



2021 Annual Report and Proposed Budget for Calendar Year 2022



Addison County
Solid Waste Management District

802-388-2333
info@acswmd.org
AddisonCountyRecycles.org
1223 Route 7 South
Middlebury, VT 05753

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: Vacant

FERRISBURGH

Rep: David Olson
Alt: Kim Trombley

GOSHEN

Rep: Annina Seiler
Alt: David Sabatini

LEICESTER

Rep: Richard Reed
Alt: Diane Benware

LINCOLN

Rep: Bill Finger
Alt: Sally Ober

MIDDLEBURY

Rep: Andy Hooper
Alt: Diane Mott

MONKTON

Rep: Deborah Gaynor
Alt: Jessica Demeritt

NEW HAVEN

Rep: Patrick Palmer
Alt: Vacant

ORWELL

Rep: Sarah Harris
Alt: Thomas Audet

PANTON

Rep: J. Paul Sokal
Alt: Todd Presson

RIPTON

Rep: Jay Harrington
Alt: Steven Zwicky

SALISBURY

Rep: Jonathan Blake
Alt: Vacant

SHOREHAM

Rep: Randy Orvis
Alt: Jason Paquette

STARSBORO

Rep: Susan Jefferies
Alt: Vacant

VERGENNES

Rep: Cheryl Brinkman
Alt: Vacant

WALTHAM

Rep: Timothy Ryan
Alt: Andrew Martin

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.....Vacant
Public Outreach Intern.....Colin Clarcq
Administrative Assistant.....Chantel Bolduc
Transfer Station Operators.....Chad Kimball
Gene Pouliot
Brian Sherwin
Jake Vukas
Transfer Station Attendants (P/T).....Wes Kimball
Ricky Rheaume
Scalehouse OperatorShelly 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
Website: 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 29, 2021

TO: Select Boards, Aldermen, Town & City Managers, and Interested Citizens of
Addison County Solid Waste Management District Member Municipalities

We are pleased to present the 2021 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 annual budget** for Calendar Year 2022, along with the results of an independent audit of the District's financial statements for the calendar year ending December 31, 2020.

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, in conformance with the 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; public outreach; and school programs on waste reduction, reuse, recycling and composting. The District will continue to plan for environmentally sustainable solid waste services, limit future liabilities, foster competition, and minimize costs to its member municipalities.

The District's website, 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."

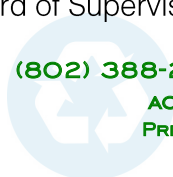
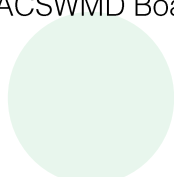
Please take a few moments to review the 2021 Annual Report and the proposed CY2022 Annual Budget. We welcome your comments and suggestions. A **public hearing** on the proposed budget will be held both via Zoom and at the ACSWMD Office, 1223 Rt. 7 South, Middlebury, on **Thursday, November 18, 2021 at 7:00 PM**. To access the Zoom meeting, please contact Patti Johnson at (802) 558-1159 for log-in instructions. The District Board of Supervisors will consider any comments at the public hearing and adopt a final budget on or before December 31, 2021.

We look forward to your participation in the public hearing!

Sincerely,

Teresa A. Kuczynski
District Manager

cc: ACSWMD Board of Supervisors



(802) 388-2333 • FAX (802) 388-0271
ACSWMD@ACSWMD.ORG
PRINTED ON RECYCLED PAPER

2021 Community Feedback



I very much appreciated the informative post by the Addison County Solid Waste Management District in Thursday's FPF. ACSWMD is where our household waste goes before heading off to various places to be recycled with the remainder going to the Coventry Landfill. We are fortunate to live in an area that offers many options for keeping our household waste out of the final stop at Coventry, where the trash will be around for centuries.

Like many, I have been doing my best to reuse and repair instead of replace, make purchases that use less packaging, and recycle whenever I have the opportunity. I often have questions when deciding if an item can be recycled. This morning when I went to ACSWMD's website, <https://www.addisoncountyrecycles.org>, I found a well-organized, informative guide to recycling in Addison County. If you have any questions about what can or cannot be recycled in our county, check out the A-Z Guide. It is amazing! Even better, each of the sections is available in a printable, well-organized PDF.

Thank you, ACSWMD. And, thank you, neighbors, for keeping as much as we can out of the Coventry Landfill. - Lauren W.

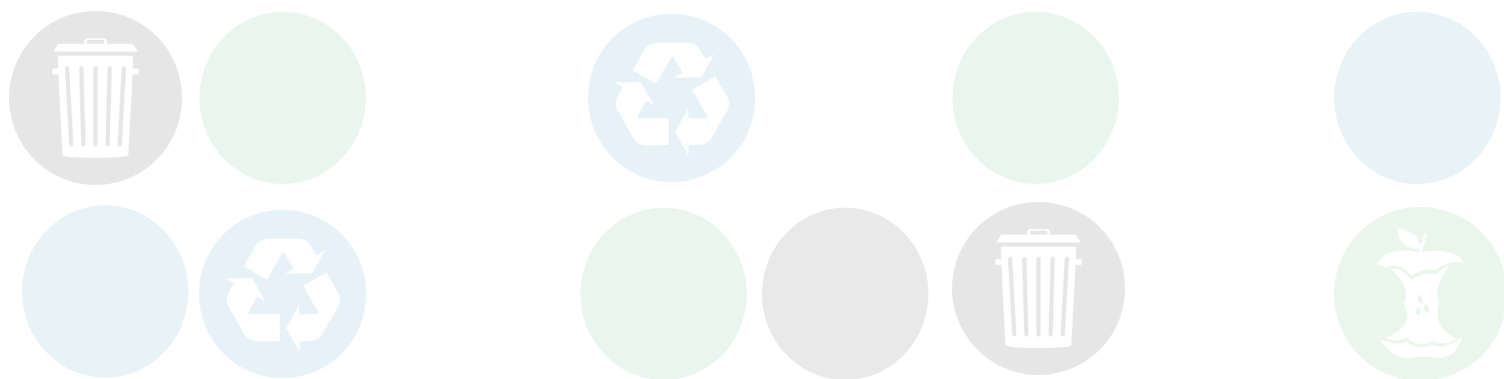


Addison County Solid Waste Management District 2021 Annual Report

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**An electronic version of this Annual Report is available at
www.AddisonCountyRecycles.org/about/resources/annual-report.**



2021 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.

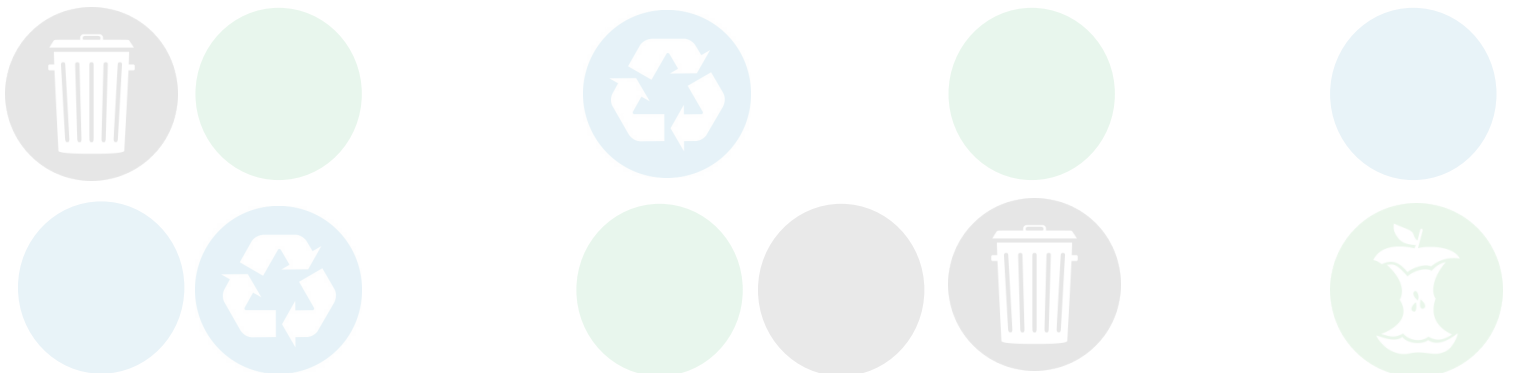
BOARD OF SUPERVISORS

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 at the ACSWMD office in Middlebury and virtually on the third Thursday of the month at 7 PM due to the ongoing pandemic.

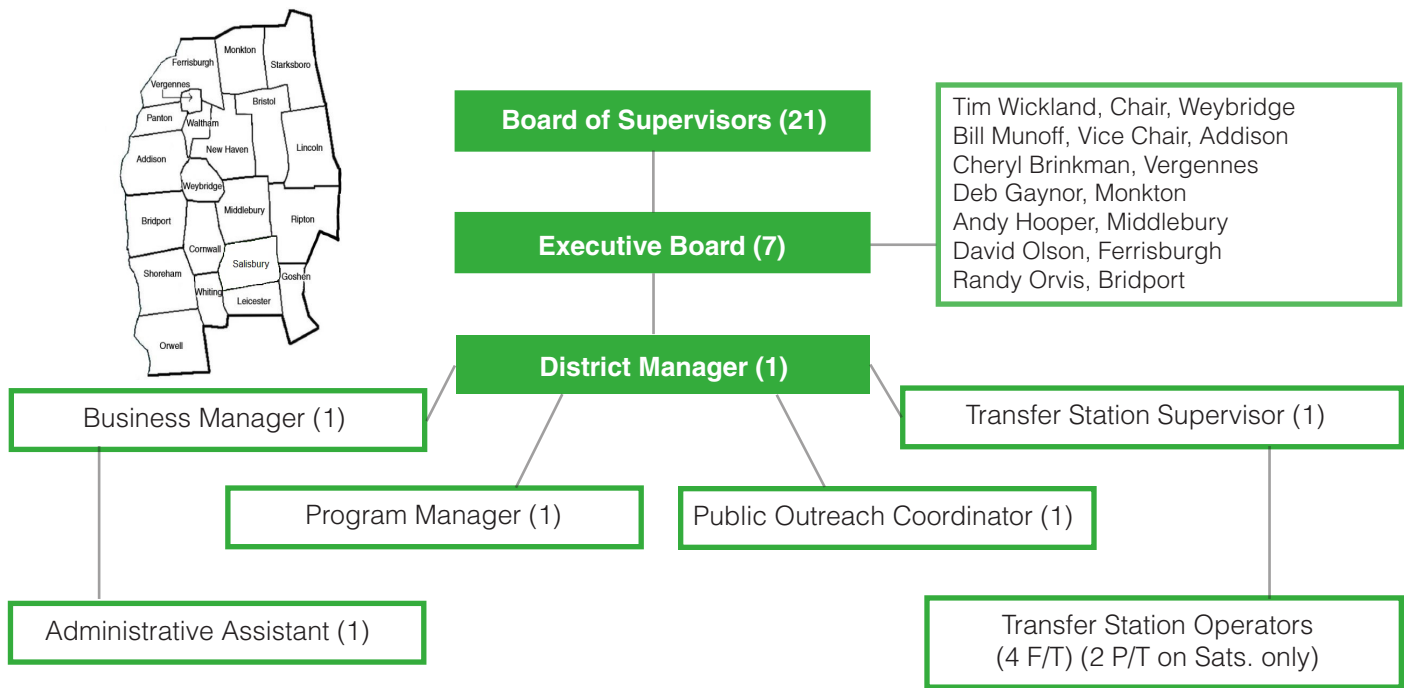
EXECUTIVE BOARD

The Executive Board, a subgroup of the Board of Supervisors, meets at the ACSWMD office and virtually on a monthly basis, eight days prior to the monthly Board meetings (usually on the second Wednesday), at 4:30 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.



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.



District Manager's Report

COVID-19

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. 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 essential services the Transfer Station provides.

The District continued to adopt Precautionary Guidelines for all visitors to the District Transfer Station and Offices in Middlebury to reduce the potential for COVID-19 exposure to staff and customers. 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 if within 6 feet. The District office has reopened to the public. Visitors are required to stay away if sick and to wear a mask in the office if they are unvaccinated. The District staff deserve praise for continuing to work throughout the past two years despite the pandemic in order to manage the solid waste generated in the District towns. The day-to-day challenges they manage – regulatory requirements, an ever-changing waste stream, household hazardous waste, increased volumes collected, working with vendors to ensure that the waste is hauled to the various recycling and landfill facilities – require a great deal of knowledge, patience, hard work, and dedication that often goes unrecognized.

