



# 2020 Annual Report and Proposed Budget for Calendar Year 2021



1223 Route 7 South  
Middlebury, VT 05753

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E. [acswmd@acswmd.org](mailto:acswmd@acswmd.org)

[AddisonCountyRecycles.org](http://AddisonCountyRecycles.org)

## Addison County Solid Waste Management District

## 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: Vacant  
Alt: Andrea Landsberg

### FERRISBURGH

Rep: Vacant  
Alt: David Olson

### GOSHEN

Rep: Diane Mott  
Alt: David Sabatini

### LEICESTER

Rep: Richard Reed  
Alt: Diane Benware

### LINCOLN

Rep: Bill Finger  
Alt: Sally Ober

### MIDDLEBURY

Rep: Eric Murray  
Alt: Andy Hooper

### MONKTON

Rep: Deborah Gaynor  
Alt: Jessica Demeritt

### NEW HAVEN

Rep: Patrick Palmer  
Alt: Vacant

### ORWELL

Rep: Karl Thomsen  
Alt: Thomas Audet

### PANTON

Rep: Paul Sokal  
Alt: Todd Presson

### RIPTON

Rep: Jay Harrington  
Alt: Steven Zwicky

### SHOREHAM

Rep: Randy Orvis  
Alt: Jason Paquette

### STARKSBORO

Rep: Susan Reit deSalas  
Alt: Vacant

### VERGENNES

Rep: Cheryl Brinkman\*\*  
Alt: Vacant

### WALTHAM

Rep: Andrew Martin  
Alt: Timothy Ryan

### WEYBRIDGE

Rep: Tim Wickland\*  
Alt: Vacant

### 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.....Jessie-Ruth Corkins  
Administrative Assistant.....Chantel Bolduc  
Transfer Station Operators.....Richard Cota  
Chad Kimball  
Jake Vukas  
Transfer Station Attendants (P/T).....Wes Kimball  
Ricky Rheume  
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: 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  
SALISBURY  
SHOREHAM  
STARKSBORO  
VERGENNES  
WALTHAM  
WEYBRIDGE  
WHITING

October 26, 2020

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

We are pleased to present the 2020 Annual Report of the Addison County Solid Waste Management District. The attached report highlights the District's activities over the past calendar year. It also includes a **proposed budget** for the 2021 calendar year and the results of an independent audit of the District's financial statements for the year ending December 31, 2019.

The District continues to fulfill its mission of promoting waste reduction and maximizing diversion of waste through reduction, 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 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 waste reduction, reuse, recycling and composting. The District will continue to plan for sustainable 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 2020 Annual Report and the proposed 2021 Annual Budget. We welcome your comments and suggestions. A **public hearing** on the proposed budget will be virtually held via Zoom on **Thursday, November 19, at 7:00 PM**. To register for access to the meeting, please contact Patti Johnson at [patti@acswmd.org](mailto:patti@acswmd.org), or by calling the office at 388-2333. The Board of Supervisors will consider any comments and adopt a final budget on or before December 31, 2020.

We look forward to your participation in the public hearing!

Sincerely,

Teresa A. Kuczynski  
District Manager

cc: ACSWMD Board of Supervisors



# 2020 Community Feedback & Questions



- *"Thank you for the workshop! It was very helpful." - Zoom Compost Workshop participant*
- *"Hi, my wife and I use the Transfer Station from time to time. We wanted to send a thank you to the staff. We are always greeted by friendly, helpful and hardworking people. The residents of the county who use the service are very grateful that you are all doing such a good job, and I just wanted to say 'thanks!'" - Email*

Who picks  
up food scraps in  
my area?

What do I  
do with meat  
& bones?



**Addison County Solid Waste Management District 2020 Annual Report**

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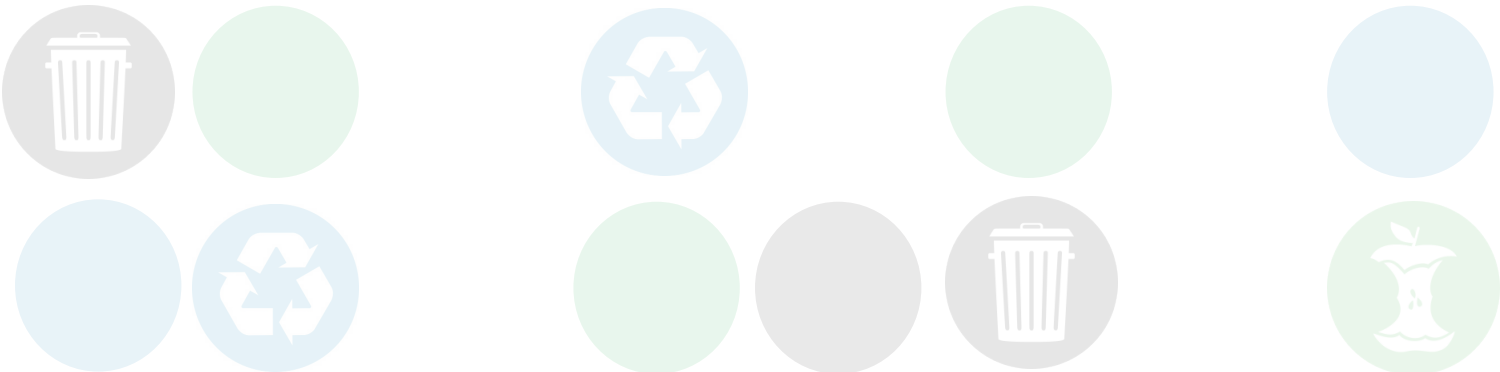
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**An electronic version of this Annual Report is available at  
[www.AddisonCountyRecycles.org/about/resources/annual-report](http://www.AddisonCountyRecycles.org/about/resources/annual-report).**



# 2020 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 21 member municipalities: Addison, Bridport, Bristol, Cornwall, Ferrisburgh, Goshen, Leicester, Lincoln, Middlebury, Monkton, New Haven, Orwell, Panton, Ripton, Salisbury, Shoreham, Starksboro, Vergennes, Waltham, Weybridge, and Whiting.

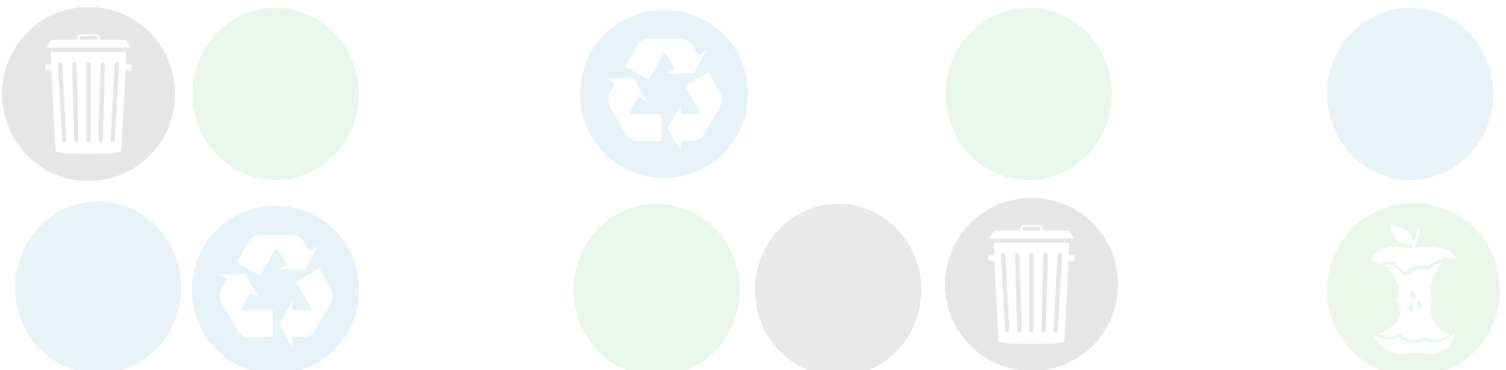
## BOARD OF SUPERVISORS

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 21 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 virtually on the third Thursday of the month at 7 PM due to the ongoing pandemic.

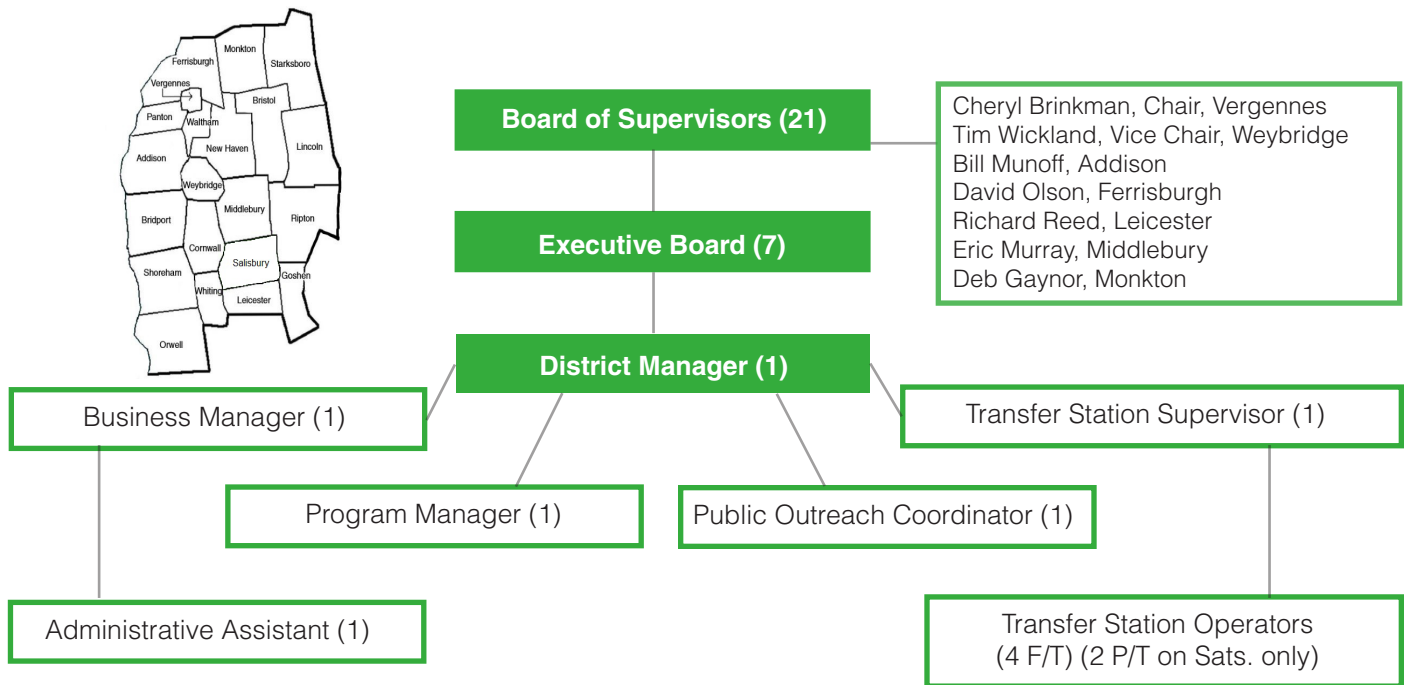
## EXECUTIVE BOARD

The Executive Board, a subgroup of the Board of Supervisors, meets virtually on a monthly basis, eight days prior to the monthly Board meetings (usually on the second Wednesday), at 3 PM. 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).



# District Organizational Chart



## 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 Household 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. The District office, co-located at the Transfer Station, provides information and technical assistance on a wide range of waste management, reduction, composting, 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).





# District Manager's Report

## COVID-19

This has been a difficult year, requiring the flexibility to adapt to the COVID-19 pandemic that disrupted all of the lives of our community residents and businesses. The Addison County Solid Waste Management District staff have been working diligently toward maintaining the solid waste management and collection system within its 21 member municipalities during these challenging times. In a March 19th memo, the District was notified that waste collection employees were considered essential critical infrastructure workers under the Department of Homeland Security's Cybersecurity & Infrastructure Security Agency (CISA) and applicable state and local emergency declarations. The CISA guidance was intended to promote the ability of such workers to continue to work during periods of community restrictions, social distancing, and/or emergency orders and directives issued by state and local agencies and officials.

The District proceeded to adopt measures at the District Transfer Station in Middlebury to reduce the potential for COVID-19 exposure to staff and customers. On March 30th, the District Transfer Station began to limit residential traffic to those residents dropping off food scraps. All other District programs were temporarily closed for residential use. The District Transfer staff received reduced paid hours to assist with the stress of working five days per week. The Reuse It or Lose It! sheds were closed until further notice.

On April 9, 2020, the VT Agency of Natural Resources issued a COVID-19 Guidance document for solid waste managers. In accordance with the Governor's Stay Home/Stay Safe Executive Order 01-20 (Addendum 6 of March 24, 2020), services or functions in Vermont deemed critical to public health and safety, as well as economic and national security, included solid waste collection services for trash, food scraps, and mandated (blue bin) recyclables. Solid waste facilities were advised to suspend other programs and to prioritize the collection of these three essential waste types. Despite the disruption of COVID-19, the District Transfer Station remained open to commercial haulers and area businesses, and continued to provide access to the range of services the Transfer Station provides. Haulers continued to collect trash and blue bin recyclables (and food scraps, if offered) at the curb. Towns worked with the haulers servicing their local Town Drop-offs to ensure uninterrupted but safer operations.

