, 344 Rte. 22A      
Day and Time: Saturdays, 9am-12pm  
Hauler: Seguin Services (948-2912)





**Ripton:** Town Shed, 333 Peddler's Bridge Rd.      
Day and Time: 1st and 3rd Saturday, 9am-12pm  
Contact: Warren King (388-4082)  
Hauler: Webb and Sons (388-4532)  
Casella (388-2915)

**Shoreham:** Behind Congregational Church, Rte. 74      
Day and Time: Saturdays, 9am-12pm  
Hauler: Moose Rubbish and Recycling (897-5637)

**Starksboro:** Town Garage, 3904 Rte. 116      
Day and Time: 1st and 3rd Saturday, 8am-11am  
Contact: Jen Turner (453-2639)  
Hauler: Moose Rubbish and Recycling (897-5637)

**Vergennes\*:** Intersection of Canal and West St.      
Day and Time: Saturdays, 8am-12pm & Wednesdays, 2pm-6pm  
Hauler: Casella (388-2915) or C&J Hauling (877-2461)

**Weybridge:** Behind Town Garage, 460 Quaker Village Road      
Day and Time: Saturdays, 9:30am-11am  
Summer: +Wednesdays, 6pm-7:30pm  
Contact: Brenda Jaring (545-2450)  
Hauler: Kimball (545-2891)

**Whiting:** Between Fire Dept. & School, 79 So. Main St.      
Day and Time: 2nd and 4th Saturday, 9:00am-11am  
Contact: Gayle Quenneville (623-7813)  
Hauler: BK Services (483-2800)

\* Addison, Ferrisburgh, Pantton and Waltham may also use this facility



ADDISON COUNTY SOLID WASTE  
MANAGEMENT DISTRICT  
802-388-2333  
WWW.ADDISONCOUNTYRECYCLES.ORG

 = Recycling  
 = Food Scrap Collection  
 = Trash  
 = Leaf & Yard waste: Contact your hauler to learn about their seasonal pick-up.

# ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT

## 2019 Proposed RATE SCHEDULE

### TRANSFER STATION & DISTRICT FEES

**Transfer Station Hours:**  
 Mon-Fri: 7:00 AM – 3:00 PM  
 Saturdays: 8:00 AM – 1:00 PM

**HazWaste Center Hours:**  
 Mon-Fri: 8:00 AM – 2:00 PM  
 Saturdays: 8:00 AM – 1:00 PM

**A \$1.00 admin fee is charged on all monetary transactions in addition to prices listed below.**

**WE ACCEPT:**

- MSW (Trash), Construction & Demolition Debris**.....\$126/ton
- Minimum Fee - Minimum Load Size - 1/2 ton for MSW only**.....\$63.00
- Minimum Fee - 100 lbs. or less - mixed debris**.....\$7.00/load
- (Telephone poles must be cut into 10' sections)
- Appliances w/ CFCs** (refrigerator, freezer, window A/C, water fountain, vending machine, dehumidifier).....\$10/ea.
- Commercial-Grade A/C units & outdoor residential A/C units.....At Cost
- Appliances - no CFCs** (furnace, washer, dryer, hot water heater, stove, dishwasher, microwave, woodstove, etc.).....No Charge
- Asbestos, Non-Friable (packaging requirements apply)**.....\$250/ton
- Ashes (wood)**.....\$1/load
- Batteries** (wet-cell, automotive).....No Charge
- Batteries** (small dry-cell, cell phones, rechargeable, button cell, lithium, lithium ion, NiMH, NiCad).....No Charge
- Books (hard and soft cover) – Residential**.....\$1.00/load
- Business**.....\$5.00/load
- Clean Wood**, brush, branches, (cut into 16" logs if > 6" diameter)
- Residential, small car only.....\$2.50/load
- Residential, regular pick-up truck or small trailer.....\$5/load
- Trucks (larger than pick-up truck), & ALL commercial loads.....\$50/ton
- Mulch loading assistance (upon request).....\$5/scoop
- Cooking Oil** (Large quantities call ahead).....No charge
- Documents** (Secure Destruction), small amounts only.....No charge
- Electronics** (large items or quantities charged by weight at the discretion of the scalehouse operator).....\$0.23/lb
- Computers, whole systems (includes everything).....\$11/ea. (or no charge\*)
- Computers, by piece (monitor or CPU or printer).....\$6/pc. (or no charge\*)
- Televisions (Regular size TV).....\$7/ea. (or no charge\*)
- (Console size TV).....\$15/ea. (or no charge\*)
- Desktop Photocopier.....\$1/pc.
- Small Electronics (Fax, VCR, DVD/CD, Stereo, Telephones, etc.).....\$2.50/pc.
- Mixed Bag (cords, adapters, CDs, tapes, cassettes, DVDs, chips, cards - grocery bag size).....\$5/bag
- Film Plastic & Plastic Bags** (must meet acceptance criteria).....No charge
- Fire Extinguishers** – >5 lbs.....\$5/ea.
- Fluorescent Light Bulbs** – Compact Fluorescent Lamps.....No Charge
- U-Tube, Circular or Straight Tubes 4 ft. or shorter**.....\$0.35/ea. (or no charge\*\*)
- Straight Tubes longer than 4 ft.**.....\$0.60/ea. (or no charge\*\*)
- HID Lamps.....\$1/ea. (or no charge\*\*)
- UV, Neon or other Specialty Lamps.....\$1.95/ea.
- Food Waste** (Residential only).....No Charge
- (Business, containers up to 5-gal).....\$1.25/ea.
- (Business, 35-gallon container).....\$11/ea.
- (Business, 48-gallon container).....\$15/ea.
- Hazardous Waste** (Residential) – (including all paint).....No Charge
- Hazardous Waste** (Business, CEG) (including all paint).....Actual Cost+\$5 Fee\*\*