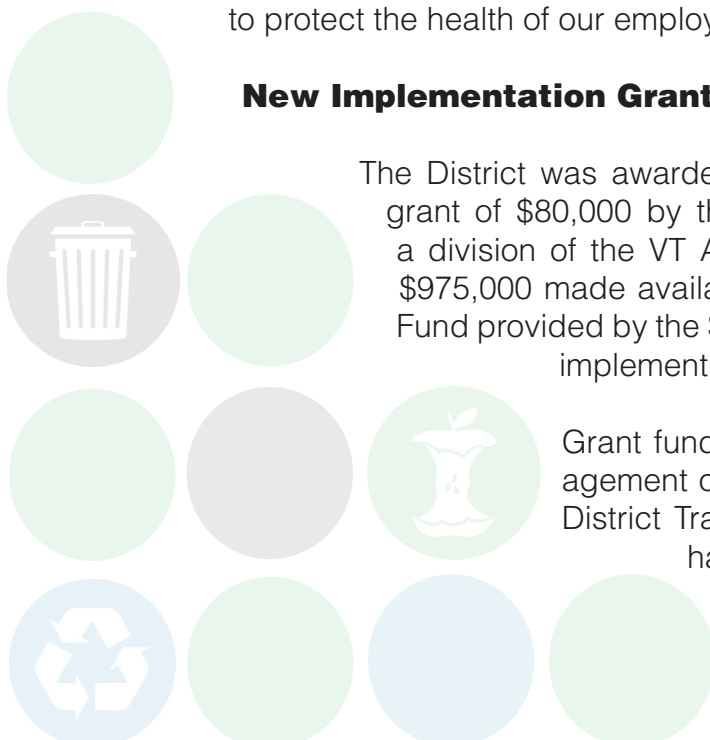


We appreciate visitors and customers' continued patience and cooperation as we strive to protect the health of our employees, customers and communities. Thank you!

New Implementation Grant

The District was awarded a materials management implementation (MMI) grant of \$80,000 by the VT Department of Environmental Conservation, a division of the VT Agency of Natural Resources. The grant is part of \$975,000 made available from the Solid Waste Management Assistance Fund provided by the State to help towns and solid waste planning entities implement their solid waste plans, as required by state law.

Grant funds will be used to improve the collection and management of single stream recyclables and food scraps at the District Transfer Station in Middlebury, where both programs have grown in volume in recent years. The MMI Grant funding of \$80,000 represents 40% of the total project costs, with the District providing 60% or \$120,000 in matching funds.



Single Stream Recycling

Single stream recycling tonnage collected at the Transfer Station has seen a major increase through September 2021, with 3,450 tons of single stream recyclables collected. Of the MMI Grant total, ACSWMD received \$40,000 for a single stream recycling transfer trailer. The purchase of a new transfer trailer will provide additional capacity for storing the higher volume of single stream recyclables for efficient transfer to out-of-District processing facilities.

Food Scraps

Since the statewide food scrap ban took effect on July 1, 2020, the volume of food scraps the District Transfer Station manages has grown significantly. The District Transfer Station received 64.5 tons of food scraps through September 2021. An additional \$40,000 of the MMI Grant was awarded to the District to assist with the collection and management of food scraps. Grant funds will be used to purchase equipment that will support safe, efficient and sanitary collection of food scraps at the District Transfer Station. Additional funding for the toter tipper is supported by a \$5,000 grant from the Vermont League of Cities and Towns Property and Casualty Intermunicipal Fund.



Outreach Summary

The District promotes its mission of waste recycling, reduction, reuse, and diversion of organics through outreach to our community in various ways. This generally includes presentations, workshops and tabling at schools, businesses, community groups and events. Because of the ongoing pandemic, outreach in 2021 has been limited to online, over-the-phone, small in-person gatherings and tabling at special events. This year, we published our biannual News to Reuse newsletter, grew our social media presence on Front Porch Forum, Facebook and Instagram, updated our website and ran ads in local newspapers.

The District continues to promote and sell blue-bin recycling containers, food scrap buckets and kitchen collectors, Soil-Saver brand composters and Green Cone Solar Digesters. In 2021, the District no longer provided free receptacles. Despite price increases, we sold 79 blue-bins, 155 five-gallon green buckets, 86 SoilSavers, 11 four-gallon green buckets, 25 green cones, and 149 kitchen collectors between January 2021 and September 2021. Strong end-of-the summer sales were in part due to our presence at the Addison County Fair & Field Days, Vergennes Day, Welcome to Middlebury, USA and the Bristol Harvest Festival. Each receptacle sold often comes with literature and discussion on the intended use of the receptacle.

In the latter half of the year, the District supported 8 public events with its X-Frame Loan Program. This program loans easy-to-use trash, recycling and food receptacles in various sizes for free to public events. Our receptacles come with signage to boost awareness about landfill bans and proper sorting. Events included: Champlain Valley Horse Show, Festival on the Green, Addison County Fair & Field Days, Vergennes Day, Welcome to Middlebury, USA, TAM Trek, Bristol Harvest Festival and Dead Creek Wildlife Day. This loan program is offered year-round.

The District's website, www.AddisonCountyRecycles.org, continues to be a comprehensive resource for residents and businesses to learn about recycling, organics management, identifying and handling hazardous waste, 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.



2021 School Outreach

In 2021, the District worked with Addison Northeast School District, Addison Northwest School District and Addison Central School District to provide biobag liner bags for compost collection. This program has allowed ACSWMD to develop a stronger relationship with area schools on waste management including food scrap collection. Some highlights include virtual recycling presentations offered to area science classes and afterschool clubs, a waste sort at Middlebury Union High School with students and direct, in-person outreach to custodial staff at Vergennes Elementary School, Vergennes High School, Lincoln Community School, Mount Abraham Union High School, Mary Hogan Elementary School and other local school professionals.

2021 Business Outreach

The District continued to provide compostable liner bags to businesses who set up or continued curbside food scrap pick-up. With the distribution of liner bags, information was also provided on recycling, EPR programs and proper hazardous waste management. The District has recorded more than 40 business outreach visits in 2021 with businesses in Addison County. Our Public Outreach Intern has been busy meeting with business owners and providing brochures and signage for improved collections.

2021 Community Outreach

Due to the ongoing pandemic, District staff offered a series of virtual blue-bin recycling workshops and a series of virtual backyard composting workshops in the Spring of 2021. We had 84 residents register for our blue-bin recycling series and 37 residents register for our compost workshop series. We also offered a virtual workshop in partnership with the Bixby Library on Zero Waste.

The District tabled at 5 public events beginning in August with the Addison County Fair & Field Days and ending in October with Dead Creek Wildlife Day. New this year, was the presence of post-consumer food scrap collection at the Fair with the help of the District's latest Waste Warrior program. The District also provided vendors at the Fair with post-consumer food scrap collection containers. Collectively, the Fair was able to divert almost 2000 lbs of food scraps and 200 gallons of used cooking oil.





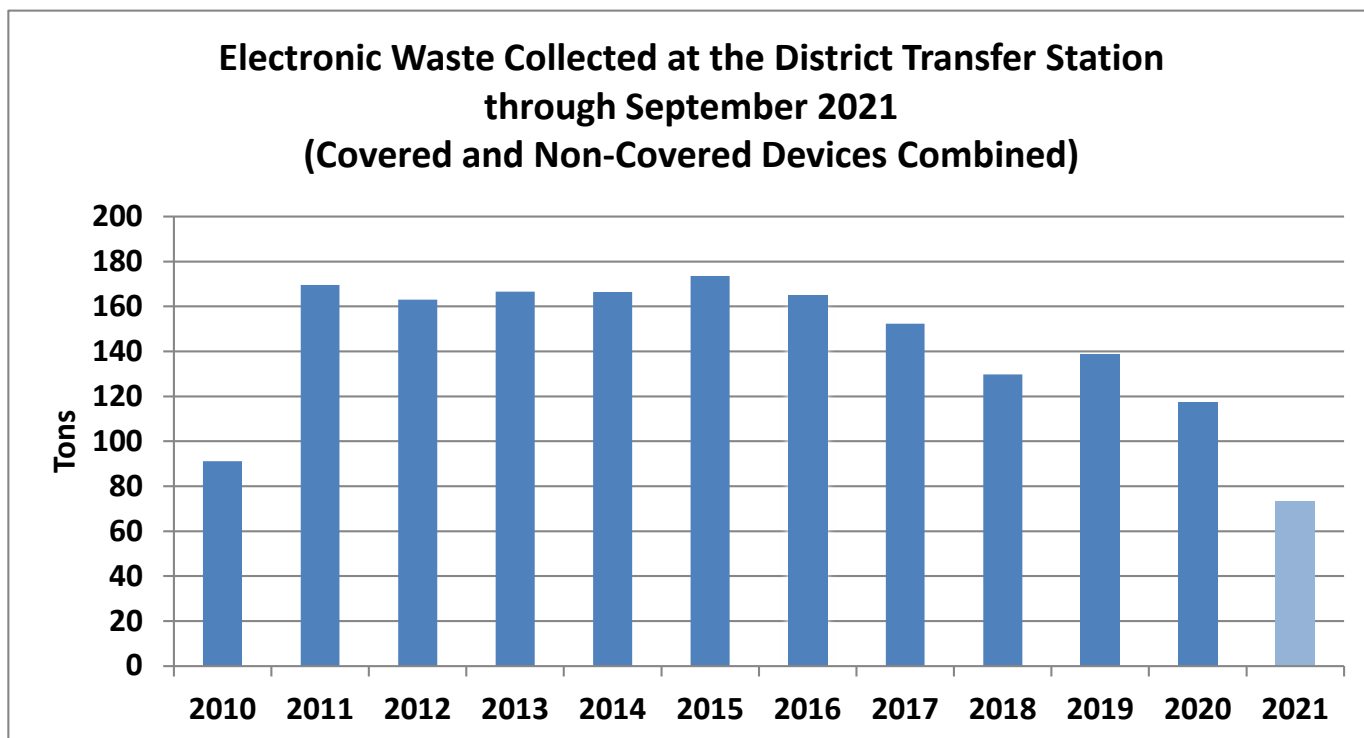
Program Summary

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 28 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 CY2012 through September 2021. 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 74 tons of E-Waste through September.

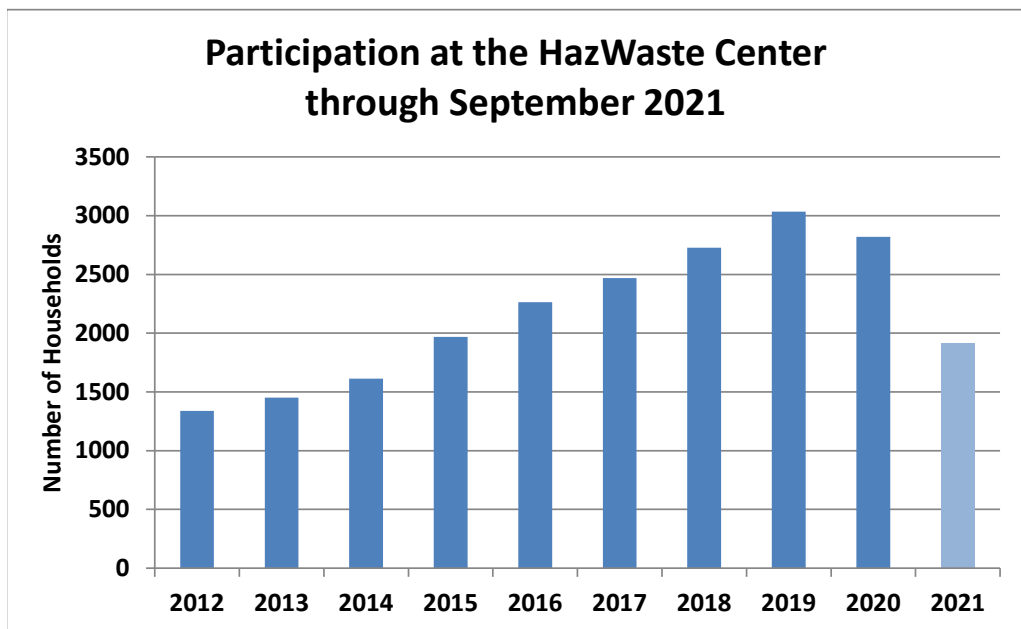
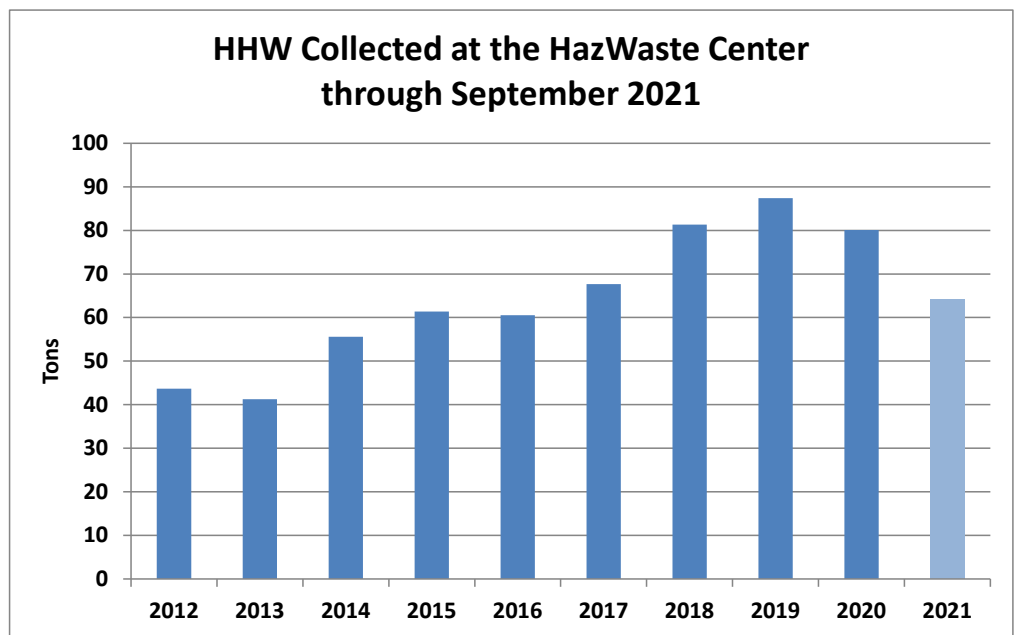