The Legislature passed Act No. 69 in 2019. The multiple requirements in the law to ban single-use expanded polystyrene food service products provided by a store or food establishment took effect on July 1, 2020. A store or food establishment was also prohibited from providing single-use plastic carryout bags. Expanded polystyrene food service products were no longer allowed to be sold in Vermont. Plastic straws are available upon request only, and plastic stirrers were banned. A study committee emerged from Act 69 to further examine ways to manage packaging and printed materials.

The Transfer Station reopened its special waste programs and HazWaste Center to residential customers on May 18. The District has adopted COVID-19 Precautionary Guidelines for all visitors. To reduce exposure to our staff and other customers, visitors are asked to stay home if sick, and when visiting, to



practice social distancing by keeping at least 6 feet away from others, and to wear a mask. Visitors are asked to consolidate wastes and minimize trips, and to assume that all programs are self-serve only. Our reliable Transfer Station staff deserve praise for continuing to work throughout this crisis in order to keep the waste moving. Local commercial haulers are also to be commended for providing uninterrupted service throughout the pandemic.

In accordance with Addendum 5 to the Governor's Executive Order (Order to Work From Home for all Businesses and Non-Profits) and Stay Home/ Stay Safe, all businesses, non-profit entities and government entities were instructed to continue procedures to support work from home and telecommuting for all workers to the extent possible. In response, the District closed its administrative office to the general public, and instructed office staff to work at home when feasible and to perform their functions remotely. Staff was able to check phone and email messages on a regular basis and to continue to post important information on social media. Salaried staff now rotate days in the office to complete tasks requiring their presence, but in a manner that encourages social distancing. For further assistance or information, please go to our website or give us a call. We appreciate everyone's patience and cooperation as we strive to protect the health of our employees, customers and communities. Thank you!

## **New Bans**

### **Food Scraps**

Increased food scrap diversion continued to be the major goal in 2020. As a remaining mandate of the Universal Recycling Law (URL), a statewide landfill ban of food scraps took effect on July 1. Haulers were required to begin offering collection of food scraps from residential properties with 4 or more units, and from commercial businesses. The District focused its efforts this year on ensuring that residents and businesses had town and District drop-off options for their food scraps.



Colin Clarcq, AmeriCorps Member

### **Single-use Plastic Products and Plastic Bags**

The Legislature passed Act No. 69 in 2019. The multiple requirements in the law to ban single-use expanded polystyrene food service products provided by a store or food establishment took effect on July 1, 2020. A store or food establishment was also prohibited from providing single-use plastic carryout bags. Expanded polystyrene food service products were no longer allowed to be sold in Vermont. Plastic straws are available upon request only, and plastic stirrers were banned. A study committee emerged from Act 69 to further examine ways to manage packaging and printed materials.



# Outreach Summary

The District promotes its mission of waste reuse, reduction, recycling, and diversion of organics through outreach to our community in various ways. This has generally included presentations and workshops to schools, businesses, community groups and institutions, but with the 2020 COVID-19 pandemic, outreach this year has been limited to online, over-the-phone and small in-person meetings. This year, we were able to publish our biannual *News to Reuse* newsletter, post on social media outlets including Front Porch Forum, Facebook, and our new Instagram account, as well as run ads in our local newspapers.

The District continues to provide one 18-gallon recycling “blue bin” to all new residents and a replacement bin for anyone who needs one, free of charge. Blue bins are also made available at town clerks’ offices throughout the District, along with information on proper recycling. The District also offers recycling bins and food scrap containers for businesses at little or no cost. When community events resume safely, the District will once again offer its X-Frame Loan Program that provides easy-to-use, portable recycling and food scrap receptacles. These bins are free to event organizers and are a great way to boost diversion awareness. The District provides liner bags and set-up instructions.

In 2020 the District provided thousands of free 5-gallon food scrap buckets to District residents that did not already have one. These buckets will continue to be available in 2021. This was part of a larger effort Statewide that banned food waste from the landfill in any quantity on July 1st as part of Vermont’s Universal Recycling Law. We also sold Kitchen Collectors, Soil Saver Compost Bins and Green Cone Solar Digesters, providing information with each sale on how to manage food scraps.

The District’s website, [www.AddisonCountyRecycles.org](http://www.AddisonCountyRecycles.org), continues to be a great resource for residents and businesses to learn more about recycling, methods for managing organics, identifying and handling hazardous waste, and waste reduction and reuse options. The website offers up-to-date news on the District and features an A-Z Disposal Guide. This searchable guide allows users to learn proper disposal methods for hundreds of common and unique items.







Colin Clarcq, AmeriCorps Member

## 2020 School Outreach

This year has offered various opportunities for District staff to work with schools. In January, District Staff assisted students at Mary Hogan Elementary in studying food waste, milk waste and packaging waste. In February, District Staff made a school-wide presentation at Shoreham Elementary on what the upcoming food waste ban meant at school and at home. New opportunities to engage with schools emerged in July as school staff prepared for the '20-'21 school year. With a grant from the VT Agency of Natural Resources, the District distributed 225 four-gallon green food scrap buckets to Addison County schools for the collection of food scraps in the classrooms. The District distributed an additional 270 food scrap buckets for classrooms in Addison County using five gallon buckets donated by Cabot Creamery. In August and September, District Staff met with Orwell Village School and ARK PreK staff to offer technical advice and assistance with on-site composting.

## 2020 Business Outreach

District staff began preparing resources and guidance for area businesses early in the year on managing food waste. We hosted a workshop in conjunction with the Addison County Chamber of Commerce that attracted over 50 attendees spanning various businesses in the county. With the pandemic shutdown and subsequent reopening, there was a surge in demand for business outreach from all sectors on managing food waste in June, July and August. The District continued to provide compostable liner bags to businesses who set up curbside toter pick-up. With the distribution of liner bags, information was also provided on recycling and proper hazardous waste management.

## 2020 Community Outreach

Due to the pandemic, District staff quickly responded by transitioning backyard composting workshops to online Zoom sessions. We offered six workshops during April, May, and June, and 120 residents joined us online. In our Spring *News to Reuse*, we launched a contest called, "PLUs Give Compost the Blues," which promoted the removal of produce stickers from fruit and veggie scraps before composting. Two hundred residents sent into contest cards. Fifteen residents were randomly selected to win \$20 in Middlebury Money during the months of June, July and August.

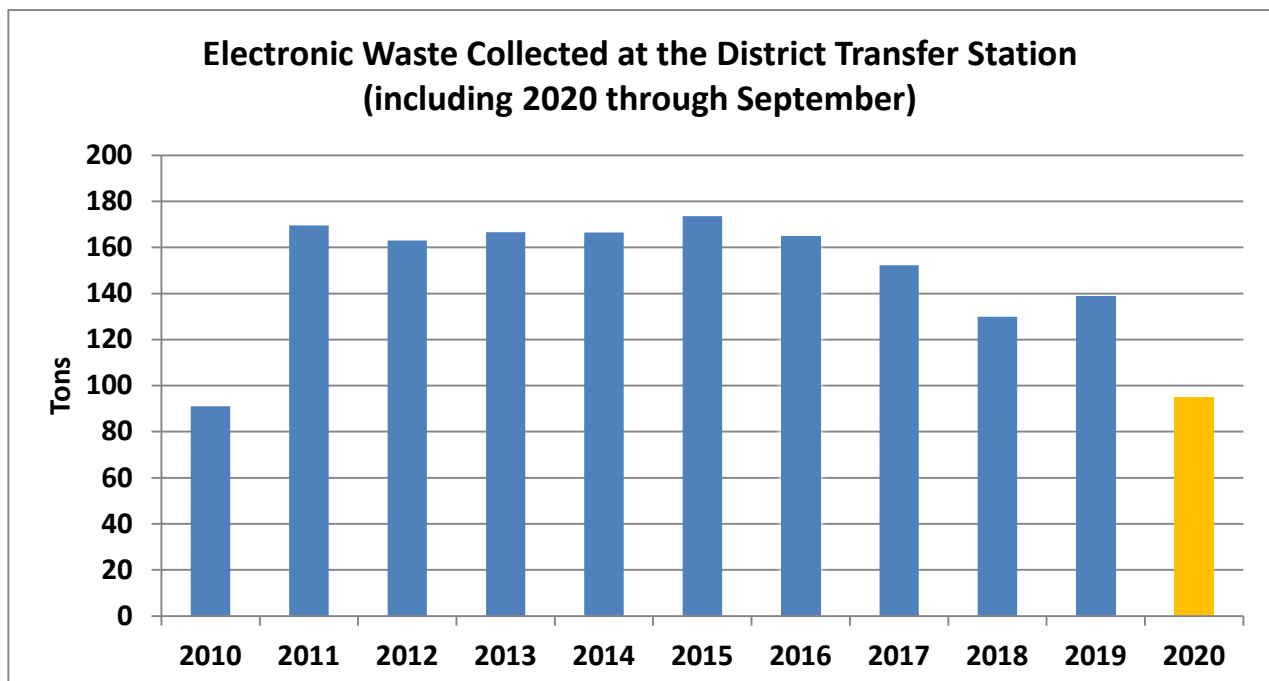


# Program Summary

## 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, and the Addison County Solid Waste Management District was one of the first in the State to begin recycling E-Waste 27 years ago. Vermont's E-Cycles Law, which took effect in 2011, 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 CY2010 through September 2020. The District has experienced a slight decline in tonnage, which may indicate a shift toward lighter electronic devices, as cathode ray tube screens are replaced by flat screens. This year, the District has recycled more than 95 tons of E-Waste through September 2020.



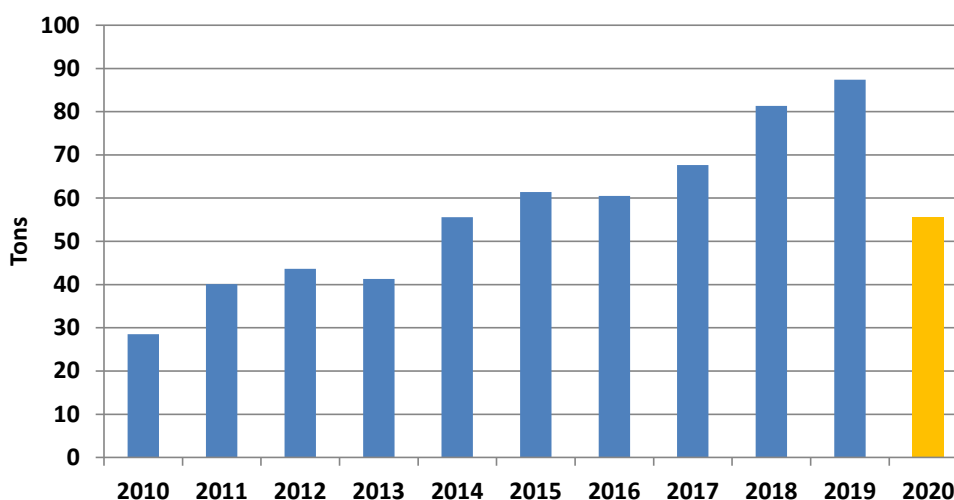


## Household Hazardous Waste (HHW) and Conditionally-Exempt Generator (CEG) Hazardous Waste Diversion

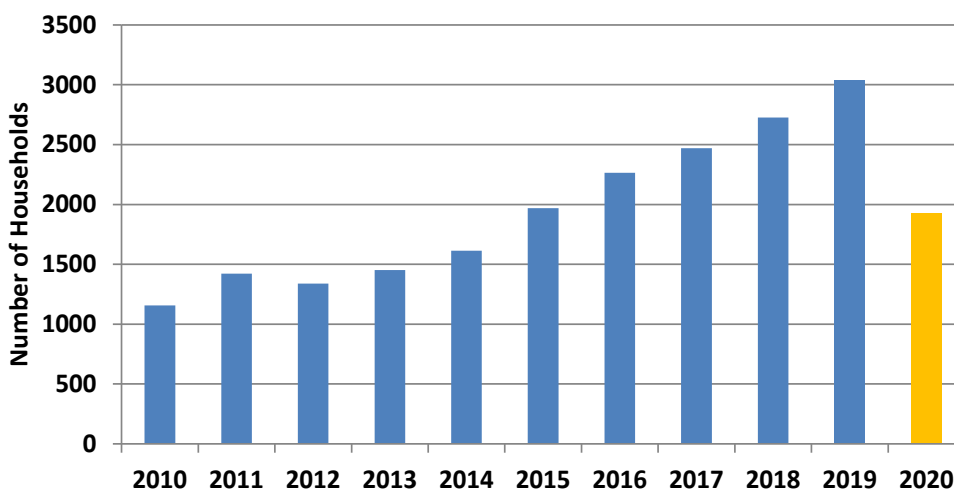
The District's HazWaste Center, located at the Transfer Station, continues to provide year-round collection of Household Hazardous Waste (HHW) from residents and Conditionally Exempt Generator (CEG) hazardous waste from small businesses in the District. In CY2019, residential participation reached a record high of 3,034 households, a 11.3% increase over the CY2018 participation. In January 2020 through the end of September 2020, a total of 1,923 residents dropped off their HHW, and 64 small businesses brought in their CEG hazardous waste. 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. In CY2019, the HazWaste Center collected 174,807 lbs of hazardous waste, a 7.4% increase over CY2018. Of the CY2019 total, 105,589 lbs (60%) was paint or paint-related products. In January 2020 through the end of September 2020, the HazWaste Center collected a total of 104,467 lbs of hazardous waste, of which 62,157 lbs (59%) was paint, or paint-related products (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.