**WE ACCEPT:**

- Leaf & Yard Waste** (grass clippings, leaves, small twigs) - 3 CY or less .....\$1/load
- Over 3 CY.....\$10/load
- Light Ballasts** (containing PCBs).....\$2.25/ea.
- Maple Tubing** (call for acceptance guidelines, by appointment only)
- Loads with fittings removed**.....No Charge
- Loads with fittings still attached**.....\$20/CY
- Mercury Devices** (intact thermometers, thermostats, etc.).....No Charge
- Motor Oil** (Residential, uncontaminated only, 10 gal or less per day).....No Charge
- (Business any amount or Residential >10 gal), uncontaminated only, drums by appt.).....\$0.30/ gal.
- Oil Filters** (Residential).....No Charge
- (Business) individual filters.....\$0.25/ea.
- (Business) 5-gallon pail full (crushed or uncrushed).....\$5/pail
- (Business) 55-gallon drum full (crushed or uncrushed)**.....\$65/drum
- Propane Tanks**, 1-lb (Residential).....No Charge
- 1-lb (Business).....\$1/ea.
- 20-lb or larger (grill size, resident or business).....\$3/ea.
- Recycling – Single Stream Recyclables from Commercial Haulers**.....\$92/ton
- Single Stream self-hauled from Businesses, 1 CY or less**.....\$5.00
- Single Stream self-hauled from Businesses > 1 CY**.....\$92/ton
- Reuse it or Lose it!** (for items accepted at the discretion of the scalehouse operator)
- Per Visit - Dropping off (50 lbs or less) or Just Visiting Admin Fee**.....\$1.00/visit
- Household goods weighing >50 lbs**.....\$4/ea.
- Construction Materials** (reusable lumber, doors, fixtures, windows, etc.).....No Charge
- Scrap Metal**.....No Charge
- Stumps**.....\$15/CY
- Textiles** (Must be clean, dry, and in bags).....No Charge
- Tires** - Passenger Tires.....\$2.25/ea.
- Large Truck Tires.....\$8/ea.
- Agricultural Tires.....\$50/ea.
- Earthmoving Tires, Extra Large Tires, Large Quantities of Tires .....\$0.08/lb.

**District Fee** – \$33.40/ton on all MSW and C&D disposed of (included in Transfer Station tip fee), and \$10/ton on contaminated soils approved by ANR for use as ADC.

Vehicles requiring only a **scale weight** are charged **\$5.00 per weigh**.

\* VT E-Waste Law – No charge for households, 501(c)(3) charities, school districts, small businesses (10 or < employees) OR 7 or < covered items/visit.  
 \*\* VT Mercury Lamp Law – No charge for general purpose mercury bulbs, 10 or </per day.

\*\*\* VT Paint Law – No charge for architectural paint. The \$5-per-visit admin. Fee will be waived on paint-only loads.

**Tel: (802) 388-2333 | Fax: (802) 388-0271**  
**www.AddisonCountyRecycles.org**



# ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT

1223 ROUTE 7 SOUTH • MIDDLEBURY, VERMONT 05753  
P. 802-388-2333 • F. 802-388-0271  
[ADDISONCOUNTYRECYCLES.COM](http://ADDISONCOUNTYRECYCLES.COM)

2018