Household Hazardous Waste (HHW) and Conditionally-Exempt Generator (CEG) Hazardous Waste Diversion

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 CY2020, residential participation dropped slightly due to the temporary closure of our HazWaste Center at the outset of the COVID-19 pandemic. In 2020 the District received HHW from 2,821 residents, which is a 7% decrease from CY2019. From January 2021 to the end of September 2021, a total of 2,081 residents dropped off their HHW, and 74 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



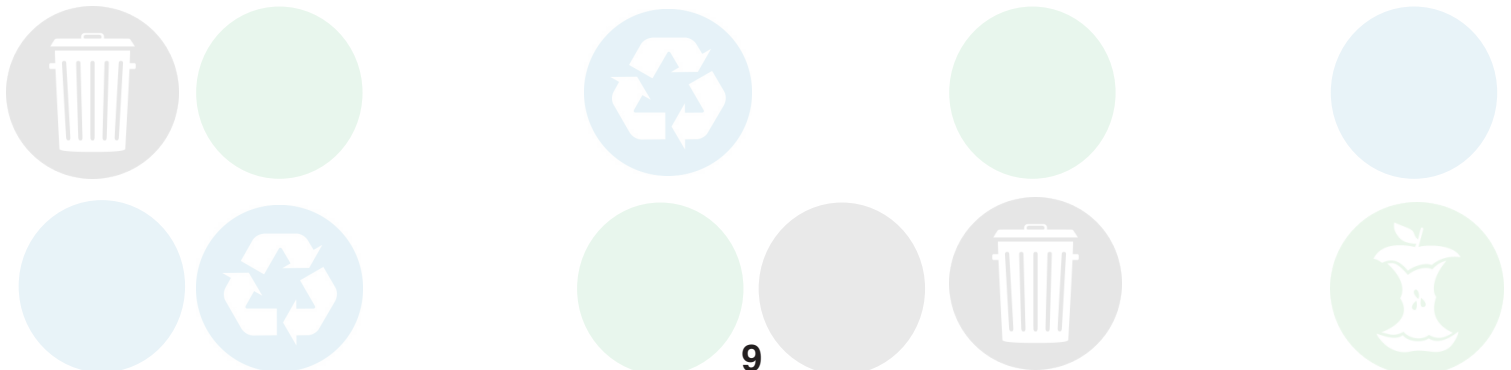
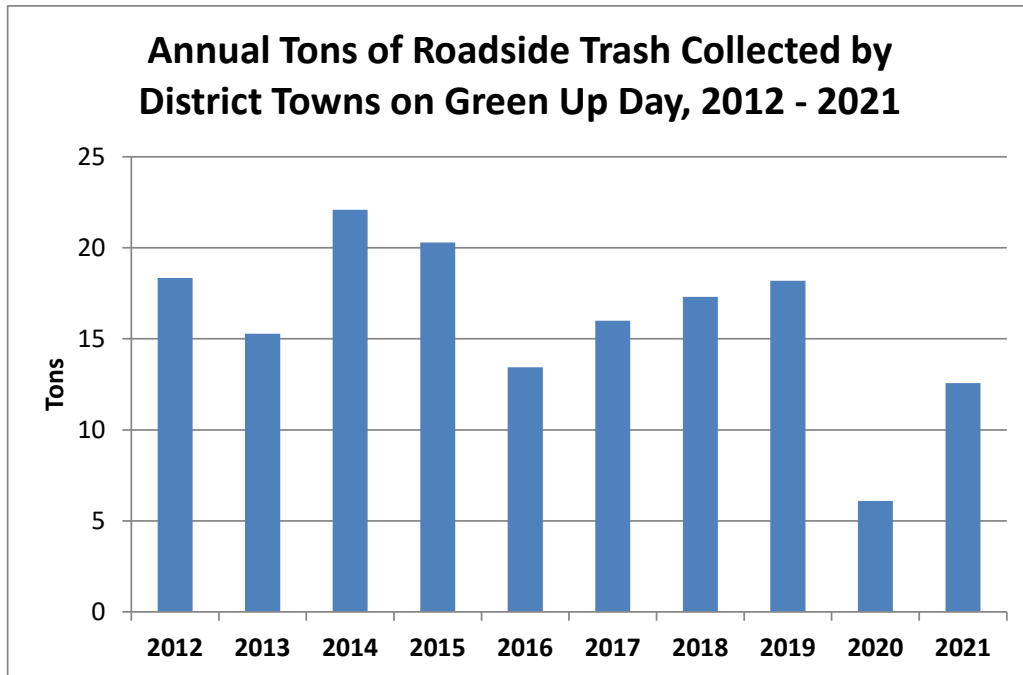
of a safe, year-round collection center. Paint still constitutes the largest percentage of waste material collected at the HazWaste Center. All architectural paints collected through the HazWaste Center were managed through the Vermont PaintCare program, a manufacturer take-back program that provides significant savings for the District, as well as for local businesses needing to dispose of paint. In CY2020, the HazWaste Center collected 160,218 lbs of hazardous waste, an 8.4% decrease from CY2019. Of the CY2020 total, 100,822 lbs (63%) was paint or paint-related products. From January 2021 to the end of September 2021, the HazWaste Center collected a total of 128,378 lbs of hazardous waste, of which 70,718 lbs (55%) was paint, or paint-related products (see chart below). The District receives partial funding for its HHW diversion program through grants from the VT Agency of Natural Resources and the VT Agency of Agriculture, Food & Markets.





Illegal Burning and Disposal

The District contracted with the Addison County Sheriff's Department in CY2021 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 Coordinator 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 12.57 tons of roadside trash, 4.94 tons of tires, and various other abandoned wastes for a total economic benefit to its member towns of \$3,342. 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 was the final implementation phase of the URL, which now affects all Vermont residents and businesses. Last year, the District experienced an unprecedented increase in food scrap diversion, an increase in the sale of home composting supplies, and an increase in the number of public inquiries about food scrap diversion. During the ongoing COVID-19 pandemic, the District Transfer Station maintains its essential function of collecting trash, recyclables, and food scraps. In CY2020, the District collected a total of 104,080 lbs of food scraps for composting at a local facility. From January 2021 to the end of September 2021, the District collected 129,000 lbs of food scraps. This increase is likely due to the combined effect of increased participation as residents and businesses adjust to the COVID-19 pandemic as a long-term situation, and continued messaging about the importance of food scrap diversion. The District remains committed to working with residents, haulers and businesses to help them decide how best to comply with the URL.

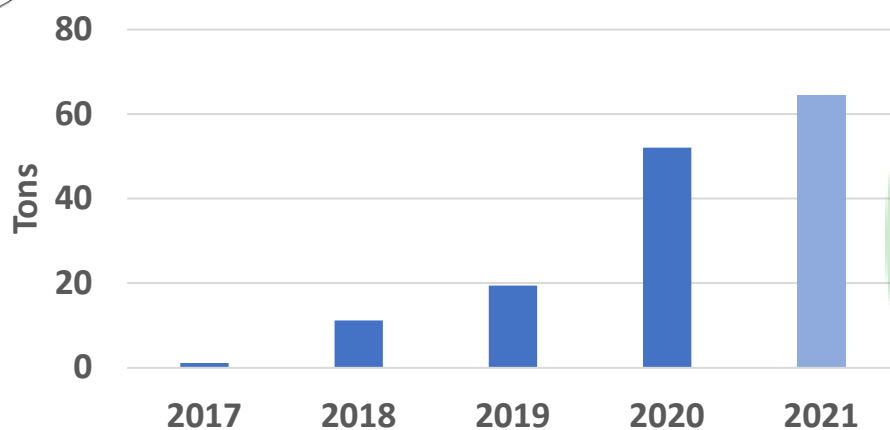
The District is continuing to implement the URL organics diversion requirements by focusing on commercial food waste collection, community and school outreach, the promotion of backyard composting, and ensuring that a regional compost facility and/or anaerobic digester is available to manage the food 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.

In addition to the food scrap diversion efforts, the District also collected 45 tons of clean wood waste and at least 20 tons of leaf and yard waste for recycling so far in CY2021. Clean wood waste is chipped into mulch and given away to area residents, while yard waste is transferred to a local commercial composting facility.



Food Scraps Collected at the District Transfer Station through September 2021



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, 3,450 tons of single stream recyclables were received at the Transfer Station, representing a 23% increase above the first three quarters of 2020. 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 of offering 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.

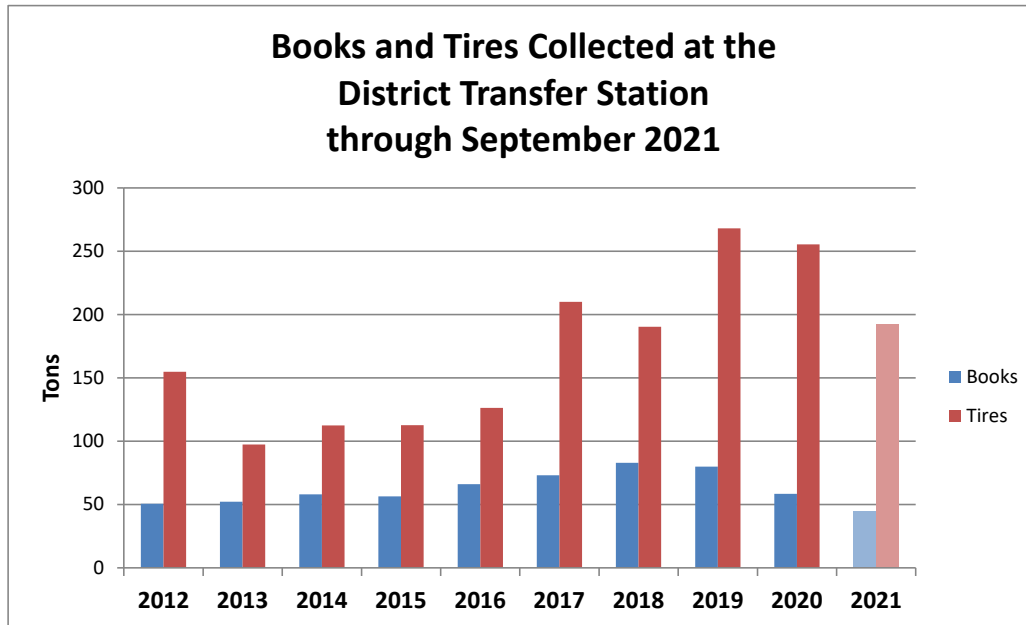
All commercial waste hauling companies operating within member municipalities must be licensed by the District and the State, and all licensed commercial haulers who provide curbside waste collection are required by state law and District ordinance to offer recycling collection service to their customers. 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 2021, 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 District Transfer Station remain closed until further notice, due to operational challenges stemming from the COVID-19 pandemic. 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 District is in the early stages this year of planning for a possible Repair Fair event sometime in early 2022.

Special Waste Recycling



In CY2020, the Transfer Station received 59 tons of books for recycling, and 255 tons of tires for use as tire-derived fuel. Through September of this year the District collected 45 tons of books, and 193 tons of tires for use as tire-derived fuel (see chart above).

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 CY2020, the District recycled 5.39 tons of mixed thin film plastic, which is a 12.3% increase over CY2019. Through September of this year, the District has collected more than 4.53 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

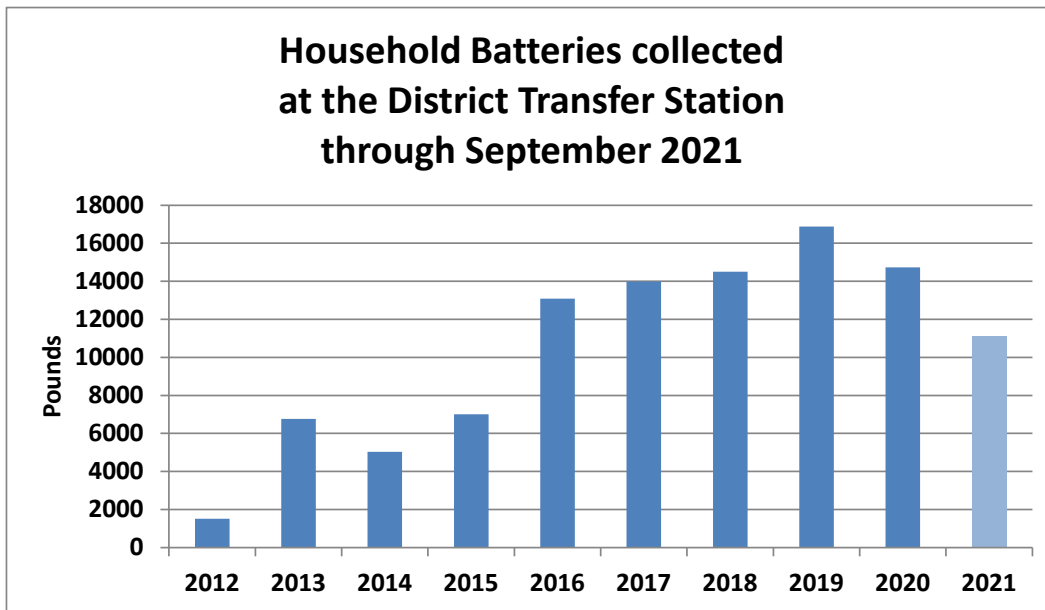
We accept EMPTY, CLEAN, and DRY:

 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, at no charge. The District also collects all types of rechargeable household batteries at no charge, including lithium ion, lithium polymer, nickel-cadmium, nickel-metal hydride, and small sealed lead-acid batteries. Last year the District collected 3.91 tons of primary cell household batteries, and 3.44 tons of re-chargeable household batteries. Through September of this year, the District collected 2.75 tons of primary cell batteries, and 2.42 tons of rechargeable batteries. The District also continues to recycle non-rechargeable lithium batteries, button cell batteries and wet cell (auto) batteries.