**HHW Collected at the HazWaste Center  
(including 2020 through September)**



**Participation at the HazWaste Center  
(including 2020 through September)**

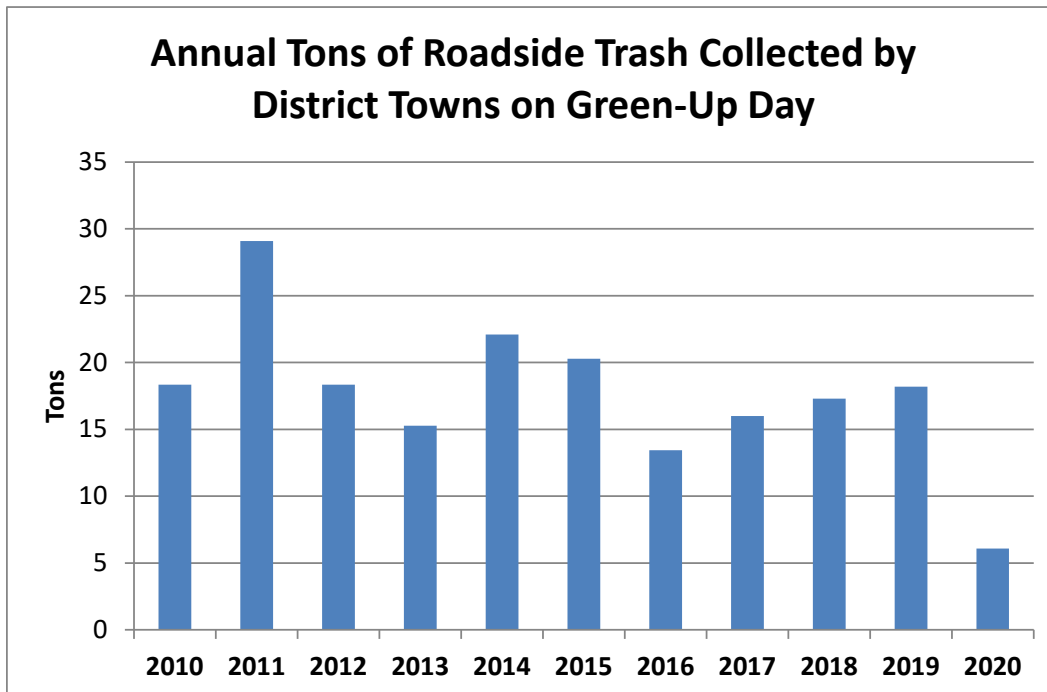




## Illegal Burning and Disposal

The District contracted with the Addison County Sheriff's Department in CY2020 to enforce its Illegal Burning & Disposal Ordinance. The Sheriff's office investigates all illegal burning/disposal complaints, which may result in the issuance of a warning or a ticket. The District continues to serve as County Co-ordinator for Green-Up Day, Vermont's annual litter clean-up event. In addition to assisting the many area volunteers who organize collection of roadside litter, the District provides free disposable gloves for all participants, prizes for kids, and most importantly, free disposal of all accumulated roadside waste. On Green-Up Day this year, the District subsidized disposal of 6.09 tons of roadside trash, 10.81 tons of tires, and various other abandoned wastes for a total economic benefit to its member towns of \$2,293.

Green-Up Day collection totals were considerably lower this year, mostly due to the delay and rescheduling of the event, as well as a drop in participation rates resulting from the ongoing COVID-19 pandemic. To help mitigate illegal disposal, Vermont's Universal Recycling Law 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).



## Organics

Act 148, Vermont's Universal Recycling Law (URL), has directed much of the District's efforts on organics diversion this year. As of July 1, 2020, the organics mandate of the URL bans food scraps from landfill disposal in Vermont. This is the final implementation phase of the URL, which now affects all Vermont residents and businesses. As such, following the July 1st deadline, the District has seen an unprecedented increase in food scrap diversion, a large increase in the sale of home composting supplies, and a dramatic increase in the number of public inquiries about food scrap diversion. This increase in activity was further complicated by the existence of the ongoing COVID-19 pandemic, which resulted in a simultaneous cancellation of public events. Despite this development, the District Transfer Station retained its essential function of collecting trash, recycling, and food scraps, and in fact saw a dramatic increase in food scrap collection. Prior to July 1, the Transfer Station collected an average of 4,500 lbs of food scraps per week, primarily from residential homes. After July 1, this food scrap collection increased to roughly 14,500 lbs per week (a 200% increase). This increase also does not reflect any additional diversion from households that began backyard composting this year, or any new diversion from area businesses that recently launched new efforts to keep food scraps out of the landfill. The District remains committed to working with each of its residents, haulers and businesses to help them decide how best to comply with these new rules.

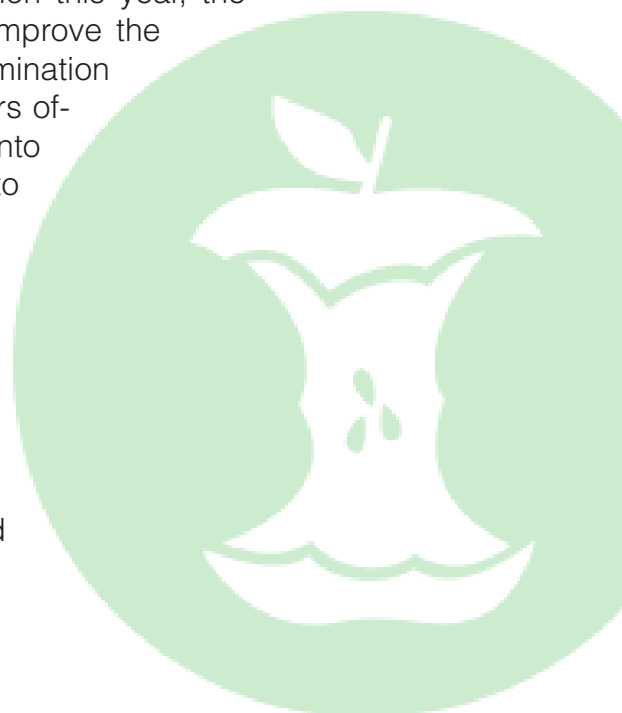
The District is continuing to implement the URL organics diversion requirements by focusing on commercial food waste collection, community and school outreach, the promotion of backyard composting, and ensuring that a regional compost facility and/or anaerobic digester is available to manage the food scraps. The District continues to sell home compost bins, solar digesters and kitchen compost collectors to any area resident. The District's backyard compost classes offered this spring/summer/fall were converted to online classes due to the pandemic.

For those unable to compost at home, the Transfer Station will continue to accept residential food scraps. Town drop-off facilities within the District also accept food scraps at a charge determined by the haulers who service them. The District promotes food scrap diversion and composting awareness in area schools through individual classroom presentations, technical assistance, and grant opportunities.



As part of its outreach activity on food scrap diversion this year, the District also conducted a contest for residents to improve the quality of food scrap resources by reducing contamination from produce stickers (PLU stickers). These stickers often remain on food scraps as they make their way into commercial composting systems. Since they are difficult to screen out of any finished compost product and are often made of a material that does not readily decompose, it is important to try to keep these contaminants out of commercial food scrap collection.

In addition to the food scrap diversion efforts, the District also collected 50 tons of clean wood waste and 24 tons of leaf and yard waste for recycling. Clean wood waste is chipped into mulch and given away to area residents, while yard waste is transferred to a local commercial composting facility.



## Recycling

The District Transfer Station began accepting single stream recyclables from commercial haulers in 2011, and the volume of recyclables collected has increased steadily since then. Through September of this year, 2,814 tons of single stream recyclables were received at the Transfer Station, representing a 59% increase above the first three quarters of 2019. After compacting and loading the single stream recyclables into transfer trailers, all single stream recyclables are transferred to the Casella Waste Management Materials Recovery Facility (MRF) in Rutland for sorting, baling, and marketing.



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 have the option to offer collection of plastics #3-#7 in addition to the list of mandated recyclables.

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. State law requires commercial haulers to imbed the cost of recycling in the trash bag rate for residential customers, however; facilities that receive recyclables may charge a fee for residential and business recyclables.

In 2020, 21 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 may drop off recyclables at the District Transfer Station.

## Reuse

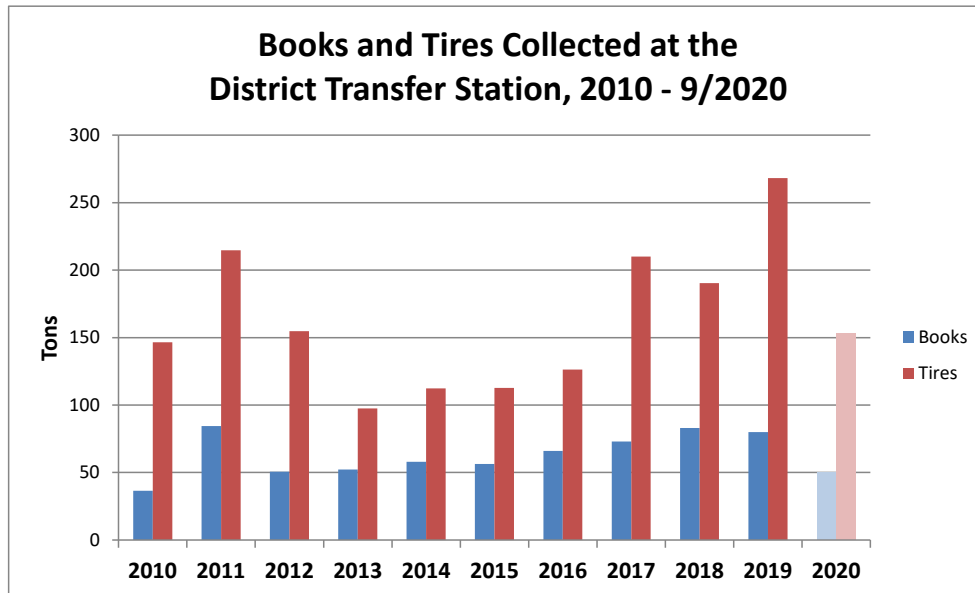
The **REUSE IT OR LOSE IT!** Sheds at the Transfer Station have been closed until further notice, due to COVID-19 precautions. Residents of Addison County are encouraged to refer to the District website for a list of resources to sell, donate, or otherwise repurpose reusable materials. The Repair Fair planned for May 2020 had to be cancelled due to the COVID-19 pandemic.



# Special Waste Recycling

## Books and Tires

In CY2019, the Transfer Station received 80 tons of books for recycling, and 268 tons of tires for use as tire-derived fuel (see chart below). Through September of this year, the District collected 50 tons of books and 153 tons of tires.



## Plastic Bags

The District continued its recycling program for polyethylene thin-film (#2 and #4) plastic, including grocery bags, wood pellet bags, resealable storage bags, shrink wrap, product overwrap, and a variety of additional types of thin film plastic. All of this film plastic is consolidated with film plastic collected from other VT solid waste districts, and marketed to a recycling company. This program is designed to provide District residents with another option for recycling these materials besides returning them to grocery stores. It is also part of a regional effort to reduce contamination in blue bin recycling, since plastic bags are still one of the largest problems at materials recovery facilities where single stream recyclables are sorted and baled for marketing. When bags or other film plastics reach a materials recovery facility, they become tangled in the machinery, which adds a major cost to the processing of recyclables. It is therefore important to keep plastic bags, and all types of film plastic, out of blue bins. In CY2019 the District recycled 4.8 tons of mixed thin film plastic. Through September of this year, the District has collected more than 4.17 tons.

**Special Recycling for Plastic Bags & Films**  
 Bring materials to the Transfer Station for FREE - **Not in your blue bin!**  
 1223 Route 7 South, Middlebury, VT, 05753

We accept EMPTY, CLEAN, and DRY:

 Grocery bags	 Produce bags	 Newspaper bags	 Ziploc bags
 Dry cleaning bags	 Case wrap	 Shipping envelopes	 Bread bags
 Stretchy product wrap	 Air pillows & bubble wrap	 Stretch wrap & plastic wrap	 Cereal bags
 Pellet bags	 Salt bags	 Ice bags	 Items with these labels (#2 or #4 plastic films)

Film collected by ACSWMD and grocery stores is recycled into Trex® decking materials.