Mercury Lamps

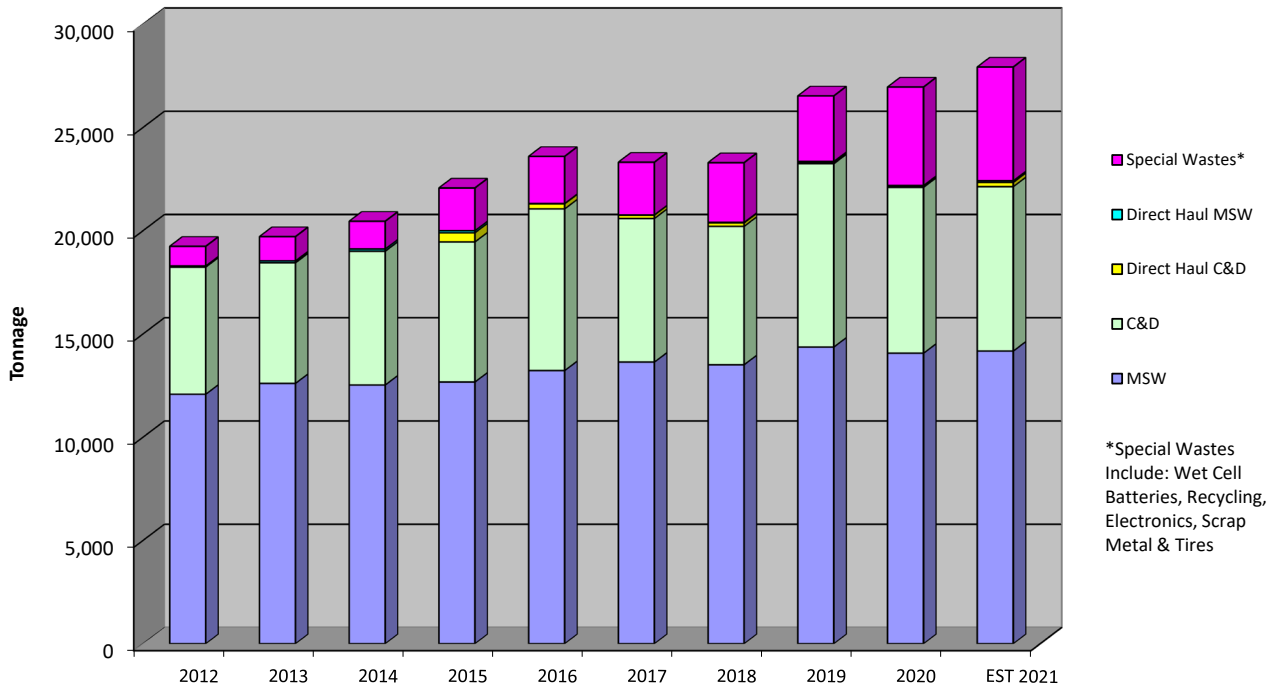
The District Transfer Station continues to serve as a Collector under the VT Mercury-containing Lamp Law, which requires manufacturers to take back and pay for recycling of fluorescent lamps. The District Transfer Station accepts general purpose fluorescent lamps in quantities of 10 or fewer per day, 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 5.46 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, phosphorus powder, and mercury.

Other Items

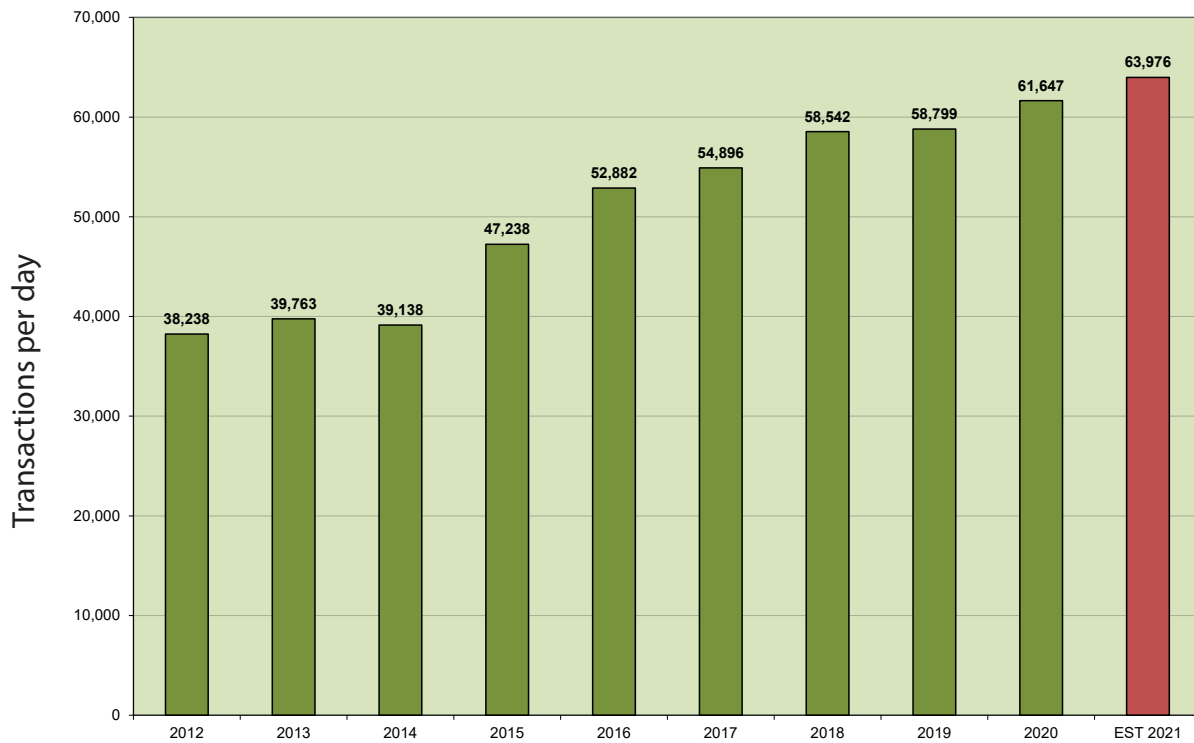
Other items collected for recycling through September of this year were: 324 tons of scrap metal; 3,038 gallons of waste oil; 33 drums of oil filters; 150 grill-size propane cylinders; 1,000 small propane cylinders; 219 fire extinguishers; 1.02 tons of cooking oil; 2.07 tons of documents for secure destruction/recycling (shredding); and 4 tons of used maple sap tubing. The District also recycled 12.45 tons of asphalt shingles and 3.43 tons of new-construction drywall.

Solid Waste & Transaction Summary Charts

Compilation of MSW, C&D, & Special Wastes delivered to the District Transfer Station, and ACSWMD Waste Direct Hauled, 2012-2021



District Transfer Station Growth, 2012 - 2021



2022 Proposed Annual Budget

The Addison County Solid Waste Management District's proposed Annual Budget for the 2022 calendar year is \$3,975,660, a 4.13% increase from the 2021 Annual Budget of \$3,818,064. The District has based the proposed 2022 Annual Budget on receiving an estimated 21,934 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 2022. Please refer to the bottom of page 17 for further explanation of the 2022 proposed budget, including an invitation to our budget hearing scheduled for Thursday, November 18 at 7 p.m. at the District office in Middlebury and online.

Rates in 2022

The District Board proposes the following rate changes for 2022:

Program	2021 Rate	Proposed 2022 Rate
Books - Business	\$10	\$15
Municipal Solid Waste (MSW) and Construction & Demolition (C&D) Debris	\$130 per ton	\$135 per ton
Minimum Fee - MSW or C&D, 100 lbs or less	\$8.00	\$9.00
Recycling - Single Stream Business > 1CY	\$125 per ton	\$100 per ton
Recycling - Single Stream from Commercial Haulers	\$125 per ton	\$100 per ton
Tires - Ag, Oversized & Earth Moving	\$0.10/lb	\$0.09/lb
Motor Oil (Business as CEG only - must register), residential > 10 gallons	\$0.30/gallon	\$1.00/gallon
Oil Filters (Business, 55-gallon drum, crushed or uncrushed)	\$70	\$75
Oil Filters (Business, individual filters)	\$0.25	\$0.30

Supplies	2021 Rate	Proposed 2022 Rate
SoilSaver Compost Bin	\$55	\$65
Biobags for businesses and schools	\$0	\$55/case
DOT Drums	\$38	\$44

ACSWMD Draft 2022 Budget

	2021 Approved Budget	Estimated 2021 Year End Total	2022 Proposed Budget
General Operating Budget			
Revenues			
Carry Over from Prior Year	253,109	434,272	369,135
Basic District Fee - Tr. St. & Direct (\$34/ton)	743,240	762,488	749,190
Basic District Fee - ADC (\$10/ton)	0	0	0
Admin Fee	28,000	34,675	33,000
Penalty Surcharges	3,500	725	1,500
Interest	3,580	2,919	2,625
Rental Income	3,900	3,900	0
Governmental Tip Fees (Direct)	643,086	741,803	631,022
Due From Grant Funds	48,796	108,129	72,796
Transfer Station MSW & C&D Tip Fees	2,089,376	2,125,337	2,215,334
Transfer Station Other Tip Fees - Tires	41,875	48,996	49,950
Asbestos	495	1,000	1,000
Certified Weights	1,200	850	1,100
Bond Interest	2,047	1,992	2,047
Gain On Sale	0	0	0
Total Revenues	\$3,862,204	\$4,267,086	\$4,128,699
Expenditures			
Personal Emoluments	1,088,794	1,044,820	1,144,568
General Office Expense	104,645	115,851	123,995
Transfer Station General	107,625	115,704	127,429
Transfer Station Direct	1,386,105	1,398,518	1,481,669
Utilities	22,361	24,081	25,885
Indirect Maintenance	27,570	27,605	51,034
Insurance	63,000	48,495	56,000
Local PILOT	22,000	22,000	22,500
Training/ Travel	22,580	10,309	23,030
Professional Expenses	17,000	17,000	18,809
Programs	726,284	585,506	626,741
Debt Service	0	0	0
Bad Debt	100	-68	0
Designated Funds	230,000	488,130	274,000
Total Expenditures	\$3,818,064	\$3,897,951	\$3,975,660
Net Gain (Loss)	\$44,140	\$369,135	\$153,039

	2021 Approved Budget	Estimated 2021 Year End Total	2022 Proposed Budget
Capital Reserve Fund Budget			
Revenues			
Capital Res from Prior Year End	663,900	863,454	783,239
Funding from Cur. Year Budget	230,000	230,000	250,000
Interest Revenue	2,200	480	432
Transfer from MMI Grant	0	53,130	24,000
Transfer from VLCT-PACIF Grant	0	5,000	0
Fund Balance Transfer	0	200,000	0
Loans/ Sale of Equipment	500,000	0	0
Total Funding	\$1,396,100	\$1,352,064	\$1,057,671
Expenditures			
Capital Acquisitions	210,000	218,825	71,500
Capital Development	571,000	350,000	656,000
Total Expenditures	\$781,000	\$568,825	\$727,500
Net Gain (Loss)	\$615,100	\$783,239	\$330,171

Breakdown of Grant Funds & Transfers

Revenues			
Pesticide Grant	8,000	8,000	8,000
SWIP Grant	40,796	40,796	40,796
MMI Grant	0	53,130	24,000
Asphalt Grant	0	1,203	0
VLCT Grant	0	5,000	0
Total Grants	\$48,796	\$108,129	\$72,796
Expenditures			
Due to General Operating Budget	(48,796)	(48,796)	(48,796)
Due to Capital Reserve Budget	0	(59,333)	(24,000)
Total Expenditures	-\$48,796	-\$108,129	-\$72,796
Net Gain (Loss)	\$0	\$0	\$0

Rate Stabilization Fund - Tip Fee

Revenues			
Beginning Balance	100,000	100,000	100,000
Expenditures			
	0	0	0
Fund Balance	\$100,000	\$100,000	\$100,000

Closure Fund

Revenues			
Beginning Balance	58,406	58,406	58,406
Interest Revenue	0	0	0
Contributions from General Fund	0	0	0
Expenditures			
	0	0	0
Fund Balance	\$58,406	\$58,406	\$58,406

	2020 Approved Budget	Estimated 2020 Year End Total	2021 Proposed Budget
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Municipal Diversion Grant Fund

Revenues

Beginning Balance	27,200	29,100	27,200
Expenditures	-10,000	-1,900	-10,000
Fund Balance	\$17,200	\$27,200	\$17,200

Rate Stabilization Fund - Recycling

Revenues

Beginning Balance	100,000	100,000	100,000
Funds Transfer		0	
Expenditures	0	0	0
Fund Balance	\$100,000	\$100,000	\$100,000

Rate Stabilization Fund - Organics

Revenues

Beginning Balance	100,000	100,000	100,000
Expenditures	0	0	0
Fund Balance	\$100,000	\$100,000	\$100,000

School Diversion Grant Fund

Revenues

Beginning Balance	46,124	51,124	46,124
Fund Balance Transfer from GF	0	0	
Expenditures	-10,000	-5,000	-10,000
Fund Balance	\$36,124	\$46,124	\$36,124

As with prior years, the 2022 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 2022.**

We encourage you to attend the District's Public Hearing on the Proposed 2022 Annual Budget. The hearing is scheduled for **Thursday, November 18, 2021 at 7:00 pm, at the District office, 1223 Rt. 7 So., Middlebury, and via Zoom.** To register for access to the Zoom meeting, please contact Patti Johnson, our Business Manager, at patti@acswwmd.org or by calling Patti at (802) 558-1159. Your comments and suggestions are welcome.