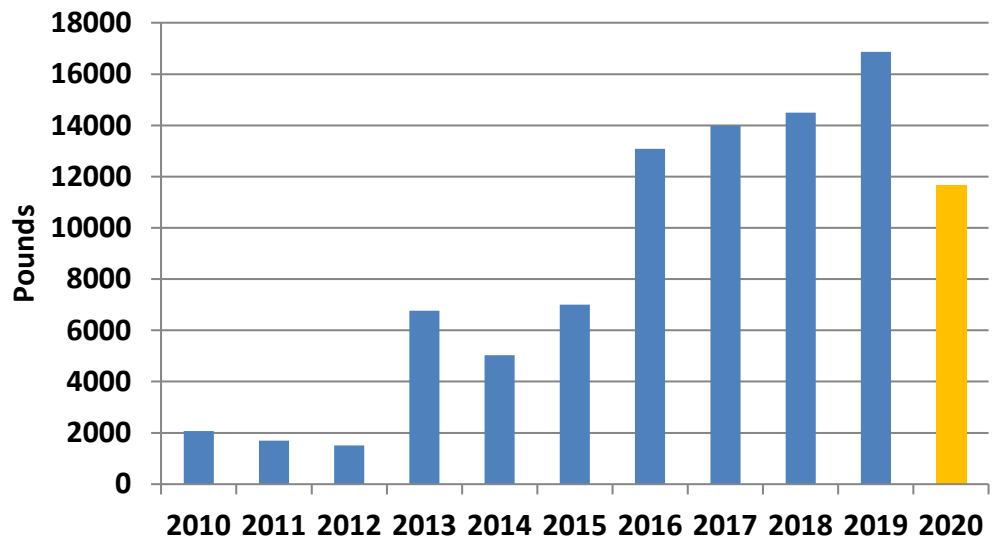
**NOT ACCEPTED:** salad mix bags, grape bags, chip bags, candy wrappers, biodegradable materials, pet food bags, grain & feed bags, frozen food bags, cellophane, metallic/foil packaging, six-pack rings, agricultural films

## Batteries

As a Collector under the VT Primary Battery Stewardship Law, the District recycles all “primary cell” batteries, which include non-rechargeable alkaline and carbon-zinc batteries. The District also collects all types of rechargeable household batteries, including lithium ion, lithium polymer, nickel-cadmium, nickel-metal hydride, and small sealed lead-acid batteries. Last year the District collected 3.52 tons of primary cell household batteries, and 4.93 tons of rechargeable household batteries. Through September of this year, the District collect-

ed 2.31 tons of primary cell batteries, and 2.72 tons of rechargeable batteries. The District also continues to recycle non-rechargeable lithium batteries, button cell batteries and wet cell (auto) batteries.

**Household Batteries collected at the District Transfer Station, 2010 - 10/2020**



## Mercury Lamps

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 5.54 tons of fluorescent lamps, including numerous CFLs, as well as U-shaped, circular, ultraviolet, and many straight tubes of various lengths.

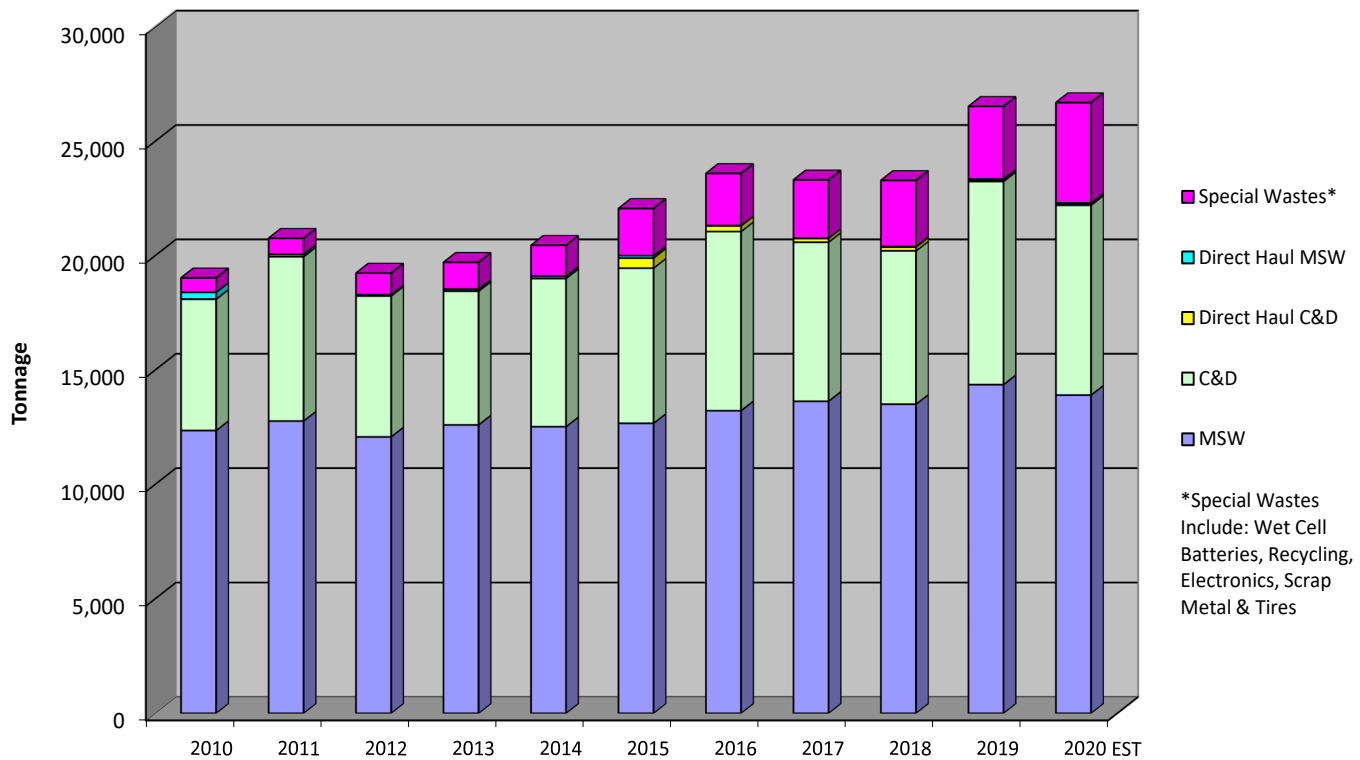
All mercury lamps are recycled at a certified facility that recovers the aluminum end caps, glass, phosphor powder, and mercury.

## Other Items

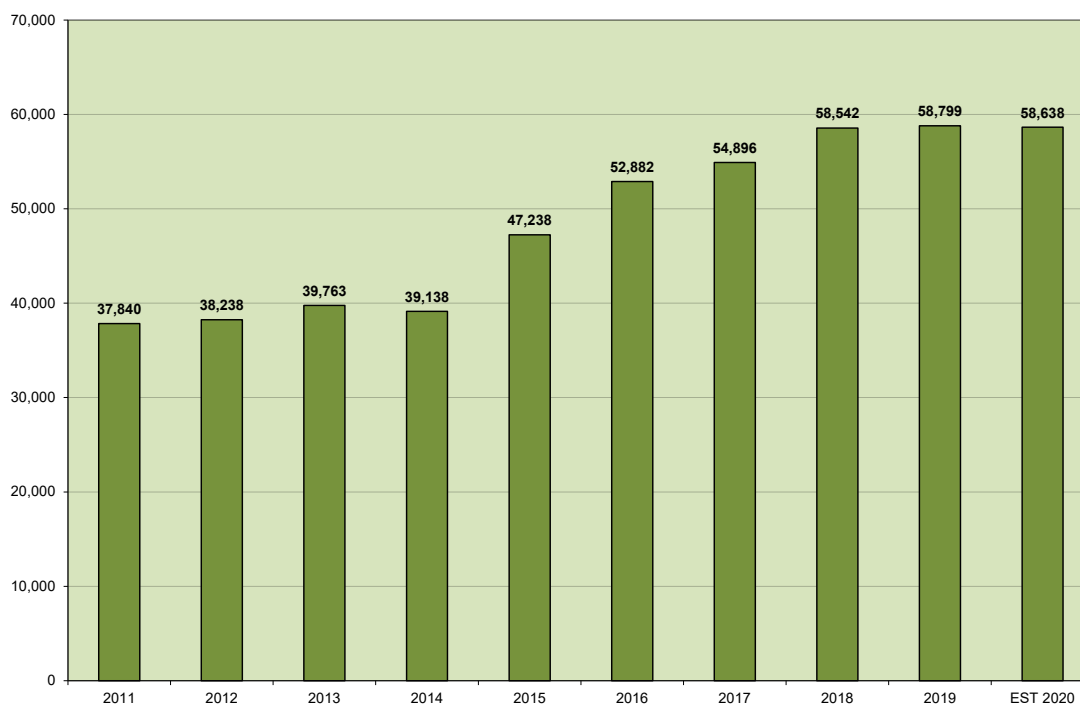
Other items collected for recycling through September of this year were: 223 tons of scrap metal; 2,311 gallons of waste oil; 15 drums of oil filters; 196 grill-size propane cylinders; 2,000 small propane cylinders; 103 fire extinguishers; 0.38 tons of cooking oil; 0.98 tons of documents for secure destruction/recycling (shredding); and 7,800 lbs of used maple sap tubing. This year, the District also began recycling programs for asphalt shingles and new-construction drywall.

# Solid Waste & Transaction Summary Charts

**Compilation of MSW, C&D, & Special Wastes Delivered to Transfer Station, and ACSWMD Waste Direct Hauled 2010-2020**



**Transfer Station Growth in Transactions 2010-2020**



# 2021 Proposed Annual Budget

The Addison County Solid Waste Management District's proposed Annual Budget for the 2021 calendar year is \$3,818,063, an 8.35% increase from the 2020 Annual Budget of \$3,523,726. The District has based the proposed 2021 Annual Budget on receiving an estimated 21,764 tons of municipal solid waste and construction and demolition debris. The District continues to maintain \$100,000 in a Recycling Rate Stabilization Fund and \$100,000 in an Organics Rate 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 2021. Please refer to the bottom of page 17 for further explanation of the 2021 proposed budget, including an invitation to our virtual budget hearing scheduled for Thursday November 19th at 7 p.m.

## Rates in 2021

The District Board proposes the following rate changes for 2021:

Program	2020 Rate	Proposed 2021 Rate
Appliances with CFCs	\$10	\$15
Books - Business	\$5	\$10
Books - Residential	\$1	\$2
Fire Extinguishers	0	\$5
Food Scraps - Residential 5 gal or less	Free	\$1.00
Food Scraps - Business 32 gal	\$11.00	\$15
Food Scraps - Business 48 gal	\$15.00	\$20
Leaf & Yard Waste - 3 CY or less	\$1	\$2
Leaf & Yard Waste - Greater than 3 CY	\$10	\$20
Municipal Solid Waste (MSW) and Construction & Demolition (C&D) Debris	\$128 per ton	\$130 per ton
MSW/C&D Minimum Fee - 100 lbs or less	\$7	\$8
Propane Tanks - 20 Gallon	\$3	\$5
Recycling - Single Stream Business 1 CY or <	\$9 Minimum	\$10 Minimum
Recycling - Single Stream Business > 1CY	\$120 per ton	\$125 per ton
Recycling - Single Stream from Commercial Haulers	\$120 per ton	\$125 per ton
Tires - Passenger vehicle	\$2.25 each	\$3 each
Tires - Large truck tires	\$8 each	\$9 each
Tires - Ag, Oversized & Earth Moving	\$50 per unit	\$0.10/lb
Tires by weight	\$160 per ton (\$0.08/lb)	\$180 per ton (\$0.09/lb)

Supplies	2020 Rate	Proposed 2021 Rate
4 Gallon Green Bucket	0	\$7
5 Gallon Green Bucket	0	\$5
Kitchen Collector	\$5	\$6
Recycling Blue Bin	0	\$5
SoilSaver Compost Bin	\$45	\$55



# ACSWMD Draft 2021 Budget

	2020 Approved Budget	Estimated 2020 Year End Total	2021 Proposed Budget
<b>General Operating Budget</b>			
<b>Revenues</b>			
Carry Over from Prior Year	334,360	340,885	253,109
Basic District Fee - Direct Haul (\$34.0/ton)	751,264	757,996	743,240
Basic District Fee - ADC (\$10/ton)	2,000	0	0
Admin Fee	28,000	28,094	28,000
Penalty Surcharges	1,500	3,862	3,500
Interest	4,998	3,617	3,580
Rental Income	3,900	3,900	3,900
Governmental Tip Fees (Direct)	398,162	562,281	643,086
Due From Other Funds	47,028	75,166	48,796
Transfer Station MSW & C&D Tip Fees	2,067,971	2,087,599	2,089,376
Transfer Station Other Tip Fees - Tires	32,275	34,970	41,875
Asbestos	1,000	845	495
Certified Weights	1,200	875	1,200
Bond Interest	2,047	2,047	2,047
Gain On Sale	0	2,000	0
<b>Total Revenues</b>	<b>\$3,675,705</b>	<b>\$3,904,137</b>	<b>\$3,862,204</b>
<b>Expenditures</b>			
Personal Emoluments	1,088,038	1,006,495	1,088,794
General Office Expense	91,841	107,984	104,645
Transfer Station General	99,298	87,912	107,625
Transfer Station Direct	1,372,440	1,385,145	1,386,105
Utilities	24,725	23,358	22,361
Indirect Maintenance	22,150	33,106	27,570
Insurance	55,500	61,969	63,000
Local PILOT	22,000	22,000	22,000
Training/ Travel	22,580	3,962	22,580
Professional Expenses	14,000	13,999.5	17,000
Programs	481,054	674,997	726,284
Debt Service	0	0	0
Bad Debt	100	100	100
Designated Funds	230,000	230,000	230,000
<b>Total Expenditures</b>	<b>\$3,523,726</b>	<b>\$3,651,028</b>	<b>\$3,818,063</b>
<b>Net Gain (Loss)</b>	<b>\$151,979</b>	<b>\$253,109</b>	<b>\$44,141</b>

2020 Approved Budget	Estimated 2020 Year End Total	2021 Proposed Budget
----------------------------	-------------------------------------	----------------------------

## Capital Reserve Fund Budget

### Revenues

Capital Res from Prior Year End	789,602	825,862	663,900
Funding from Cur. Year Budget	230,000	230,000	230,000
Interest Revenue		2,216	2,200
Fund Balance Transfer	0	0	0
Loans/ Sale of Equipment	0	0	500,000
<b>Total Funding</b>	<b>\$1,019,602</b>	<b>\$1,058,078</b>	<b>\$1,396,100</b>