Notes

Appendix A

Audited Financial Statements and
Other Financial Information

Addison County Solid Waste Management District

December 31, 2020



Proven Expertise & Integrity

ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT

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DECEMBER 31, 2020

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INDEPENDENT AUDITORS' REPORT

Board of Supervisors
Addison County Solid Waste Management District
1223 Route 7 South
Middlebury, Vermont 05753

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, 2020 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, 2020 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 17 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 19, 2021, 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 19, 2021

**ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2020
Unaudited**

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, 2020. 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

COVID-19 and its effects on the District's Financials:

Any discussion of 2020 must begin with the unprecedented events brought on by the Coronavirus ("COVID-19") pandemic, and the effects it had and continues to have, on the operations of the District. (See Note 1, "Summary of Significant Accounting Policies" in the Notes to Financial Statements, 12/31/2020 for more disclosure.) On March 13, 2020, the Governor of VT declared a state of emergency due the spread of COVID-19. As workers who supported the removal, storage and disposal of residential and commercial solid waste and hazardous waste, the District Transfer Station staff were considered essential critical infrastructure workers under the Department of Homeland Security's Cybersecurity & Infrastructure Security Agency's (CISA) March 19, 2020 memo, and applicable state and local emergency declarations.

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. The District Transfer Station was subsequently closed as of March 30, 2020 to all residential traffic except those who needed to drop off food scraps or acquire composting supplies, including SoilSavers, Green Cones and other backyard composting equipment. These exceptions were to allow residents and businesses to comply with Vermont's Universal Recycling Law, which banned food scraps from the landfill as of July 1, 2020. Subsequently, the VT Agency of Natural Resources ("ANR") released Guidance for Solid Waste Managers on April 9, 2020 confirming that priority operations – waste disposal, single stream recycling and food scrap collection were essential. Consistent with those guidelines, the District also closed its reuse sheds, encouraging customers to save items in good condition to donate later. The Transfer Station remained open to licensed commercial haulers, contractors and local businesses. The ACSWMD administrative office was also closed to the general public on March 30. Administrative "nonessential" exempt staff were required to work from home but were able to check phone and email messages on a regular basis.

The District reopened the Transfer Station to the general public on May 18, 2020 having taken numerous precautions to protect not only staff from exposure, but also to protect customers. These precautions include the continued closure of the offices and restrooms to the public, the provision of masks and the mandatory wearing of masks, use of sanitizers, surface area cleaning numerous times a day, and signatures no longer required on credit card slips and tickets. Office staff continued to work from home several days a week on a staggered work schedule. The District continued to abide by these precautions as COVID-19 continued to spread and the state of emergency remained in effect into 2021.

Financially, the District was tasked with buying large amounts of sanitizing supplies, laptops, signage, remote meeting subscriptions, advertising and numerous other items needed to respond to the COVID-19 pandemic and allow for office staff to work remotely. The State of Vermont and FEMA offered grants to help pay for supplies to support working remotely. Although the District did not qualify for the FEMA grant, we applied for and received a Local Government Expense Reimbursement Grant (LGER) through the State of VT. The District received \$15,682.21 from LGER to help cover COVID-19 related expenses.

Other 2020 Financial Highlights:

- The Capital Reserve Fund (“CRF”), Municipal Diversion Grant Fund (“MDGF”) and School Diversion Grant Fund (“SDGF”) continued to be fully funded in 2020.
- To prepare for further implementation of the Universal Recycling Law (“URL”), the District carried over from CY2019 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 if the funds were needed. The District transferred \$100,000 from the ORSF to the General Fund (“GF”), as it was anticipated that the funds would need to be made available for possible organics projects in 2021. Because Recycling processing fees were lower overall in 2020 (ending 2020 at \$92/ton), the District Executive Board (E.Bd) chose not to tap into the RRSF this year and instead will reinvest it into a 12-month Certificate of Deposit (“CD”) through the National Bank of Middlebury (“NBM”) in early 2021.
- The Closure Fund (“CLF”) sits in a 36-month CD through the NBM, for the purpose of increasing the amount of interest earned on the principal balance of this restricted fund. The CD will mature in September 2023, at which time the interest earned will be added to the CLF principal balance and the total balance redeposited into another short-term, interest-bearing CD.
- **Rates:** The District Board of Supervisors (“Board”) adopted numerous rate changes for 2020 in response to increased disposal, and recycling processing costs, not only for Municipal Solid Waste (“MSW”) and Construction & Demolition Debris (“C&D”) disposal, but for several of its Program items as well. The Transfer Station tipping

fee was increased to \$128/ton for MSW/ C&D. The District Fee was raised from \$33.40/ton to \$34/ton on all solid waste destined for disposal. The tipping fee for Single Stream Recyclables from licensed commercial haulers was increased to \$120/ton, and the rate for Self-haul Businesses increased to a \$9 minimum per load of 1 cu. yd or less, or \$120/ton for greater than 1 cu. yd of recyclables.

In 2020, Casella Waste Management (“CWM”) charged the District an average processing fee of \$105.92/ton for Single Stream Recycling at their Materials Recovery Facility (“MRF”) in Rutland, for a YE total of \$421,503. In addition to the processing fees, the District saw a substantial increase in the amount of Single Stream Recycling tonnage brought into the Transfer Station. In 2019, the District incoming tonnage for Single Stream Recycling was 2,214 tons, increasing to 4,043 tons by the end of 2020. To continue incentivizing lower recycling fees in the region and thus encourage diversion, the District subsidized tip fees for single stream recyclables to a large extent even as MRF tip fees increased dramatically in the face of collapsing global markets. Significant financial losses were absorbed into the District’s annual budgets in 2019 (\$30,000) and 2020 (\$6,000).

Additional rate increases included a new rate for the collection of Film Plastic & Plastic Bags from Businesses at \$10/cu. yd (max. of 1 cu. yd/week) or \$50 per bale. Also, due to higher vendor fees for Oil Filters, the District increased the rate for a five-gallon pail of oil filters from businesses to \$7/pail and the rate for 55-gallon drums of oil filters to \$70/drum. The price for Green Cone digesters, sold to backyard composters, was increased from \$125/unit to \$135/unit. A new rate for source-separated Asphalt shingles and Drywall recycling was adopted at \$110/ton.

- The assets of the District exceeded its liabilities at the close of the year ended December 31, 2020 by \$3,480,438 (net position). Of this amount, a gain of \$30,083 in unrestricted net position was incurred (12/31/19 unassigned net position of \$404,189, plus 12/31/20 unassigned gain equals 12/31/20 unassigned net position of \$434,272). The restricted net position of \$1,302,084 includes: \$863,454 in the CRF; \$100,000 in the RSF; \$58,406 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, \$1,744,082 is invested in capital assets net of related debt.
- The District did not receive any applications for School Diversion Grants in 2020 and awarded one Municipal Diversion Grant application in 2020.

Other Highlights

- The District completed year two of a three-year extended contract with CWM for the hauling & disposal of MSW/C&D at the N.E.W.S. Lined Landfill in Coventry, VT. Diesel fuel costs have remained low in 2020, at an average of \$1.68/gallon, far below the contracted \$4.09/gallon threshold when CWM could begin adding a surcharge for its fuel costs.

- 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 2020. 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 and sending it to New England Quality Service, Inc. d/b/a Earth Waste Metals. The District is paid a revenue share based on current market values. Scrap metal market prices began the year at \$65/ton but increased to \$143/ton by year's end.
- The District's contract for the transport and recycling of Electronic Waste ("E-Waste") with the National Center for Electronics Recycling, Inc. ("NCER"), the product stewardship organization of the VT E-Cycles program, was extended for a one-year period of 1/1/20 – 12/31/20. The contract provides for the District to receive reimbursement of \$0.08/lb. for all "Covered" E-Waste. Good Point Recycling continues to charge all program collectors \$0.15/lb. for "Non-Covered" E-Waste.
- In 2020, the District continued with its BCBS/VT Qualified Health Plan and the VT Health Exchange and opted to purchase health insurance on behalf of all employees (who work at least 30 hrs/wk) and their dependents.
- The District renewed an agreement with Eco AmeriCorps to have an AmeriCorps Member assist with public education and outreach in the areas of recycling, waste reduction and composting. The new AmeriCorps member began his term of September 2020 through August 2021.
- **Food Scraps:** The District devoted most of its resources in 2020 toward assisting towns, licensed commercial haulers, schools, businesses and residents in preparing for the new URL Food Scrap landfill ban that took effect on July 1, 2020.
 - **Outreach:** Although COVID-19 put a halt to our in-person composting classes, the District established online webinars, classes and You Tube videos to assist District residents with the proper techniques for diverting food scraps from the waste stream. In addition, by popular demand, the District sold a much higher than anticipated quantity of food scrap buckets, composters, Green Cones and kitchen collectors to assist residents, businesses and licensed commercial haulers with food scrap collection. The District benefited from a grant from ANR to the VT Solid Waste District Managers' Association for the purchase of 4-gallon, enclosed food scrap buckets for schools to use in their classrooms, when students were required in the fall to eat their meals in the classroom instead of in the cafeteria due to COVID-19. The District received 450 buckets for its schools and assisted in the distribution of food scrap buckets to other solid waste districts and alliances.

- **Transfer Station:** The majority of licensed commercial haulers who collected food scraps at the curb and/or at one or more of the 17 Town Drop-offs on Saturdays brought their food scraps to the Transfer Station. Volumes collected have increased dramatically in 2020. The number of Transfer Station food scrap collection totes have increased from one per week to 30 per week. Tonnage increased from 20 tons in 2019 to 50 tons in 2020. Most of these increases occurred in the second half of 2020. In order to manage the increased volume and to control costs, the District began to lease a large (15-cu.yd), sealed, heavy-duty roll-off container. In 2020, staff spent months researching a food scrap tote lifter that would work at the Transfer Station and was unable to find a suitable model to purchase or to include in the 2021 Annual Budget.
- **New Programs:** In 2020, the District introduced two new recycling programs at the Transfer Station for Asphalt Shingles and Drywall. A rate of \$110/ton was established to cover the cost of transport and recycling.
- The District received a Property and Casualty Intermunicipal Fund (“PACIF”) Grant of \$2,031.63 from the Vermont League of Cities & Towns (“VLCT”) to assist the District in the purchase of new internet security services and several pieces of ergonomic office furniture & accessories.

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 2020?” 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 Extended Producer Responsibility (“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 p. 19 of the Financial Statement show that the 2020 net position of the District was \$3,480,438, an increase of \$27,848. Of that total, the net position of the District’s Governmental Activities increased by \$10,018, and the net position of the Enterprise Fund increased by \$17,830.

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. 20-23 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. 24-26 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 government-wide and fund financial statements. The notes to the financial statements begin on p. 27 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 \$3,480,438 (\$1,839,588 in Governmental activities and \$1,640,850 in Business-type activities) on 12/31/2020. 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 \$1,744,082. 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 5.97%, an increase of 0.36%, computes the percent of assets financed with debt. Debt-to-net-position ratio, which equals 6.58%, an increase of 0.40%, 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.

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 districts, alliances and municipalities based on a combination of population and number of communities in each. SWIP Grants are funded by the \$6/ton State Franchise Tax on VT-generated waste destined for disposal. SWIP Grant funds are limited to Household Hazardous Waste ("HHW") activities, organics diversion activities and new diversion programs. In 2020, the District used the \$40,796.07 in SWIP Grant funds toward its HHW costs.

On 7/1/2019, the District had approved a Pesticides Grant from the Agency of Agriculture, Food & Markets ("AAF") 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 and \$12,345 in CY2020.

The District was awarded an infrastructure grant of \$12,207 from ANR to assist with the implementation of a recycling program for Asphalt Shingles. The District used the 60% Grant to offset \$20,045 of construction costs for a bunker and concrete pad and the purchase of a roll-off container for the collection of source-separated Asphalt Shingles at the Transfer Station.

Including interest revenue of \$5,876, total revenues from Governmental activities were \$1,498,254.

Recycling and Extended Producer Responsibility (EPR): The District procured, negotiated and maintained favorable vendor arrangements and/or contracts for: scrap metal recycling, Single Stream transport/recycling, Chlorofluorocarbon (“CFC”) removal from appliances, HHW/CEG hazardous waste disposal, book recycling, pressurized cylinder recycling, confidential document shredding/recycling, film plastic & plastic bag recycling, maple tubing recycling, Asphalt Shingle and Drywall recycling, and clean wood grinding into chips offered to the public at no charge. The District also procured and negotiated favorable rates for recycling services for waste oil and oil filters, 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 \$11,962.32 from the VT E-Cycles program to pay for collection, transportation and recycling of the “covered devices” under the law. The District was reimbursed \$2,582.98 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 transport and recycling of leftover architectural paint collected by the District. Under the VT Primary Battery Recycling program, the District received free transport and recycling of all household dry-cell batteries, as well as \$4,376.09 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 was paid in part by a grant from ANR, to monitor waste hauler compliance with the District’s Waste Management Ordinance.

Business-Type Activities

In 2020, the District continued to operate its Transfer Station in Middlebury. General and tipping fee revenues from Business-type activities were \$2,126,457. Including Grant Revenue of \$4,362 and miscellaneous revenue of \$2,221, the total revenue from Business-type activities was \$2,133,040.

FINANCIAL ANALYSIS OF DISTRICT FUNDS

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

Governmental-Type Funds

General Fund

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

In 2020, 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. 22 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 12/31/2020, the District's Governmental Funds reported combined ending fund balances of \$0.

Capital Fund

The Capital Reserve Fund is utilized for capital improvements. On 12/31/2020, the District's Capital Reserve Fund ending fund balance was \$863,454, an increase of \$37,592 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 and C&D disposal tonnage over the past few years, the District was conservative in budgeting 2020 tonnage at 21,764. Although 2020 actual tonnage was a bit higher at 22,109 tons, it was 1,163 tons lower than 2019 tonnage.

The District continued to track tire disposal tonnage as a proprietary revenue, rather than recycling revenue. This is due to a lack of recycling markets for tires, which are now being managed by the vendor as tire-derived fuel rather than recycled. For 2020, the District budgeted for disposal of 200 tons of tires, and actual disposal was 308.56 tons at a total cost of \$40,924.80.

The 2020 year-end Business-type activities unrestricted balance turned out to be higher than budgeted. Although unrestricted funds increased by \$30,083, the 2020 year-end, unrestricted net position of \$434,272 was higher than the budgeted balance of \$151,979.

Designated funds were at a 2020 year-end balance of \$1,302,084, consisting of the following: (1) Capital Reserve Fund ("CRF") - \$863,454; (2) Closure Fund ("CLF") - \$58,406; (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 or to comply with the URL ("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 12/31/2020 amounted to \$1,744,082 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements and equipment and machinery (including transfer trailers). Note 5 (Capital Assets) of the financial statements summarizes capital asset activity during 2020.

The District's total fixed assets decreased in 2020 by \$41,791, due to additions of \$180,145 less net disposal of \$5,145 and current year depreciation expense of \$216,791.

Completion of budgeted capital projects and major capital asset events during 2020 included the following budgeted items:

- The District completed the installation of a Refueling Station at the Transfer Station for a total cost of \$43,695.
- In accordance with new SWIP mandates for the recycling of asphalt shingles and drywall, the District spent \$37,828.70 on completion of engineering and construction of areas to recycle both these items.
- New Windows were installed in the Scalehouse to replace old, damaged windows at a cost of \$6,830. A second sliding glass service window was installed in anticipation of a future need to have two lanes of traffic coming into the Transfer Station.
- Continuing our improvements to our WasteWORKS Transfer Station computer system and streamlining the increased traffic flow into the Transfer Station, the District purchased a self-serve kiosk for the lower scale, allowing licensed commercial haulers and contractors with accounts at the Transfer Station to self-checkout. The cost of the unit was \$21,254.18 and will be installed in the Spring of 2021.

- The District purchased a new Case Loader/Backhoe at a cost of \$135,090 to replace the older machine.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- With the COVID-19 pandemic still a factor heading into 2021, predicting the actual tonnage for 2021 will be a challenge. However, it is reasonable to assume that MSW and C&D will either plateau or continue to decline slowly due to diversion efforts. The 2021 Annual Budget was therefore conservatively estimated at 21,764 tons v. a 2020 year-end tonnage of 22,109 tons. The diversion of food scraps from the waste stream was a factor in reducing the overall MSW tonnage in 2020. With an expanded focus on C&D diversion opportunities, it is risky to forecast an increase in C&D tonnage. The District established a recycling collection program for drywall and for asphalt shingles in 2020, both of which will reduce C&D tonnage by diverting these items from the waste stream.
- On 11/19/2020, the Board adopted the 2021 Annual Budget of \$3,818,063, an increase of 8.35%. The 2021 general operating revenues were budgeted at \$3,862,204, with a projected net gain of \$44,141. This assumed a 2021 Beginning Fund Balance ("BFB") in the unrestricted GF of \$253,109. The audited BFB is \$434,272.
- The 2021 rate for MSW/ C&D at the Transfer Station will be increased to \$130/ton. The District Fees of \$34/ton on all waste destined for disposal and \$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 in 2021 will be raised to \$125/ton for licensed commercial haulers and for self-haul businesses, in response to a continued decline in recycling markets and commodity prices and a resulting increase in the District's recycling costs. The District's 2021 contract renewal for recycling with CWM continues to have a base rate of \$75/ton, with increases for higher per-ton costs. High recycling costs can be expected for 2021, as the MRFs invest in reducing contamination rates and new domestic markets continue to develop in the U.S.
- 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 2021 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 2021.

- The \$100,000 in RRSF funds will be returned to a CDAR at NBM in February 2021, as the Board decided at the end of 2020 not to use a portion of the funds to cover year-end Single Stream Recycling losses, as they were lower than expected due to a combination of the drop in processing fees by YE 2020 and the 2020 per-ton increase in the recycling rate at the Transfer Station. Half of the \$200,000 funds in the ORSF were placed back into the GF in May 2020, in anticipation of the funds being needed in 2021 for possible organics projects that remained unknown by the time the 2021 Budget was adopted in November 2020.
- In 2021, the District will receive a SWIP Grant from ANR in the amount of \$40,796.
- Only \$10,875 remains in the four-year Pesticides Grant approved in 2019. It is unlikely that the AAFM Pesticide Program will provide additional funds prior to the end of the contract. The District will continue to work with other solid waste entities and the VT Product Stewardship Council on a new funding model, such as EPR for HHW.
- In 2019, the District completed the Engineering, Design and Permitting of a major expanded onsite wastewater system at the Transfer Station and office, with those expenses being placed in Construction in Progress. Due to COVID-19 delays in 2020, the District will work with Weston & Sampson to assist with issuing a request for bids and provide oversight of the final construction of its expanded onsite wastewater system at the District Transfer Station and office for completion in 2021.
- On November 23, 2020, the CWM contract for Transport and Single Stream Recycling services was extended to 12/31/2021. The contract charges a minimum \$75/ton processing fee, which will vary based on actual costs. On 1/1/2021, CWM raised its per-haul rate from \$301 to \$310.23, a 3.0% annual CPI increase allowed under the terms of the contract. The District had budgeted for a 2% increase, 1% below the actual increase.
- The District contract with CWM for hauling and disposal services will continue for the third year of a three-year contract term, ending 12/31/2021. On 1/1/2021, CWM raised its per-ton disposal rate from \$60.34/ton to \$61.16/ton, a 1.36% annual CPI increase allowed under the terms of the contract. The District had budgeted for a disposal rate of \$61.55/ton, slightly higher than the actual increase. 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 2020, diesel fuel was an average \$1.68 /gallon, far below the contracted \$4.09/gallon threshold where CWM could begin adding a surcharge for its fuel costs.
- The District's contract for the transport and recycling of E-Waste with NCER was extended for a one-year period of 1/1/21 – 12/31/21. The contract provides for the District to receive reimbursement of \$0.08/lb. for all "Covered" E-Waste. Good Point Recycling continues to charge all program collectors \$0.15/lb. for "Non-Covered" E-Waste.

- The District will extend its contract with Shred-Ex under the same terms for another year in 2021 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 licensed commercial haulers and VT Natural Ag Products and will provide technical assistance, training and bin liners for participating businesses. The District will also explore opportunities to work with the two new anaerobic digesters that will become operational in 2021. The District will continue to promote backyard composting by offering regular online composting classes and the sale of composters, Green Cones, and other composting supplies to residents.
- In order to comply with its new 2020 SWIP, the District anticipates spending extra funds on outreach to its residents, institutions and businesses in 2021, including copies, legal ads, displays at public events, and mailings.
- The District will work with Weston & Sampson to complete the design and permitting of a regional transfer station and in pursuing a purchase & sale agreement with the landowners of a site in New Haven.

Currently Known Facts, Decisions or Conditions

The outbreak of COVID-19 has been declared a pandemic and led to a national state of emergency in the United States. Refer to Note 1 of Notes to Financial Statements for more detailed information.

At present it is not possible, with any degree of certainty, to estimate the impact of COVID-19 on the revenues, expenditures, budget or overall financial position of the District. No assurance can be given regarding future events or impacts because these actions and events are unpredictable or unknowable at this time and are outside the control of the District.

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, 2020

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 863,454	\$ 814,262	\$ 1,677,716
Investments	259,505	-	259,505
Accounts receivable (net of allowance for uncollectibles)	-	15,003	15,003
Grants receivable	-	40,796	40,796
Inventory	-	11,211	11,211
Prepaid items	-	87,417	87,417
Internal balances	180,224	(180,224)	-
Total current assets	<u>1,303,183</u>	<u>788,465</u>	<u>2,091,648</u>
Noncurrent assets:			
Capital assets:			
Land, infrastructure and other assets not being depreciated	198,000	43,209	241,209
Buildings and equipment, net of accumulated depreciation	339,504	1,163,369	1,502,873
Total noncurrent assets	<u>537,504</u>	<u>1,206,578</u>	<u>1,744,082</u>
TOTAL ASSETS	<u><u>\$ 1,840,687</u></u>	<u><u>\$ 1,995,043</u></u>	<u><u>\$ 3,835,730</u></u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ -	\$ 172,214	\$ 172,214
Accrued liabilities	-	22,534	22,534
Due to other governments	1,099	-	1,099
Current portion of long-term obligations	-	8,297	8,297
Total current liabilities	<u>1,099</u>	<u>203,045</u>	<u>204,144</u>
Noncurrent liabilities:			
Accrued compensated absences	-	24,892	24,892
Total noncurrent liabilities	<u>-</u>	<u>24,892</u>	<u>24,892</u>
TOTAL LIABILITIES	<u>1,099</u>	<u>227,937</u>	<u>229,036</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue	-	126,256	126,256
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>126,256</u>	<u>126,256</u>
NET POSITION			
Net investment in capital assets	537,504	1,206,578	1,744,082
Restricted	1,302,084	-	1,302,084
Unrestricted	-	434,272	434,272
TOTAL NET POSITION	<u>1,839,588</u>	<u>1,640,850</u>	<u>3,480,438</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u><u>\$ 1,840,687</u></u>	<u><u>\$ 1,995,043</u></u>	<u><u>\$ 3,835,730</u></u>

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

STATEMENT B

ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and 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	\$ 1,420,825	\$ 837,986	\$ 577,075	\$ -	\$ (5,764)	\$ -	\$ (5,764)
Depreciation expense	35,431	-	-	-	(35,431)	-	(35,431)
Total governmental activities	<u>1,456,256</u>	<u>837,986</u>	<u>577,075</u>	<u>-</u>	<u>(41,195)</u>	<u>-</u>	<u>(41,195)</u>
Business-type activities:							
Transfer station	2,147,190	2,126,457	4,362	-	-	(16,371)	(16,371)
Total business-type activities	<u>2,147,190</u>	<u>2,126,457</u>	<u>4,362</u>	<u>-</u>	<u>-</u>	<u>(16,371)</u>	<u>(16,371)</u>
Total government	<u>\$ 3,603,446</u>	<u>\$ 2,964,443</u>	<u>\$ 581,437</u>	<u>\$ -</u>	<u>(41,195)</u>	<u>(16,371)</u>	<u>(57,566)</u>
General revenue:							
Intergovernmental					77,317	-	77,317
Interest income					5,876	-	5,876
Miscellaneous					-	2,221	2,221
Transfers					(31,980)	31,980	-
Total general revenues and transfers					<u>51,213</u>	<u>34,201</u>	<u>85,414</u>
Change in net position					10,018	17,830	27,848
NET POSITION - JANUARY 1					<u>1,829,570</u>	<u>1,623,020</u>	<u>3,452,590</u>
NET POSITION - DECEMBER 31					<u>\$ 1,839,588</u>	<u>\$ 1,640,850</u>	<u>\$ 3,480,438</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, 2020