### Expenditures

Capital Acquisitions	135,000	121,178	210,000
Capital Development	275,000	273,000	579,000
<b>Total Expenditures</b>	<b>\$410,000</b>	<b>\$394,178</b>	<b>\$789,000</b>
<b>Net Gain (Loss)</b>	<b>\$609,602</b>	<b>\$663,900</b>	<b>\$607,100</b>

## Grant Fund & Transfer Budget

### Revenues

Beginning Balance	47,028	75,166	48,796
-------------------	--------	--------	--------

### Expenditures

Due to General Operating Budget	(47,028)	(75,165)	(48,796)
Due to Capital Reserve Budget			
<b>Net Gain (Loss)</b>	<b>\$0</b>	<b>\$1</b>	<b>\$0</b>

## Rate Stabilization Fund - Tip Fee

### Revenues

Beginning Balance	100,000	100,000	100,000
-------------------	---------	---------	---------

### Expenditures

	0	0	0
--	---	---	---

<b>Fund Balance</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$100,000</b>
---------------------	------------------	------------------	------------------

## Closure Fund

### Revenues

Beginning Balance	56,442	56,442	58,406
Interest Revenue	1,905	1,964	0
Contributions from General Fund	0	0	0

### Expenditures

	0	0	0
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<b>Fund Balance</b>	<b>\$58,347</b>	<b>\$58,406</b>	<b>\$58,406</b>
---------------------	-----------------	-----------------	-----------------

	2020 Approved Budget	Estimated 2020 Year End Total	2021 Proposed Budget
<b>Municipal Diversion Grant Fund</b>			
<b>Revenues</b>			
Beginning Balance	29,100	29,100	27,200
<b>Expenditures</b>	-10,000	(1,900)	-10,000
<b>Fund Balance</b>	<b>\$19,100</b>	<b>\$27,200</b>	<b>\$17,200</b>

## Rate Stabilization Fund - Recycling

<b>Revenues</b>			
Beginning Balance	100,000	100,000	100,000
Funds Transfer		0	
<b>Expenditures</b>	0	0	0
<b>Fund Balance</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$100,000</b>

## Rate Stabilization Fund - Organics

<b>Revenues</b>			
Beginning Balance	100,000	100,000	100,000
<b>Expenditures</b>	0	0	0
<b>Fund Balance</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$100,000</b>

## School Diversion Grant Fund

<b>Revenues</b>			
Beginning Balance	41,845	51,124	46,124
Fund Balance Transfer from GF	0	0	
<b>Expenditures</b>	-10,000	-5,000	-10,000
<b>Fund Balance</b>	<b>\$31,845</b>	<b>\$46,124</b>	<b>\$36,124</b>

As with prior years, the 2021 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 2021.**

We encourage you to attend the District's Public Hearing on the Proposed 2021 Annual Budget. The hearing is scheduled for **Thursday, November 19, 2020 at 7:00 pm, via Zoom**. To register for access to the meeting, please contact Patti Johnson, our Business Manager, at [patti@acswmd.org](mailto:patti@acswmd.org) or by calling the office at 388-2333. Your comments and suggestions are welcome.

## Appendix A

Audited Financial Statements and  
Other Financial Information

# Addison County Solid Waste Management District

December 31, 2019



*Proven Expertise & Integrity*



ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT

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DECEMBER 31, 2019

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*Proven Expertise & Integrity*

## INDEPENDENT AUDITORS' REPORT

Board of Supervisors  
Addison County Solid Waste Management District  
Middlebury, Vermont

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Addison County Solid Waste Management District, as of and for the year ended December 31, 2019 and the related notes to the financial statements, which collectively comprise the Addison County Solid Waste Management 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.

### Auditors' 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about 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, business-type activities, each major fund and the aggregate remaining fund information of the Addison County Solid Waste Management District as of December 31, 2019 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 on pages 4 through 13 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.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Addison County Solid Waste Management District's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records



used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2020, on our consideration of the Addison County Solid Waste Management District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Addison County Solid Waste Management District's internal control over financial reporting and compliance.

*RHR Smith & Company*

Buxton, Maine  
May 20, 2020

**ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2019  
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, 2019. 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 2019 are as follows:

- 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 2019.
- In order to prepare for further implementation of the Universal Recycling Law ("URL"), the District carried over from 2018 contingencies of \$100,000 in a Recycling Rate Stabilization Fund ("RRSF") and \$100,000 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. These funds were in separate CDARS through the National Bank of Middlebury ("NBM"). In anticipation of year-end Single Stream Recycling losses, the RRSF was removed from the CDAR on 10/8/2019 in order to make the funds available to the District Board of Supervisors ("Board") in the event they voted to cover the recycling losses using the RRSF funds at the end of the year. The Board ultimately chose not to access the RRSF funds, as other District revenues were sufficient to cover the recycling losses.
- The Closure Fund ("CLF") sits in a six-month CD through the NBM, for the purpose of increasing the amount of interest earned on the principal balance of the restricted fund. The CD is currently in a 20-month CD at NBM and will mature in 3/2020. The CLF carried over to 2020 was \$56,442.
- **Rates:** In addition to a few specific, per-piece rate changes, the Board adopted rate changes for Municipal Solid Waste ("MSW") and Construction and Demolition Debris ("C&D") disposal, and for Single Stream Recyclables at the District Transfer Station ("Transfer Station") in 2019. The Transfer Station tipping fee was increased to \$126/ton for MSW and C&D. The District Fee of \$33.40/ton on all solid waste destined for disposal remained the same. The \$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 was increased to \$92/ton, and new fees were adopted for self-haul businesses of \$5.00 for 1 cu.yd or less and \$92/ton for greater than 1 cu.yd of Single Stream Recyclables.
- Due to a continued decline in global recycling market prices, the District had to pay to recycle rather than receive any revenue sharing in 2019. Casella Waste Management ("CWM"), owner of the Materials Recovery Facility ("MRF") in Rutland, VT, declined to renew its Single Stream Recycling contract with the District. Instead, the new 2019 contract replaced the Average Commodity Revenue ("ACR") Formula (based on cost/revenue sharing) with a Processing Fee Formula (based on market conditions and commodity pricing of the prior month). The average Processing Fee for 2019 was \$97.48/ton. Including the average Hauling Fee of \$17.92/ton, the total average Single Stream

Recycling cost for 2019 was \$115.40/ton. This resulted in a (\$58,558) net loss in Single Stream Recycling for 2019.

- The assets of the District exceeded its liabilities at the close of the year ended December 31, 2019 by \$3,452,590 (net position). Of this amount, a gain of \$63,304 in unrestricted net position was incurred (12/31/18 unassigned net position of \$340,885, plus 12/31/19 unassigned gain equals 12/31/19 unassigned net position of \$404,189). The restricted net position of \$1,262,528 includes: \$825,862 in CRF; \$100,000 in the RSF; \$56,442 in the CLF; \$100,000 in the RRSF; \$100,000 in the ORSF; \$29,100 in the MDGF; and \$51,124 in the SDGF. In addition, \$1,785,873 is invested in capital assets net of related debt.
- The District awarded a School Diversion Grant this year of \$1,800 to Patricia Hannaford Career Center for 75% of the cost of two water bottle filling stations.
- The District awarded a Municipal Diversion Grant of \$2,062 to the Town of Ripton for 50% of the cost of repairing the recycling shed at the Town Drop-off.

### **Other Highlights**

- The Town of Salisbury became a member of the District on 10/17/2019. This brought the total number of member municipalities to 21.
- The District completed year three of a three-year extended contract with CWM for the hauling & disposal of MSW/C&D. Diesel fuel costs remained steady in 2019, hovering at \$2.50/gallon for most of the year. At the end of 2019, diesel fuel was approximately \$2.50/gallon, far below the contracted \$4.09/gallon threshold for addition of a fuel surcharge.
- 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 2019. We will continue, through careful monitoring and adherence to strict policies and state regulations, to reduce the risk of any such event.
- The District Transfer Station 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 market prices began the year at \$118.40/ton but declined to \$40/ton by year's end.
- The District's contract for the transport and recycling of Electronic Waste ("E-Waste") with NCER, the product stewardship organization of the VT E-Cycles program, was extended for a one-year period of 1/1/19 – 12/31/19.
- In 2019, 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 signed an agreement with Eco AmeriCorps to have an AmeriCorps Member assist with public education and outreach in the areas of recycling, waste reduction and composting. Our new AmeriCorps member began their term in September 2019 and will serve until mid-August 2020.

- The District devoted most of its resources in 2019 toward assisting towns, haulers, schools and businesses in preparing to meet new URL mandates and District SWIP goals, including the statewide ban on food scrap disposal to take effect on 7/1/2020. Although the Legislature changed the URL to exempt Commercial Haulers from having to begin offering residential curbside collection of food scraps on 7/1/2020, commercial haulers will still have to offer curbside food scrap collection to all commercial businesses and residential buildings with four or more units. Act No. 69 (S.113), passed by the Legislature in 2019, enacts multiple requirements for single-use products provided by a store or food establishment, which will go into effect on 7/1/2020. A store or food establishment will be prohibited from providing single-use plastic carryout bags and polystyrene single-use containers.
- The District received a Grant of \$5,000 from VLCT PACIF to assist the District in the purchase of a new lift gate for the back of its box truck, to help staff load/unload large drums and pallets more safely into the truck for transport.

## **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 2019?” 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 on page 15 of the Financial Statement show that the 2019 net position of the District was \$3,452,590, an increase of \$46,708. Of that total, the net position of the District's Governmental Activities increased by \$3,988 and the net position of the Enterprise Fund increased by \$42,720.

## **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 Capital Reserve 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. 16-19 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. 20-22 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. 23 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 \$3,452,590 (\$1,829,570 in Governmental activities and \$1,623,020 in Business-type activities) on 12/31/2019. 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 \$1,785,873. 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 5.6%, an increase of 0.6%, computes the percent of assets financed with debt. Debt-to-net position ratio, which equals 6.2%, an increase of 0.7%, 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’s 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.

**State Grants:** The District continued to pursue and acquire grants provided by State government. ANR continued to allocate Solid Waste Implementation Plan (“SWIP”) Grants to solid waste planning entities 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 2019, the District used the \$39,028 in SWIP Grant funds toward its HHW costs.

On 7/11/18, the District accepted and received a Pesticides Grant from the VT Agency of Agriculture, Food and Markets (“AAFM”) for a two-year term with a not-to-exceed \$26,000 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 2019 was \$8,846.81.

Including interest revenue of \$6,566, total revenues from Governmental activities were \$1,225,300.

**Recycling and 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, confidential document shredding/recycling, plastic film recycling, maple tubing recycling and clean wood grinding into chips for the public at no charge. 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 EPR programs: VT E-Cycles, VT Mercury Lamp Recycling, VT PaintCare and VT Primary Battery Recycling. The District was reimbursed \$16,037.76 from the VT E-Cycles program to pay for collection, transportation and recycling of the “covered devices” under the law. The District was reimbursed \$3,660.45 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 \$7,147.80 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 and 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 2019, the District continued to operate its Transfer Station in Middlebury. General and tipping fee revenues from Business-type activities were \$2,196,150. Including the interest revenue of \$2,552, Grant Revenue of \$5,000 and miscellaneous revenue of \$10,591, the total revenue from Business-type activities was \$2,214,293.

## **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, an 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 2019, 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. 18 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 12/31/2019, the District's Governmental Funds reported combined ending fund balances of \$0.

### **Capital Fund**

The Capital Reserve Fund is utilized for capital improvements. On 12/31/2019, the District's Capital Reserve Fund ending fund balance was \$825,862, an increase of \$147,035 from the prior year.

### **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 MSW/C&D disposal tonnage over the past few years, the District was conservative in budgeting 2019 tonnage at 20,662 tons. Actual 2019 tonnage was 23,360 tons.

The 2019 year-end Business-type activities unrestricted balance turned out to be lower than budgeted. Although unrestricted funds increased by \$63,304, the 2019 year-end, unrestricted net position of \$404,189 was lower than the budgeted balance of \$423,825.

Designated funds were at a 2019 year-end balance of \$1,262,528, consisting of the following: (1) Capital Reserve Fund \$825,862; (2) Closure Fund (CLF - \$56,442); (3) Rate Stabilization Fund for unanticipated hauling and disposal rate increases (RSF - \$100,000); (4) Recycling Rate Stabilization Fund for unanticipated recycling rate increases (RRSF - \$100,000); (5) Organics Rate Stabilization Fund for unanticipated organics management costs (ORSF - \$100,000); (6) Municipal Diversion Grant Fund (MDGF - \$29,100); and (7) School Diversion Grant Fund (SDGF - \$51,124).

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### **Capital Assets**

The District's investment in capital assets for its Governmental and Business-type activities as of 12/31/2019 amounted to \$1,785,873 (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 2019.

The District's total fixed assets decreased by \$59,847, due to additions of \$190,491 less depreciation of \$250,338.

Major capital asset events during 2019 included the following budgeted items:

- The District spent \$5,179.38 for a major upgrade to the Scalehouse software, WasteWORKS. The update gives the District the ability to send all invoices and statements via email, and to allow commercial accounts to keep their credit cards securely on file for a faster, easier transaction at the scalehouse.

- The District began Construction on several large site projects under Construction In Progress, most of which will be completed by mid-2020:
  1. Construction of a concrete pad and bunker for the recycling of Asphalt Shingles, and a concrete pad for the recycling of Drywall;
  2. Construction of a concrete pad and the purchase of an onsite fuel tank and dispenser;
  3. An analysis of the neighboring U.S. Forest Service property and a possible alternative access road into the Transfer Station;
  4. Onsite Wastewater Redesign & Permitting;
  5. Construction of Onsite Sewerage Improvements.

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

- On 11/21/2019, the Board adopted the 2020 Annual Budget of \$3,523,726, an increase of 9.33%. The District based the proposed 2020 Annual Budget on receiving an estimated 22,096 tons of MSW/C&D. The 2020 general operating revenues were budgeted at \$3,675,705, with a projected net gain of \$151,979. This had assumed a 2020 Beginning Fund Balance ("BFB") in the unrestricted GF of \$334,360. The audited 2020 BFB is \$404,189.
- The 2020 rate for MSW/C&D at the Transfer Station will be increased to \$128/ton. The District Fee on all MSW/C&D destined for disposal will be increased to \$34/ton. The District Fee of \$10/ton on contaminated soils approved by ANR for use as ADC at the landfill will remain the same.
- The Transfer Station rate for Single Stream Recyclables from Commercial Haulers will be increased to \$120/ton, and fees will be increased for self-haul businesses of \$7.00 for 1 cu.yd or less and \$120/ton for greater than 1 cu.yd of Single Stream Recyclables.
- 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 2020 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) EPR reimbursements from manufacturers. The Board adopted no assessments to member municipalities for 2020.
- The \$100,000 in RRSF funds will be returned to a CDAR at NBM in 2020, as the Board decided in Nov. 2019 not to use a portion of the funds to cover year-end Single Stream Recycling losses. The ORSF funds were placed in a CDAR with NBM in Nov. 2019 and will mature in April 2020.
- In 2020, the District is expected to receive a SWIP Grant from ANR in the estimated amount of \$40,000.
- On 7/1/2019, the District approved a Pesticides Grant from the AAFM for a four-year term with a not-to-exceed \$28,000 for the disposal of pesticides. The cost of collection and disposal of pesticides invoiced to this grant and reimbursed in CY2019 was \$4,780.00.



- The District will apply for a fourth year to ECO AmeriCorps for an AmeriCorps Member to assist the District in public education and outreach in the areas of recycling, waste reduction and composting for 11 months, beginning in Sept. 2020.
- On 12/11/2019, the District approved a new contract with CWM for transport and Single Stream Recycling services for CY2020. The contract contains the same Processing Fee Formula as in 2019 (based on market conditions and commodity pricing for the prior month), as well as a per-haul rate increase from \$293.68 to \$301.00.
- The District contract with CWM for hauling and disposal services will continue for the third year of a three-year contract term. On 1/1/2020, CWM will increase its per-ton disposal rate from \$59.40/ton to \$60.34/ton, a 1.58% 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. At the end of 2019, diesel fuel was approximately \$2.40/gallon, far below the contracted \$4.09/gallon threshold for a fuel surcharge.
- The District contract with NCER for E-Waste recycling was extended to 12/31/2020 under the same terms.
- The District will extend its contract with Shred-Ex under the same terms for another year in 2020 for the recycling of books and the shredding/ recycling of confidential documents at the Transfer Station.
- 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.
- In order to comply with its SWIP, and to prepare for statewide landfill bans to take effect on 7/1/2020, the District anticipates spending extra funds on outreach to its residents, institutions and businesses.
- The District will work with Weston & Sampson to review the schedule for completing construction of the Asphalt Shingle pad and bunker, as well as an expanded sewerage system at the District Transfer Station and Office site.
- The District will continue to explore an alternative access to the Transfer Station in an effort to expand current services to residents of Addison County member towns, as well as offsite land acquisition for expansion purposes.

### **Contacting the District's Financial Management**

This financial report is designed to provide our customers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District Manager or District Business Manager at 1223 Route 7 South, Middlebury, Vermont 05753.

STATEMENT A

ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT

STATEMENT OF NET POSITION  
DECEMBER 31, 2019

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 825,862	\$ 746,779	\$ 1,572,641
Investments	256,640	-	256,640
Accounts receivable (net of allowance for uncollectibles)	-	18,828	18,828
Grants receivable	-	39,028	39,028
Inventory	-	25,635	25,635
Prepaid items	-	100,865	100,865
Internal balances	180,224	(180,224)	-
Total current assets	<u>1,262,726</u>	<u>750,911</u>	<u>2,013,637</u>
Noncurrent assets:			
Capital assets:			
Land, infrastructure, and other assets not being depreciated	198,000	92,155	290,155
Buildings and equipment, net of accumulated depreciation	369,042	1,126,676	1,495,718
Total noncurrent assets	<u>567,042</u>	<u>1,218,831</u>	<u>1,785,873</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 1,829,768</u></u>	<u><u>\$ 1,969,742</u></u>	<u><u>\$ 3,799,510</u></u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ -	\$ 151,636	\$ 151,636
Accrued liabilities	-	36,145	36,145
Due to other governments	198	-	198
Current portion of long-term obligations	-	6,312	6,312
Total current liabilities	<u>198</u>	<u>194,093</u>	<u>194,291</u>
Noncurrent liabilities:			
Accrued compensated absences	-	18,935	18,935
Total noncurrent liabilities	<u>-</u>	<u>18,935</u>	<u>18,935</u>
<b>TOTAL LIABILITIES</b>	<u>198</u>	<u>213,028</u>	<u>213,226</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred revenue	-	133,694	133,694
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>-</u>	<u>133,694</u>	<u>133,694</u>
<b>NET POSITION</b>			
Net investment in capital assets	567,042	1,218,831	1,785,873
Restricted	1,262,528	-	1,262,528
Unrestricted	-	404,189	404,189
<b>TOTAL NET POSITION</b>	<u>1,829,570</u>	<u>1,623,020</u>	<u>3,452,590</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<u><u>\$ 1,829,768</u></u>	<u><u>\$ 1,969,742</u></u>	<u><u>\$ 3,799,510</u></u>

See accompanying independent auditors' report and notes to financial statements.

# ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT

## STATEMENT B

### STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Governmental expenses	\$ 1,317,215	\$ 883,110	\$ 287,750	\$ -	\$ (146,355)	\$ -	\$ (146,355)
Depreciation expense	44,442	-	-	-	(44,442)	-	(44,442)
Total governmental activities	<u>1,361,657</u>	<u>883,110</u>	<u>287,750</u>	<u>-</u>	<u>(190,797)</u>	<u>-</u>	<u>(190,797)</u>
Business-type activities:							
Transfer station	2,031,228	2,196,150	5,000	-	-	169,922	169,922
Total business-type activities	<u>2,031,228</u>	<u>2,196,150</u>	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>169,922</u>	<u>169,922</u>
Total government	<u>\$ 3,392,885</u>	<u>\$ 3,079,260</u>	<u>\$ 292,750</u>	<u>\$ -</u>	<u>(190,797)</u>	<u>169,922</u>	<u>(20,875)</u>
General revenue:							
Intergovernmental					47,874	-	47,874
Interest income					6,566	2,552	9,118
Miscellaneous					-	10,591	10,591
Transfers					140,345	(140,345)	-
Total general revenues and transfers					<u>194,785</u>	<u>(127,202)</u>	<u>67,583</u>
Change in net position					3,988	42,720	46,708
NET POSITION - JANUARY 1, RESTATED					<u>1,825,582</u>	<u>1,580,300</u>	<u>3,405,882</u>
NET POSITION - DECEMBER 31					<u>\$ 1,829,570</u>	<u>\$ 1,623,020</u>	<u>\$ 3,452,590</u>

See accompanying independent auditors' report and notes to financial statements.

STATEMENT C

ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS  
DECEMBER 31, 2019

	General Fund	Capital Reserve Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ -	\$ 825,862	\$ -	\$ 825,862
Investments	-	-	256,640	256,640
Due from other funds	-	-	180,224	180,224
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 825,862</u>	<u>\$ 436,864</u>	<u>\$ 1,262,726</u>
LIABILITIES				
Due to other governments	\$ -	\$ -	\$ 198	\$ 198
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>198</u>	<u>198</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	-	-	56,442	56,442
Committed	-	-	-	-
Assigned	-	825,862	380,224	1,206,086
Unassigned	-	-	-	-
TOTAL FUND BALANCES	<u>-</u>	<u>825,862</u>	<u>436,666</u>	<u>1,262,528</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 825,862</u>	<u>\$ 436,864</u>	<u>\$ 1,262,726</u>

See accompanying independent auditors' report and notes to financial statements.



STATEMENT D

ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2019

	<u>Total Governmental Funds</u>
Total Fund Balances	\$ 1,262,528
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation	<u>567,042</u>
Net position of governmental activities	<u><u>\$ 1,829,570</u></u>

See accompanying independent auditors' report and notes to financial statements.

STATEMENT E

ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2019

	General Fund	Capital Reserve Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Intergovernmental	\$ 47,874	\$ -	\$ -	\$ 47,874
Charges for services	883,110	-	-	883,110
Program revenues	287,750	-	-	287,750
Interest income	4,815	1,751	-	6,566
TOTAL REVENUES	<u>1,223,549</u>	<u>1,751</u>	<u>-</u>	<u>1,225,300</u>
EXPENDITURES				
Wages and benefits	691,290	-	-	691,290
Office expenses	67,392	-	-	67,392
General expenses	2,953	-	-	2,953
Insurance	36,743	-	-	36,743
Maintenance	9,053	-	-	9,053
Travel	13,684	-	-	13,684
Utilities	11,105	-	-	11,105
Program expenses	455,328	-	3,784	459,112
Professional expenses	3,222	-	-	3,222
Local pilot	15,534	-	-	15,534
Transfer station	7,127	-	-	7,127
Capital outlay	-	5,179	-	5,179
TOTAL EXPENDITURES	<u>1,313,431</u>	<u>5,179</u>	<u>3,784</u>	<u>1,322,394</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(89,882)</u>	<u>(3,428)</u>	<u>(3,784)</u>	<u>(97,094)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	309,882	320,000	-	629,882
Transfers (out)	(220,000)	(169,537)	(100,000)	(489,537)
TOTAL OTHER FINANCING SOURCES (USES)	<u>89,882</u>	<u>150,463</u>	<u>(100,000)</u>	<u>140,345</u>
NET CHANGE IN FUND BALANCES	-	147,035	(103,784)	43,251
FUND BALANCES - JANUARY 1	<u>-</u>	<u>678,827</u>	<u>540,450</u>	<u>1,219,277</u>
FUND BALANCES - DECEMBER 31	<u>\$ -</u>	<u>\$ 825,862</u>	<u>\$ 436,666</u>	<u>\$ 1,262,528</u>

See accompanying independent auditors' report and notes to financial statements.

STATEMENT F

ADDISON 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  
FOR THE YEAR ENDED DECEMBER 31, 2019

Net change in fund balances - total governmental funds (Statement E)	<u>\$ 43,251</u>
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Amounts reported for governmental activities in the Statement of Activities  
(Statement B) are different because:

Governmental funds report capital outlays as expenditures while governmental  
activities report depreciation expense allocated to those expenditures over  
the life of the assets:

Capital asset acquisitions	5,179
Depreciation expense	<u>(44,442)</u>
	<u>(39,263)</u>

Change in net position of governmental activities (Statement B)	<u>\$ 3,988</u>
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See accompanying independent auditors' report and notes to financial statements.

STATEMENT G

ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT

STATEMENT OF NET POSITION - PROPRIETARY FUNDS  
DECEMBER 31, 2019

	Enterprise Funds <u>Transfer Station</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 746,779
Accounts receivable (net of allowance for uncollectibles)	18,828
Grants receivable	39,028
Inventory	25,635
Prepaid items	100,865
Total current assets	<u>931,135</u>
Noncurrent assets:	
Capital assets:	
Land and other assets not being depreciated	92,155
Depreciable assets, net of accumulated depreciation	1,126,676
Total noncurrent assets	<u>1,218,831</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 2,149,966</u></u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 151,636
Accrued expenses	36,145
Due to other funds	180,224
Current portion of long-term obligations	6,312
Total current liabilities	<u>374,317</u>
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Accrued compensated absences	18,935
Total noncurrent liabilities	<u>18,935</u>
<b>TOTAL LIABILITIES</b>	<u>393,252</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred revenue	133,694
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>133,694</u>
<b>NET POSITION</b>	
Net investment in capital assets	1,218,831
Unrestricted	404,189
<b>TOTAL NET POSITION</b>	<u>1,623,020</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<u><u>\$ 2,149,966</u></u>

See accompanying independent auditors' report and notes to financial statements.

STATEMENT H

ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT

STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION - PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2019

	Enterprise Funds <u>Transfer Station</u>
REVENUES	
Intergovernmental	\$ 5,000
Charges for services	2,196,150
Miscellaneous	<u>10,591</u>
TOTAL REVENUES	<u>2,211,741</u>
EXPENSES	
Payroll	266,394
Administrative	22,237
Professional services	1,242
Repairs and maintenance	80,051
Travel	2,319
Facilities	23,504
Insurance	14,159
Direct	1,409,440
Depreciation	205,896
Local pilot	<u>5,986</u>
TOTAL EXPENSES	<u>2,031,228</u>
OPERATING INCOME (LOSS)	<u>180,513</u>
NONOPERATING REVENUES (EXPENSES)	
Interest income	2,552
Transfers in	169,537
Transfers (out)	<u>(309,882)</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(137,793)</u>
CHANGE IN NET POSITION	42,720
NET POSITION - JANUARY 1, RESTATED	<u>1,580,300</u>
NET POSITION - DECEMBER 31	<u><u>\$ 1,623,020</u></u>

See accompanying independent auditors' report and notes to financial statements.



## ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2019

	Enterprise Funds Transfer Station
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 2,176,405
Interfund activity	(3,784)
Payments to vendors	(1,526,163)
Payments to employees	(270,896)
Miscellaneous receipts	15,591
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>391,153</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
(Increase) decrease in investments	56,339
Interest income	2,552
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>58,891</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES	
Transfers in/(out)	<u>(140,345)</u>
NET CASH PROVIDED (USED) BY NONCAPITAL AND RELATED FINANCING ACTIVITIES	<u>(140,345)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of land, structure and equipment	<u>(185,312)</u>
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(185,312)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	124,387
CASH AND CASH EQUIVALENTS - JANUARY 1	<u>622,392</u>
CASH AND CASH EQUIVALENTS - DECEMBER 31	<u><u>\$ 746,779</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating income (loss)	\$ 180,513
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	205,896
Changes in assets, liabilities and deferred inflows of resources:	
(Increase) decrease in accounts receivable	(6,479)
(Increase) decrease in inventory	1,284
(Increase) decrease in prepaid items	(37,547)
Increase (decrease) in accounts payable	40,218
Increase (decrease) in accrued expenses	(7,443)
Increase (decrease) in due to other funds	(3,784)
Increase (decrease) in accrued compensated absences	(4,502)
Increase (decrease) in deferred revenue	22,997
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ 391,153</u></u>

See accompanying independent auditors' report and notes to financial statements.

# ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **Reporting Entity**

The Addison County Solid Waste Management District (District) was approved by voters on November 8, 1988. The District's charter was further approved by state legislation on May 5, 1989. The District's charter was amended in 1991 and 1993. 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, seek environmentally sound and cost effective solutions in all of its programs, services and facilities.

The District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the District has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the District has chosen not to do so.

The District's combined financial statements include all accounts and all operations of the District. We have determined that the District has no component units as described in GASB Statement No. 14 and amended by GASB Statements No. 39 and No. 61.

#### **Implementation of New Accounting Standards**

During the year ended December 31, 2019, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 83 "Certain Asset Retirement Obligations". This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. This Statement requires that recognition occur when the liability is both incurred and reasonably estimable. The determination of when the liability is incurred should be based on the occurrence of external laws, regulations, contracts or court judgments, together with the occurrence of an internal event that obligates a government to perform asset retirement activities. Laws and regulations may require governments to take specific actions to retire certain

# ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

tangible capital assets at the end of the useful lives of those capital assets, such as decommissioning nuclear reactors and dismantling and removing sewage treatment plants. Other obligations to retire tangible capital assets may arise from contracts or court judgments. Internal obligating events include the occurrence of contamination, placing into operation a tangible capital asset that is required to be retired, abandoning a tangible capital asset before it is placed into operation or acquiring a tangible capital asset that has an existing ARO. This Statement also requires disclosure of information about the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities and the estimated remaining useful life of the associated tangible capital assets. If an ARO (or portions thereof) has been incurred by a government but is not yet recognized because it is not reasonably estimable, the government is required to disclose that fact and the reasons therefor. This Statement requires similar disclosures for a government's minority shares of AROs. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 84 "Fiduciary Activities". This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval or condition is required to be taken or met by the beneficiary to release the assets. Management has determined the impact of this Statement is not material to the financial statements

Statement No. 88 "Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements". This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant

# ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

termination events with finance-related consequences and significant subjective acceleration clauses. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 90 "Majority Equity Interests". This Statement defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit. Management has determined the impact of this Statement is not material to the financial statements.

### **Government-Wide and Fund Financial Statements**

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds).

Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The District's transfer station fund is categorized as a business-type activity. All other activities of the District are categorized as governmental.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are (a) presented on a consolidated basis by column and (b) are reported on a full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts - net investment in capital assets; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities.

# ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions and business-type activities (payroll, administrative, professional services, etc.). The functions are also supported by general government revenues (certain intergovernmental revenues, miscellaneous revenues, etc.) excluding fiduciary activities. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. For the most part, the interfund activity has been eliminated from these government-wide financial statements.

The net costs (by function) are normally covered by general revenue (certain intergovernmental revenues and charges for services, etc.).

The District does not allocate indirect costs. All costs are charged directly to the corresponding department.

The government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

#### **Measurement Focus - Basic Financial Statements and Fund Financial Statements**

The financial transactions of the District are reported in the individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements. The following fund types are used by the District:

#### 1. Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position (sources, uses and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District:

# ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Major Funds

- a. The General Fund is used to account for all revenues and expenditures that are used in the general operations of the governmental agency of the District. All general operating revenues that are not restricted by external sources are recorded in the General Fund.
- b. The Capital Reserve Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment.

#### Nonmajor Funds

- c. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

#### 2. Proprietary Funds:

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. Operating revenues include charges for services, intergovernmental reimbursements and other miscellaneous fees which are a direct result of the proprietary activity. Nonoperating revenues are any revenues which are generated outside of the general proprietary activity, i.e. interest income. The following is a description of the proprietary funds of the District:

- a. Enterprise Funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) established fees and charges based on a pricing policy designed to recover similar costs.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column, GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues or expenses of either the fund category or the governmental and enterprise combined) for the determination of major funds.



# ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **Basis of Accounting**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

#### 1. Accrual

Governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

#### 2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

#### **Deposits and Investments**

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

It is the District's policy to value investments at fair value. None of the District's investments are reported at amortized cost. For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents. The District is authorized by State Statutes to invest all excess funds in the following:

- Obligations of the U.S. Government, its agencies and instrumentalities
- Certificates of deposits and other evidences of deposits at banks, savings and loan associations and credit unions
- Bankers' acceptances
- Commercial paper, rated in the highest tier by a nationally recognized rating agency

## ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- Investment-grade obligations of state, provincial and local governments and public authorities
- Repurchase agreements whose underlying purchased securities consist of the aforementioned instruments
- Money market mutual funds regulated by the Securities and Exchange Commission and whose portfolios consist only of dollar-denominated securities
- Local government investment pools either state-administered or developed through joint powers statutes and other intergovernmental agreement legislation

#### **Receivables**

Receivables include amounts due from governmental agencies. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are proven to be uncollectible. The allowance for uncollectible amounts is estimated to be \$200 as of December 31, 2019. Accounts receivable netted against allowances for uncollectible accounts were \$57,856 for the year ended December 31, 2019.

#### **Interfund Receivables and Payables**

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Any residual balances outstanding between governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances".

#### **Transactions Between Funds**

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both Governmental and Proprietary Funds.

#### **Inventories**

Inventories consist of expendable supplies held for consumption and are valued at cost which approximates market, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when used (consumption method). Inventory of the Transfer Station Fund consists of supplies.

ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

**Capital Assets**

Capital assets purchased or acquired with an original cost of \$750 prior to 2019 or \$5,000 or more starting in 2019, are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives.

The assets are valued at historical cost when available and estimated historical cost where actual invoices or budgetary data was unavailable. Donated fixed assets are valued at their estimated fair market value on the date received. All retirements have been recorded by eliminating the net carrying values.

Estimated useful lives are as follows:

Buildings and improvements	20 - 30 years
Equipment	5 - 10 years

**Long-term Obligations**

The accounting treatment of long-term obligations depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term obligations to be repaid from governmental and business-type resources are reported as obligations in government-wide statements. The District's long-term obligations consist of accrued compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

# ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **Net Position**

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for those assets and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or restricted net position.

#### **Fund Balances**

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components - nonspendable, restricted, committed, assigned and unassigned.

Nonspendable - This includes amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

Restricted - This includes amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors or the laws or regulations of other governments.

Committed - This includes amounts that can be used only for specific purposes determined by a formal action of the inhabitants of the District. The inhabitants of the District through District meetings are the highest level of decision-making authority of the District. Commitments may be established, modified or rescinded only through a District meeting vote.

Assigned - This includes amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The authority for assigning fund balance is expressed by the Board of Supervisors.

# ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unassigned - This includes all other spendable amounts. Governmental funds can only report a negative amount as unassigned fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless the District meeting vote has provided otherwise in its commitment or assignment actions.

#### **Deferred Outflows and Inflows of Resources**

In addition to assets, the statement of financial position and/or balance sheet will at times report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District currently has no deferred outflows of resources.

In addition to liabilities, the statement of financial position and or balance sheet will at times report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has only one type of this item, deferred revenues, which arises under the accrual basis of accounting that qualifies for reporting in this category. This item is reported in the statements of net position. All items in this category are deferred and recognized as an inflow of resources in the period that the amounts become available.

#### **Program Revenues**

Program revenues include all directly related income items applicable to a particular program (charges to customers or applicants for goods, services or privileges provided; operating or capital grants and contributions, including special assessments).

#### **Operating/Nonoperating Proprietary Fund Revenues**

Operating revenues consist mainly of direct revenue sources and/or charges for services applicable to that fund's ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Encumbrance Accounting**

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end. The District does not utilize encumbrance accounting for its general fund.

**Use of Estimates**

During the preparation of the District's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent items as of the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results may differ from these estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

State statutes require that all investments made by the District consider the safe and sound investment of principal and preservation of capital in the overall portfolio, maintenance of sufficient liquidity to meet day-to-day operations and other cash requirements and maximization of income, within established investment risk guidelines, with consistent cash flows throughout the budgetary cycle. These investment policies apply to all District funds.

**Deposits:**

The District's investment policies, which follow state statutes, authorize the District to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other states and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Vermont, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. These investment policies apply to all District funds.

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the District will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party.

At December 31, 2019, the District's cash balance of \$1,572,641 was comprised of bank deposits of \$1,607,912. Of these bank deposits, \$250,000 were fully insured by federal depository insurance and consequently were not exposed to custodial credit



# ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

### NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

risk. The remaining balance of \$1,357,912 was collateralized with securities held by the financial institution in the District's name.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 750,226
Money market accounts	857,686
	<u>\$1,607,912</u>

#### **Investments:**

Custodial credit risk for investments is that, in the event of failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The District's policy on credit risk for investments is the same as that described for cash.

At December 31, 2019, the District's investments of \$256,640 were comprised of certificates of deposit that were fully insured by federal depository insurance and consequently were not exposed to custodial credit risk.

At December 31, 2019, the District's investments had the following maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Not Applicable</u>	<u>&lt; 1 Year</u>	<u>1 - 5 Years</u>	<u>&gt; 5 Years</u>
Certificates of deposit	\$ 256,640	\$ -	\$ 156,640	\$ 100,000	\$ -

Credit risk - Statutes for the State of Vermont authorize the District to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other states and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Vermont, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. Generally, the District invests excess funds in savings accounts and various insured certificates of deposit.

Interest rate risk - is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from fluctuations in interest rates.

# ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

### NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at December 31, 2019 consisted of the following individual fund receivables and payables:

	Receivables (Due from)	Payables (Due to)
Enterprise Funds	\$ -	\$ 180,224
Nonmajor Special Revenue Funds	180,224	-
	<u>\$ 180,224</u>	<u>\$ 180,224</u>

### NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended December 31, 2019:

	Balance, 1/1/19 (Restated)	Additions	Disposals	Balance, 12/31/19
<u>Governmental activities</u>				
Non-depreciated assets:				
Land	\$ 198,000	\$ -	\$ -	\$ 198,000
	<u>198,000</u>	<u>-</u>	<u>-</u>	<u>198,000</u>
Depreciated assets:				
Building and improvements	706,290	-	-	706,290
Equipment	109,995	5,179	-	115,174
	<u>816,285</u>	<u>5,179</u>	<u>-</u>	<u>821,464</u>
Less: accumulated depreciation	(407,980)	(44,442)	-	(452,422)
	<u>408,305</u>	<u>(39,263)</u>	<u>-</u>	<u>369,042</u>
Net governmental capital assets	<u>\$ 606,305</u>	<u>\$ (39,263)</u>	<u>\$ -</u>	<u>\$ 567,042</u>
<u>Business-type activities</u>				
Non-depreciated assets:				
Construction in progress	\$ -	\$ 92,155	\$ -	\$ 92,155
	<u>-</u>	<u>92,155</u>	<u>-</u>	<u>92,155</u>
Depreciated assets:				
Building and improvements	\$ 2,623,218	\$ -	\$ -	\$ 2,623,218
Equipment	1,125,199	93,157	(221,762)	996,594
	<u>3,748,417</u>	<u>93,157</u>	<u>(221,762)</u>	<u>3,619,812</u>
Less: accumulated depreciation	(2,509,002)	(205,896)	221,762	(2,493,136)
	<u>1,239,415</u>	<u>(112,739)</u>	<u>-</u>	<u>1,126,676</u>
Net business-type capital assets	<u>\$ 1,239,415</u>	<u>\$ (20,584)</u>	<u>\$ -</u>	<u>\$ 1,218,831</u>

# ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

### NOTE 4 - CAPITAL ASSETS (CONTINUED)

#### Current year depreciation:

Governmental activities	
District-wide	\$ 44,442
Business-type activities	
District-wide	205,896
Total depreciation expense	<u>\$ 250,338</u>

### NOTE 5 - LONG-TERM OBLIGATIONS

The following is a summary of changes in the long-term obligations for the year ended December 31, 2019:

	Balance, 1/1/19	Additions	Deletions	Balance, 12/31/19	Current Portion
Accrued compensated absences	\$ 29,749	\$ -	\$ (4,502)	\$ 25,247	\$ 6,312
	<u>\$ 29,749</u>	<u>\$ -</u>	<u>\$ (4,502)</u>	<u>\$ 25,247</u>	<u>\$ 6,312</u>

Refer to Note 7 of Notes to Financial Statements for detailed accrued compensated absences information.