	General Fund	Capital Reserve Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ -	\$ 863,454	\$ -	\$ 863,454
Investments	-	-	259,505	259,505
Due from other funds	-	-	180,224	180,224
TOTAL ASSETS	\$ -	\$ 863,454	\$ 439,729	\$ 1,303,183
LIABILITIES				
Due to other governments	\$ -	\$ -	\$ 1,099	\$ 1,099
TOTAL LIABILITIES	-	-	1,099	1,099
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	-	-	58,406	58,406
Committed	-	-	-	-
Assigned	-	863,454	380,224	1,243,678
Unassigned	-	-	-	-
TOTAL FUND BALANCES	-	863,454	438,630	1,302,084
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ 863,454	\$ 439,729	\$ 1,303,183

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, 2020

	<u>Total Governmental Funds</u>
Total Fund Balances	\$ 1,302,084
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>537,504</u>
Net position of governmental activities	<u><u>\$ 1,839,588</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, 2020

	General Fund	Capital Reserve Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Intergovernmental	\$ 77,317	\$ -	\$ -	\$ 77,317
Charges for services	837,986	-	-	837,986
Program revenues	577,075	-	-	577,075
Interest income	766	1,770	3,340	5,876
TOTAL REVENUES	1,493,144	1,770	3,340	1,498,254
EXPENDITURES				
Wages and benefits	578,273	-	-	578,273
Office expenses	65,039	-	-	65,039
General expenses	6,749	-	-	6,749
Insurance	44,344	-	-	44,344
Maintenance	17,002	-	-	17,002
Travel	3,764	-	-	3,764
Utilities	8,880	-	-	8,880
Program expenses	677,487	-	-	677,487
Professional expenses	9,413	-	-	9,413
Local pilot	15,747	-	-	15,747
Transfer station	20	-	-	20
TOTAL EXPENDITURES	1,426,718	-	-	1,426,718
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	66,426	1,770	3,340	71,536
OTHER FINANCING SOURCES (USES)				
Transfers in	163,574	230,000	-	393,574
Transfers (out)	(230,000)	(194,178)	(1,376)	(425,554)
TOTAL OTHER FINANCING SOURCES (USES)	(66,426)	35,822	(1,376)	(31,980)
NET CHANGE IN FUND BALANCES	-	37,592	1,964	39,556
FUND BALANCES - JANUARY 1	-	825,862	436,666	1,262,528
FUND BALANCES - DECEMBER 31	\$ -	\$ 863,454	\$ 438,630	\$ 1,302,084

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, 2020

Net change in fund balances - total governmental funds (Statement E)	<u>\$</u>	<u>39,556</u>
<p>Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:</p>		
<p>Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense allocated to those expenditures over the life of the assets:</p>		
Capital asset acquisitions		5,893
Depreciation expense		<u>(35,431)</u>
		<u>(29,538)</u>
Change in net position of governmental activities (Statement B)	<u>\$</u>	<u>10,018</u>

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, 2020

	Enterprise Funds
	Transfer Station
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 814,262
Accounts receivable (net of allowance for uncollectibles)	15,003
Grants receivable	40,796
Inventory	11,211
Prepaid items	87,417
Total current assets	968,689
Noncurrent assets:	
Capital assets:	
Land and other assets not being depreciated	43,209
Depreciable assets, net of accumulated depreciation	1,163,369
Total noncurrent assets	1,206,578
TOTAL ASSETS	\$ 2,175,267
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 172,214
Accrued expenses	22,534
Due to other funds	180,224
Current portion of long-term obligations	8,297
Total current liabilities	383,269
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Accrued compensated absences	24,892
Total noncurrent liabilities	24,892
TOTAL LIABILITIES	408,161
DEFERRED INFLOWS OF RESOURCES	
Deferred revenue	126,256
TOTAL DEFERRED INFLOWS OF RESOURCES	126,256
NET POSITION	
Net investment in capital assets	1,206,578
Unrestricted	434,272
TOTAL NET POSITION	1,640,850
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 2,175,267

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, 2020

	Enterprise Funds
	Transfer Station
REVENUES	
Intergovernmental	\$ 4,362
Charges for services	2,126,457
Miscellaneous	2,221
TOTAL REVENUES	2,133,040
EXPENSES	
Payroll	417,467
Administrative	37,053
Professional services	3,627
Repairs and maintenance	96,389
Travel	628
Facilities	14,162
Insurance	17,088
Direct	1,373,348
Depreciation	181,360
Local pilot	6,068
TOTAL EXPENSES	2,147,190
OPERATING INCOME (LOSS)	(14,150)
NONOPERATING REVENUES (EXPENSES)	
Transfers in	194,178
Transfers (out)	(162,198)
TOTAL NONOPERATING REVENUES (EXPENSES)	31,980
CHANGE IN NET POSITION	17,830
NET POSITION - JANUARY 1	1,623,020
NET POSITION - DECEMBER 31	\$ 1,640,850

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

STATEMENT I

ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Enterprise Funds
	Transfer Station
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 2,148,948
Payments to vendors	(1,541,396)
Payments to employees	(409,525)
Miscellaneous receipts	6,583
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	204,610
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES	
Transfers in/(out)	31,980
NET CASH PROVIDED (USED) BY NONCAPITAL AND RELATED FINANCING ACTIVITIES	31,980
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
(Purchase) sale of land, structure and equipment	(169,107)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(169,107)
NET INCREASE IN CASH AND CASH EQUIVALENTS	67,483
CASH AND CASH EQUIVALENTS - JANUARY 1	746,779
CASH AND CASH EQUIVALENTS - DECEMBER 31	\$ 814,262
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating income (loss)	\$ (14,150)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	181,360
Changes in assets, liabilities and deferred inflows of resources:	
(Increase) decrease in accounts receivable	3,825
(Increase) decrease in grants receivable	(1,768)
(Increase) decrease in inventory	14,424
(Increase) decrease in prepaid items	13,448
Increase (decrease) in accounts payable	20,578
Increase (decrease) in accrued expenses	(13,611)
Increase (decrease) in accrued compensated absences	7,942
Increase (decrease) in deferred revenue	(7,438)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 204,610

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

ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

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.

COVID-19 Outbreak

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been declared a pandemic by the World Health Organization and led to a national state of emergency in the United States. The State of Vermont, along with other state and local governments, declared states of emergency and issued multiple public health emergency orders that severely restrict movement and limit businesses and activities to essential functions. These actions and effects of COVID-19 have disrupted economic activity at all levels and impacted the processes and procedures for almost all businesses, including municipal and quasi-municipal entities.

In response to the health crisis created by COVID-19 since early March, the Governor of Vermont issued multiple executive orders and declarations to protect the public health in an effort to reduce community spread of the virus and protect citizens. These measures have included, among others, closing or restricting access to certain

ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

business and activities, issuing a “stay at home” directive for most citizens, restricting nonessential travel and limiting movement of all persons in Vermont to those necessary to obtain or provide essential services or activities. See Executive Order 01-20 and its addendums. As of the date of this report, the state of emergency was extended to June 15, 2021 and may be further extended if circumstances warrant. While steps toward reopening the State have begun, the speed and scope of the reopening process will depend upon progress toward limiting the continued spread of the disease.

Impact on Finances

The District does not currently anticipate any additional FY 2020 expenditures due to COVID-19 that would not be covered by existing resources including authorized Coronavirus, Aid, Relief and Economic Security (“CARES”) Act funding and applicable State programs.

Expected Federal/State Support

The District may have to take action to meet certain requirements to receive any additional Federal or State funding for budgetary or economic relief related to the challenges presented by COVID-19. However, the District expects that if those actions are necessary, that the District would qualify and satisfy the various conditions required to receive applicable Federal or State funds.

Conclusion

The ongoing effects of COVID-19, including the financial impact to the District and its inhabitants, may change significantly as events and circumstances evolve locally, nationally and worldwide. At present it is not possible, with any degree of certainty, to estimate the impact of COVID-19 on the revenues, expenditures, budget or overall financial position of the District. No assurance can be given regarding future events or impacts because these actions and events are unpredictable or unknowable at this time and are outside the control of the District.

Implementation of New Accounting Standards

During the year ended December 31, 2020, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Statement No. 95 "Postponement of the Effective Dates of Certain Authoritative Guidance." The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018 and later. (The following pronouncements exclude Statements No. 83 and No. 88 which were implemented prior to this Statement).

The effective dates of certain provisions contained in the following pronouncements are postponed by one year: Statement No. 84, Fiduciary Activities; Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period; Statement No. 90, Majority Equity Interests; Statement No. 91, Conduit Debt Obligations; Statement No. 92, Omnibus 2020; Statement No. 93, Replacement of Interbank Offered Rates; Implementation Guide No. 2017-3, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting); Implementation Guide No. 2018-1, Implementation Guidance Update-2018; Implementation Guide No. 2019-1, Implementation Guidance Update-2019 and Implementation Guide No. 2019-2, Fiduciary Activities. The effective dates of the following pronouncements are postponed by 18 months: Statement No. 87, Leases and Implementation Guide No. 2019-3, Leases.

Statement No. 97 "Certain Component Unit Criteria (paragraphs 4 & 5)." The primary objectives of paragraphs 4 & 5 in this Statement are to increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform. 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.

ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.) excluding fiduciary activities. The functions are also supported by general government revenues (certain intergovernmental revenues, miscellaneous revenues, etc.). 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:

ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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:

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. The major revenue source is transfers from the general fund.

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.

ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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:

ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- 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
- 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, 2020. Accounts receivable netted against allowances for uncollectible accounts were \$55,799 for the year ended December 31, 2020.

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.

ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

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 acquisition 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 capital assets are valued at their estimated acquisition 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.

ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 given through the Charter and is expressed by the Board of Supervisors.

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).

ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

At December 31, 2020, the District's cash balance of \$1,677,716 was comprised of bank deposits of \$1,690,115. Bank deposits are adjusted primarily by outstanding checks and deposits in transit to reconcile to the District's cash balance. Of these bank deposits, \$250,000 were fully insured by federal depository insurance and consequently were not exposed to custodial credit risk. The remaining balance of \$1,440,115 was collateralized with securities held by the financial institution in the District's name.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 824,599
Money market accounts	865,516
	<u>\$ 1,690,115</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.

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. Certificates of deposit held with local financial institutions for \$259,505 are excluded from interest rate risk as these investments are considered held to maturity and are therefore not measured at fair value.

At December 31, 2020, the District's investments of \$259,505 were comprised of certificates of deposit that were fully insured by federal depository insurance and consequently were not exposed to custodial credit risk.

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.

ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at December 31, 2020 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	-
	\$ 180,224	\$ 180,224

The result of amounts owed between funds are considered to be in the course of normal operations by the District. Reconciliation of the amounts owed between funds may or may not be expected to be repaid within one year in their entirety due to the recurring nature of these transactions during operations.

NOTE 4 - INTERFUND TRANSFERS

Interfund transfers at December 31, 2020 consisted of the following:

	Transfer From	Transfer To
General Fund	\$ 230,000	\$ 163,574
Capital Reserve Fund	194,178	230,000
Enterprise Funds	162,198	194,178
Nonmajor Special Revenue Funds	1,376	-
	\$ 587,752	\$ 587,752

Interfund transfers are the results of legally authorized activity and are considered to be in the course of normal operations.

ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 5 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended December 31, 2020:

	Balance, 1/1/20	Additions	Disposals	Balance, 12/31/20
<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	-	(24,045)	682,245
Equipment	115,174	5,893	(11,650)	109,417
	<u>821,464</u>	<u>5,893</u>	<u>(35,695)</u>	<u>791,662</u>
Less: accumulated depreciation	(452,422)	(35,431)	35,695	(452,158)
	<u>369,042</u>	<u>(29,538)</u>	<u>-</u>	<u>339,504</u>
Net governmental capital assets	<u>\$ 567,042</u>	<u>\$ (29,538)</u>	<u>\$ -</u>	<u>\$ 537,504</u>
<u>Business-type activities</u>				
Non-depreciated assets:				
Construction in progress	\$ 92,155	\$ 12,378	\$ (61,324)	\$ 43,209
	<u>92,155</u>	<u>12,378</u>	<u>(61,324)</u>	<u>43,209</u>
Depreciated assets:				
Building and improvements	\$ 2,623,218	\$ 88,108	\$ (22,070)	\$ 2,689,256
Equipment	996,594	135,090	(100,141)	1,031,543
	<u>3,619,812</u>	<u>223,198</u>	<u>(122,211)</u>	<u>3,720,799</u>
Less: accumulated depreciation	(2,493,136)	(181,360)	117,066	(2,557,430)
	<u>1,126,676</u>	<u>41,838</u>	<u>(5,145)</u>	<u>1,163,369</u>
Net business-type capital assets	<u>\$ 1,218,831</u>	<u>\$ 54,216</u>	<u>\$ (66,469)</u>	<u>\$ 1,206,578</u>
<u>Current year depreciation:</u>				
Governmental activities				
District-wide				\$ 35,431
Business-type activities				
District-wide				181,360
Total depreciation expense				<u>\$ 216,791</u>

ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 6 - LONG-TERM OBLIGATIONS

The following is a summary of changes in the long-term obligations for the year ended December 31, 2020:

	Balance, 1/1/20	Additions	Deletions	Balance, 12/31/20	Current Portion
Accrued compensated absences	\$ 25,247	\$ 7,942	\$ -	\$ 33,189	\$ 8,297
	\$ 25,247	\$ 7,942	\$ -	\$ 33,189	\$ 8,297

Refer to Note 8 of Notes to Financial Statements for detailed accrued compensated absences information.