### NOTE 6 - OPERATING LEASE

The following is a description of the District's operating lease for the year ended December 31, 2019:

The District leases a copier, which includes a maintenance agreement, with Canon Financial Services for 36 months. Monthly payments are \$218 plus maintenance fees based on usage.

The following is a schedule of future minimum payments under this lease for the fiscal years ending:

2020	2,616
2021	2,180
Total minimum lease payments	<u>\$ 4,796</u>

# ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

### NOTE 7 - ACCRUED COMPENSATED ABSENCES

The District's policies regarding vacation time allows employees to accumulate earned but unused vacation leave. The liability for these compensated absences is recorded as a long-term obligation in the government-wide financial statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred. As of December 31, 2019, the District's liability for compensated absences is \$25,247.

### NOTE 8 - RESTRICTED FUND BALANCES

At December 31, 2019, the District had the following restricted fund balances:

Nonmajor special revenue funds (Schedule C)	<u>\$ 56,442</u>
---	------------------

### NOTE 9 - ASSIGNED FUND BALANCES

At December 31, 2019, the District had the following assigned fund balances:

Capital reserve fund	\$ 825,862
Nonmajor special revenue funds (Schedule C)	<u>380,224</u>
	<u>\$ 1,206,086</u>

### NOTE 10 - 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; and natural disasters for which the District participates in the Vermont League of Cities and Towns Property and Casualty Intermunicipal Fund, Inc.

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 insurance and risk management programs for Vermont cities and towns and is owned by the participating members. The Trusts are not licensed insurance carriers, and members are not protected by the Vermont Insurance Guaranty Association.

Based on the coverage provided by the insurance purchased, the District is not aware of any material actual or potential claim liabilities which should be recorded at December 31, 2019. There were no significant reductions in insurance coverage from that of the prior year and amounts of settlements have not exceeded insurance coverage in the past three years.

# ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

### NOTE 11 - CONTINGENCIES

With regard to pending legal claims or any unasserted claims, it is not feasible at this time to predict or determine their outcome. Management believes, however, that settlement amounts, if any, will not have a material adverse effect on the District's financial position.

The District participates in various intergovernmental grant programs which may be subject to future program compliance audits by the grantors or their representatives. Accordingly, the District's compliance with applicable grant requirements may be established at some future date. The amount, if any, of any liabilities arising from the disallowance of expenditures or ineligibility of grant revenues cannot be determined at this time.

### NOTE 12 - RESTATEMENTS

The beginning net position for the governmental and business-type activities have been restated as of January 1, 2019. The balances were restated to properly reflect the capital asset values and accumulated depreciation (see Note 4). The governmental activities net position was increased by \$148,674 from \$1,676,908 to \$1,825,582. The business-type activities net position was decreased by \$141,165 from \$1,721,465 to \$1,580,300.

### Other Supplementary Information

Other supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

- Combining Balance Sheet - Nonmajor Governmental Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
- Combining Balance Sheet - Nonmajor Special Revenue Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds



SCHEDULE A

ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2019

	Special Revenue Funds	Total Nonmajor Governmental Funds
	<u>          </u>	<u>          </u>
ASSETS		
Investments	\$      256,640	\$      256,640
Due from other funds	180,224	180,224
TOTAL ASSETS	<u>\$      436,864</u>	<u>\$      436,864</u>
LIABILITIES		
Due to other governments	\$              198	\$              198
TOTAL LIABILITIES	<u>              198</u>	<u>              198</u>
FUND BALANCES		
Nonspendable	-	-
Restricted	56,442	56,442
Committed	-	-
Assigned	380,224	380,224
Unassigned	-	-
TOTAL FUND BALANCES	<u>          436,666</u>	<u>          436,666</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$      436,864</u>	<u>\$      436,864</u>

See accompanying independent auditors' report and notes to financial statements.

## ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2019

	Special Revenue Funds	Total Nonmajor Governmental Funds
REVENUES		
Interest income	\$ -	\$ -
TOTAL REVENUES	-	-
EXPENDITURES		
Program expenses	3,784	3,784
TOTAL EXPENDITURES	3,784	3,784
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3,784)	(3,784)
OTHER FINANCING SOURCES (USES)		
Transfers in	-	-
Transfers (out)	(100,000)	(100,000)
TOTAL OTHER FINANCING SOURCES (USES)	(100,000)	(100,000)
NET CHANGE IN FUND BALANCES	(103,784)	(103,784)
FUND BALANCES - JANUARY 1	540,450	540,450
FUND BALANCES - DECEMBER 31	\$ 436,666	\$ 436,666

See accompanying independent auditors' report and notes to financial statements.

### Special Revenue Funds

Special revenue funds are established to account for the proceeds of specific revenue sources (other than expendable trusts or for major capital projects) that are legally restricted to expenditures for specific purposes.

SCHEDULE C

ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2019

	Rate Stabilization Fund	Closure Fund	School Diversions Grant Fund	Municipal Grant Fund	Recycling Rate Stabilization Fund	Organic Rate Stabilization Fund	Total
ASSETS							
Investments	\$ 100,000	\$ 56,442	\$ -	\$ -	\$ -	\$ 100,198	\$ 256,640
Due from other funds	-	-	51,124	29,100	100,000	-	180,224
TOTAL ASSETS	<u>\$ 100,000</u>	<u>\$ 56,442</u>	<u>\$ 51,124</u>	<u>\$ 29,100</u>	<u>\$ 100,000</u>	<u>\$ 100,198</u>	<u>\$ 436,864</u>
LIABILITIES							
Due to other governments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 198	\$ 198
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>198</u>	<u>198</u>
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	56,442	-	-	-	-	56,442
Committed	-	-	-	-	-	-	-
Assigned	100,000	-	51,124	29,100	100,000	100,000	380,224
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>100,000</u>	<u>56,442</u>	<u>51,124</u>	<u>29,100</u>	<u>100,000</u>	<u>100,000</u>	<u>436,666</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 100,000</u>	<u>\$ 56,442</u>	<u>\$ 51,124</u>	<u>\$ 29,100</u>	<u>\$ 100,000</u>	<u>\$ 100,198</u>	<u>\$ 436,864</u>

See accompanying independent auditors' report and notes to financial statements.

SCHEDULE D

ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2019

	Rate Stabilization Fund	Closure Fund	School Diversion Grant Fund	Municipal Grant Fund	Recycling Rate Stabilization Fund	Organic Rate Stabilization Fund	Total
REVENUES							
Interest income	-	\$ -	\$ -	-	\$ -	\$ -	\$ -
TOTAL REVENUES	-	-	-	-	-	-	-
EXPENDITURES							
Program expenses	-	-	1,722	2,062	-	-	3,784
TOTAL EXPENDITURES	-	-	1,722	2,062	-	-	3,784
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	(1,722)	(2,062)	-	-	(3,784)
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	(100,000)	(100,000)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	(100,000)	(100,000)
NET CHANGE IN FUND BALANCES	-	-	(1,722)	(2,062)	-	(100,000)	(103,784)
FUND BALANCES - JANUARY 1	100,000	56,442	52,846	31,162	100,000	200,000	540,450
FUND BALANCES - DECEMBER 31	\$ 100,000	\$ 56,442	\$ 51,124	\$ 29,100	\$ 100,000	\$ 100,000	\$ 436,666

See accompanying independent auditors' report and notes to financial statements.



*Proven Expertise & Integrity*

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Supervisors  
Addison County Solid Waste Management District  
Middlebury, Vermont

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Addison County Solid Waste Management District as of and for the year ended December 31, 2019 and the related notes to the financial statements, which collectively comprise the Addison County Solid Waste Management District's basic financial statements and have issued our report thereon dated May 20, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Addison County Solid Waste Management District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Addison County Solid Waste Management District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Addison County Solid Waste Management District's internal control.

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

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

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Addison County Solid Waste Management District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. We noted certain other matters that we reported to management of the Addison County Solid Waste Management District in a separate letter dated April 28, 2020.

#### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "RHR Smith & Company". The signature is written in a cursive, flowing style.

Buxton, Maine  
May 20, 2020



# Notes

# ACSWMD 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, 7:30am-12pm  
Hauler: Moose Rubbish & 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 & Recycling  
Day and Time: Wednesdays  
Contacts: Marci Hayes (247-3133), David Sabatini (247-6350)



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



**Lincoln:** 1111 Downingsville Rd.  
Day and Time: Saturdays, 8am-1pm  
Hauler: Moose Rubbish & 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 & 4th Saturday, 9am-12pm  
Contact: Jessica Demeritt (453-5686)  
Haulers: Moose Rubbish & Recycling (897-5637), Casella (1-800-292-0297)



**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)



 **Addison County**  
Solid Waste Management District  
(802) 388-2333, [www.AddisonCountyRecycles.org](http://www.AddisonCountyRecycles.org)

## Appendix B

**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 & 3rd Saturday, 9am-12pm  
Recycling only: 1st Wednesday of the month, 5pm-7pm  
Contact: Warren King (388-4082)  
Haulers: Webb and Sons (388-4532), Casella (1-800-292-0297)



**Salisbury:** Old Town Landfill, Upper Plains Rd.  
Day and Time: Saturdays, 8am-1pm  
Hauler: R&L Rubbish (388-6288)



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



**Starksboro:** Town Garage, 3904 Rte. 116  
Day and Time: 1st & 3rd Saturday, 8am-11am  
Contact: Jen Turner (453-2639)  
Hauler: Acker Waste Management (349-2414)



**Vergennes\*:** Intersection of Canal & West St.  
Day and Time: Saturdays, 8am-12pm & Wednesdays, 2pm-6pm  
Hauler: R&L Rubbish (388-6288)



**Weybridge:** Behind Town Garage, 460 Quaker Village Rd.  
Day and Time: Saturdays, 9:30am-11am  
Contact: Chris Anderson (545-2874)  
Hauler: Kimball (545-2891), Casella (1-800-292-0297)



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



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

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

## Appendix C

Addison County Solid Waste Management District

# 2021 Proposed Rate Schedule Transfer Station & District Fees

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

<b>MSW (Trash), Construction &amp; Demolition Debris.....</b>	<b>\$130/ton</b>
Minimum Fee - Minimum Load Size - 1/2 ton for MSW only.....	\$64
<b>Minimum Fee - 100 lbs. or less - mixed debris.....</b>	<b>\$8/load</b>
(Telephone poles must be cut into 10' sections)	
<b>Appliances w/ CFCs (refrigerator, freezer, window A/C, water fountain, vending machine, dehumidifier).....</b>	<b>\$15/ea.</b>
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
Asphalt Shingles and Drywall Recycling.....	\$110/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
<b>Books (hard and soft cover)</b>	
<b>Residential.....</b>	<b>\$2/load</b>
<b>Business.....</b>	<b>\$10/load</b>
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.....	\$11/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, Residential).....	No charge
Business (limit 1 CY per week or less).....	\$10/load
<b>Fire Extinguishers – Any size.....</b>	<b>\$5/ea.</b>
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, containers up to 5-gal).....	\$1.00/ea.
(Business, containers up to 5-gal).....	\$1.25/ea.
(Business, 32-gallon container).....	\$15/ea.
(Business, 48-gallon container).....	\$20/ea.
Hazardous Waste (Residential) – (including all paint).....	No Charge
Hazardous Waste (Business, CEG) (including all paint)	
Must call for appointment day/time.....	Actual Cost+\$5 Fee***
Leaf & Yard Waste (grass clippings, leaves, small twigs) - 3 CY or less .....	\$2/load
Over 3 CY.....	\$20/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
Residential greater than 10 gal, uncontaminated only.....	\$0.30/gal.
Business any amount, 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) .....	\$7/pail
(Business) 55-gallon drum full (crushed or uncrushed).....	\$70/drum
Propane Tanks, 1-lb (Residential).....	No Charge
1-lb (Business).....	\$1/ea.
20-lb or larger (grill size, resident or business).....	\$5/ea.
Recycling – Single Stream Recyclables from Commercial Haulers.....	\$125/ton
Single Stream self-hauled from Businesses -Min. Fee 1 CY or less.....	\$10.00
Single Stream self-hauled from Businesses > 1 CY.....	\$125/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.....	\$3/ea.
Large Truck Tires.....	\$9/ea.
Agricultural Tires, Earthmoving Tires, Extra Large Tires.....	\$0.10/lb
Large Quantities of Tires.....	\$0.09/lb

**District Fee** – \$34/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.

**Scale Weights** are \$5.00 per vehicle.

\* 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.



# Addison County

## Solid Waste Management District

1223 Route 7 South • Middlebury, Vermont 05753  
p. 802-388-2333 • f. 802-388-0271  
[www.AddisonCountyRecycles.com](http://www.AddisonCountyRecycles.com)

2020