NOTE 7 - OPERATING LEASE

The following is a description of the District's operating lease for the year ended December 31, 2020:

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 District leases a mailstation and scale with Pitney Bowes for 39 months. Monthly payments are \$32.

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

2021	\$ 2,563
2022	383
2022	383
2023	191
Total minimum lease payments	\$ 3,519

NOTE 8 - 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, 2020, the District's liability for compensated absences is \$33,189.

ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 9 - RESTRICTED NTE POSITION AND RESTRICTED FUND BALANCE

At December 31, 2020, the District had the following restricted net position and restricted fund balance:

Nonmajor special revenue funds (Schedule C):	
Closure fund	<u>\$ 58,406</u>

NOTE 10 - ASSIGNED FUND BALANCES

At December 31, 2020, the District had the following assigned fund balances:

Capital reserve fund	\$ 863,454
Nonmajor special revenue funds (Schedule C)	<u>380,224</u>
	<u>\$ 1,243,678</u>

NOTE 11 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions 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, 2020. 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.

NOTE 12 - 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.

ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 12 - CONTINGENCIES (CONTINUED)

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.

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

ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	Special Revenue Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>
ASSETS		
Investments	\$ 259,505	\$ 259,505
Due from other funds	180,224	180,224
TOTAL ASSETS	<u>\$ 439,729</u>	<u>\$ 439,729</u>
LIABILITIES		
Due to other governments	\$ 1,099	\$ 1,099
TOTAL LIABILITIES	<u>1,099</u>	<u>1,099</u>
FUND BALANCES		
Nonspendable	-	-
Restricted	58,406	58,406
Committed	-	-
Assigned	380,224	380,224
Unassigned	-	-
TOTAL FUND BALANCES	<u>438,630</u>	<u>438,630</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 439,729</u>	<u>\$ 439,729</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, 2020

	<u>Special Revenue Funds</u>	<u>Total Nonmajor Governmental Funds</u>	
REVENUES			
Interest income	\$ 3,340	\$ 3,340	
TOTAL REVENUES	<u>3,340</u>	<u>3,340</u>	
EXPENDITURES			
Program expenses	<u>-</u>	<u>-</u>	
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,340</u>	<u>3,340</u>	
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	
Transfers (out)	<u>(1,376)</u>	<u>(1,376)</u>	
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,376)</u>	<u>(1,376)</u>	
NET CHANGE IN FUND BALANCES	1,964	1,964	
FUND BALANCES - JANUARY 1	<u>436,666</u>	<u>436,666</u>	
FUND BALANCES - DECEMBER 31	<u>\$ 438,630</u>	<u>\$ 438,630</u>	

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.

ADDISON COUNTY SOLID WASTE MANAGEMENT DISTRICT SCHEDULE C

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2020

	Rate Stabilization Fund	Closure Fund	School Diversion Grant Fund	Municipal Grant Fund	Recycling Rate Stabilization Fund	Organic Rate Stabilization Fund	Total
ASSETS							
Investments	\$ 100,000	\$ 58,406	\$ -	\$ -	\$ 101,099	\$ -	\$ 259,505
Due from other funds	-	-	51,124	29,100	-	100,000	180,224
TOTAL ASSETS	<u>\$ 100,000</u>	<u>\$ 58,406</u>	<u>\$ 51,124</u>	<u>\$ 29,100</u>	<u>\$ 101,099</u>	<u>\$ 100,000</u>	<u>\$ 439,729</u>
LIABILITIES							
Due to other governments	\$ -	\$ -	\$ -	\$ -	\$ 1,099	\$ -	\$ 1,099
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,099</u>	<u>-</u>	<u>1,099</u>
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	58,406	-	-	-	-	58,406
Committed	-	-	-	-	-	-	-
Assigned	100,000	-	51,124	29,100	100,000	100,000	380,224
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>100,000</u>	<u>58,406</u>	<u>51,124</u>	<u>29,100</u>	<u>100,000</u>	<u>100,000</u>	<u>438,630</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 100,000</u>	<u>\$ 58,406</u>	<u>\$ 51,124</u>	<u>\$ 29,100</u>	<u>\$ 101,099</u>	<u>\$ 100,000</u>	<u>\$ 439,729</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, 2020

	Rate Stabilization Fund	Closure Fund	School Diversion Grant Fund	Municipal Grant Fund	Recycling Rate Stabilization Fund	Organic Rate Stabilization Fund	Total
REVENUES							
Interest income	\$ -	\$ 1,964	\$ -	\$ -	\$ 1,099	\$ 277	\$ 3,340
TOTAL REVENUES	-	1,964	-	-	1,099	277	3,340
EXPENDITURES							
Program expenses	-	-	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	1,964	-	-	1,099	277	3,340
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	(1,099)	(277)	(1,376)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	(1,099)	(277)	(1,376)
NET CHANGE IN FUND BALANCES	-	1,964	-	-	-	-	1,964
FUND BALANCES - JANUARY 1	100,000	56,442	51,124	29,100	100,000	100,000	436,666
FUND BALANCES - DECEMBER 31	\$ 100,000	\$ 58,406	\$ 51,124	\$ 29,100	\$ 100,000	\$ 100,000	\$ 438,630

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, 2020 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 19, 2021.

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 12, 2021.

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.

RHR Smith & Company

Buxton, Maine
May 19, 2021





Notes




Notes


ACSWMD Town Drop-Off Information

Appendix B

Addison: Town Clerk's Office, 65 VT Rte. 17 West    
 Day & Time: Saturdays, 9am-11am
 Hauler: R&L Rubbish (802-388-6288)





Bridport: Old Town Landfill on Happy Valley Rd.    
 Day & Time: Saturdays, 7:30am-12pm
 Hauler: Moose Rubbish & Recycling (802-897-5637)





Bristol: Town Garage on Pine St.    
 Day & Time: Saturdays, 8am-12pm
 Hauler: R&L Rubbish (802-388-6288)





Cornwall: Bingham Memorial School, 112 School St.    
 Day & Time: Saturdays, 1pm-3pm
 Hauler: R&L Rubbish (802-388-6288)





Goshen: Curbside Trash & Recycling    
 Day & Time: Wednesdays
 Contacts: Marci Hayes (802-247-3133) & David Sabatini (802-247-6350)





Leicester: Town Shed, 2241 Fern Lake Rd.    
 Day & Time: 1st & 3rd Saturday, 9am-12pm
 Hauler: Van Denton (802-247-8340)


Lincoln: 1111 Downingsville Rd.    
 Day & Time: Saturdays, 8am-1pm
 Hauler: Moose Rubbish & Recycling (802-897-5637)



Middlebury: Desabrais Glass, 198 Boardman St.    
 Day & Time: Saturdays, 8am-10am
 Hauler: Desabrais Trash (802-989-4332)





Monkton: 4047 States Prison Hollow Rd.    
 Day & Time: 2nd & 4th Saturday, 9am-12pm
 Contact: Jessica Demeritt (802-453-5686)
 Haulers: Moose Rubbish & Recycling (802-897-5637), Acker Waste Management (802-349-2414) & Casella

New Haven: Town Clerk Office, 78 North St.    
 Day & Time: Saturdays, 8am-12pm
 Contact: Town Clerk (802-453-3516)
 Hauler: R&L Rubbish (802-388-6288)





Ripton: Town Shed, 333 Peddler's Bridge Rd.    
 Day & Time: 1st & 3rd Saturday, 9am-12pm
 Recycling only: 1st Wednesday of the month, 5pm-7pm
 Contact: Warren King (802-388-4082)
 Haulers: Webb & Sons (802-388-4532), Casella (800-292-0297)





Salisbury: Old Town Landfill, Upper Plains Rd.    
 Day & Time: Saturdays, 8am-1pm
 Hauler: R&L Rubbish (802-388-6288)


Shoreham: Behind Congregational Church, Rte. 74    
 Day & Time: Saturdays, 8am-12pm
 Hauler: Moose Rubbish & Recycling (802-897-5637)

Starksboro: Town Garage, 3904 Rte. 116    
 Day & Time: 1st & 3rd Saturday, 8am-11am
 Name: Jennifer Turner Town Recycling Center
 Hauler: Acker Waste Management (802-349-2414)

Vergennes (including Addison, Ferrisburgh, Pantton & Waltham):    
 Intersection of Canal & West St.
 Day & Time: Sat., 8am-12pm & Wed., 2pm-6pm
 Hauler: R&L Rubbish (802-388-6288)

Weybridge: Town Garage, 460 Quaker Village Rd.    
 Day & Time: Saturdays, 9:30am-11am
 Contact: Chris Anderson (802-545-2874)
 Hauler: Kimball (802-545-2891), Casella (800-292-0297)

Whiting: Between Fire Dept. & School, 79 So. Main St.    
 Day & Time: 2nd & 4th Saturday, 9:00am-11am
 Contact: Town Clerk (802-623-7813)
 Hauler: BK Services (802-483-2800)

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

Appendix C

Addison County Solid Waste Management District

2022 Proposed Rate Schedule Transfer Station & District Fees

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

MSW (Trash), Construction & Demolition Debris	\$135/ton
Minimum Fee - Minimum Load Size - 1/2 ton for MSW only.....	\$64
Minimum Fee - 100 lbs. or less - mixed debris	\$9/load
(Telephone poles must be cut into 10' sections)	
Appliances w/ CFCs (refrigerator, freezer, window A/C, water fountain, vending machine, dehumidifier).....	\$15/ea.
Commercial-Grade A/C units & outdoor residential A/C units.....	At Cost
Appliances - no CFCs (furnace, washer, dryer, hot water heater, stove, dishwasher, microwave, woodstove, etc.).....	No Charge
Asbestos, Non-Friable (packaging requirements apply).....	\$250/ton
Asphalt Shingles and Drywall Recycling.....	\$110/ton
Ashes (wood).....	\$1/load
Batteries (wet-cell, automotive).....	No Charge
Batteries (dry-cell, cell phones, rechargeable, button cell, lithium, lithium ion, NiMH, NiCad).....	No Charge ¹
Books (hard and soft cover)	
Residential.....	\$2/load
Business	\$15/load
Clean Wood, brush, branches, (cut into 16" logs if > 6" diameter)...	
Residential, small car only.....	\$2.50/load
Residential, regular pick-up truck or small trailer.....	\$5/load
Trucks (larger than pick-up truck), & ALL commercial loads.....	\$50/ton
Mulch loading assistance (upon request).....	\$5/scoop
Cooking Oil (Large quantities call ahead).....	No charge
Documents (Secure Destruction), small amounts only.....	No charge
Electronics (large items or quantities charged by weight at the discretion of the scalehouse... operator).....	\$0.23/lb
Computers, whole systems (includes everything).....	\$11/ea. (or no charge ²)
Computers, by piece (monitor or CPU or printer).....	\$6/pc. (or no charge ²)
Televisions (Regular size TV).....	\$7/ea. (or no charge ²)
(Console size TV).....	\$15/ea. (or no charge ²)
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
Fire Extinguishers – Any size.....	\$5/ea.
Fluorescent Light Bulbs – Compact Fluorescent Lamps.....	No Charge
U-Tube, Circular or Straight Tubes 4 ft. or shorter.....	\$0.35/ea. (or no charge ³)
Straight Tubes longer than 4 ft.....	\$0.60/ea. (or no charge ³)
HID Lamps.....	\$1/ea. (or no charge ³)
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 ⁴
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.....	\$1.00/gal.
Business any amount, uncontaminated only, drums by appt.....	\$1.00/gal.
Oil Filters (Residential).....	No Charge
(Business) Individual filters.....	\$0.30/ea.
(Business) 5-gallon pail full (crushed or uncrushed)	\$7/pail
(Business) 55-gallon drum full (crushed or uncrushed).....	\$75/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.....	\$100/ton
Single Stream self-hauled from Businesses -Min. Fee 1 CY or less.....	\$10.00
Single Stream self-hauled from Businesses > 1 CY.....	\$100/ton
Reuse It or Lose It! (PROGRAM CLOSED UNTIL FURTHER NOTICE)	
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
Tires - Passenger Tires.....	\$3/ea.
Large Truck Tires.....	\$9/ea.
Agricultural Tires, Earthmoving Tires, Extra Large Tires.....	\$0.09/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.

¹ VT Battery Law – Primary cells are collected at no charge.

² 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.

³ VT Mercury Lamp Law – No charge for general purpose mercury bulbs, 10 or </per day.

⁴ 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

2021