

TRI-COUNTY SOLID WASTE MANAGEMENT ORGANIZATION, INC.
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DECEMBER 31, 2021

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INDEPENDENT AUDITORS' REPORT

Tri-County Solid Waste Management Organization, Inc.
Union, Maine

Opinions

We have audited the accompanying financial statements of the governmental activities of Tri-County Solid Waste Management Organization, Inc. as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Tri-County Solid Waste Management Organization, Inc., as of December 31, 2021 and 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Tri-County Solid Waste Management Organization, Inc., and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Tri-County Solid Waste Management Organization, Inc.'s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user-based on the financial statements

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison schedules listed in the table of contents 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.

Bath, Maine

December 20, 2022

**TRI-COUNTY SOLID WASTE MANAGEMENT ORGANIZATION, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEARS ENDED DECEMBER 31, 2021 AND 2020**

The joint board of the Tri-County Solid Waste Management Organization, Inc. offers the readers of these financial statements this narrative overview and analysis of its financial activities for the fiscal years ended December 31, 2021 and 2020. We encourage readers to consider the information presented in conjunction with additional information furnished in the basic financial statements and the accompanying notes to those financial statements.

The Tri-County Solid Waste Management Organization, Inc. is a jointly governed organization formed in 1991 to provide for the disposal of solid wastes generated by the five towns. The joint board prepares a budget each year and assesses the towns based on population.

The Financial Statements

The financial statements presented herein include all of the activities of the Tri-County Solid Waste Management Organization, Inc. using the integrated approach as prescribed by GASB Statement No. 34.

The government-wide financial statements present the financial picture of the Tri-County Solid Waste Management Organization, Inc. from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities. These statements include all assets of the Tri-County Solid Waste Management Organization, Inc. as well as all liabilities.

Statement of Net Position and Statement of Activities

The Statement of Net Position and Statement of Activities report information about the Tri-County Solid Waste Management Organization, Inc. and its activities as a whole. These statements include all assets and liabilities of the Tri-County Solid Waste Management Organization, Inc. using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Tri-County Solid Waste Management Organization, Inc.'s net position and changes to it. Net Position is the difference between assets and liabilities, which is one way to measure the Tri-County Solid Waste Management Organization, Inc.'s financial health or financial position.

Governmental Activities

The cost of the Tri-County Solid Waste Management Organization, Inc.'s activity for 2021 was \$465,131, an increase of \$16,794 from 2020. The amount paid by users of the Facility was as follows:

	2021	2020
Assessments	\$ 187,027	\$ 180,133
Interest Income	324	797
Other User Fees	305,279	291,745
Woodlot Sales		14,912
Total	<u>\$ 492,630</u>	<u>\$ 487,587</u>

The net results were a profit of \$27,499 for 2021 and a profit of \$39,250 for 2020.

TRI-COUNTY SOLID WASTE MANAGEMENT ORGANIZATION, INC.
STATEMENTS OF NET POSITION
DECEMBER 31, 2021 AND 2020

	2021	2020
ASSETS		
CURRENT ASSETS:		
Cash (Note B)	\$ 271,507	\$ 231,114
Accounts Receivable	2,514	1,304
Inventory	22,637	26,692
Total Current Assets	\$ 296,658	\$ 259,110
PROPERTY, PLANT, AND EQUIPMENT (NOTE F):		
Land and Land Improvements	\$ 231,187	\$ 231,187
Building Improvements	589,843	589,843
Equipment	461,259	479,423
Total Property, Plant, and Equipment	\$ 1,282,289	\$ 1,300,453
Less: Accumulated Depreciation	(829,212)	(839,235)
Net Property, Plant, and Equipment	\$ 453,077	\$ 461,218
Total Assets	\$ 749,735	\$ 720,328
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES:		
Payroll Taxes	\$ 7,317	\$ 5,409
NET POSITION:		
Net Invested in Capital Assets	\$ 453,077	\$ 461,218
Restricted	22,637	26,692
Unrestricted	266,704	227,009
Total Net Position	\$ 742,418	\$ 714,919
Total Liabilities and Net Position	\$ 749,735	\$ 720,328

TRI-COUNTY SOLID WASTE MANAGEMENT ORGANIZATION, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
REVENUES:		
Assessment - Union	\$ 62,281	\$ 59,864
Assessment - Appleton	38,861	37,493
Assessment - Somerville	13,832	13,261
Assessment - Liberty	26,961	26,011
Assessment - Washington	45,092	43,504
Charges for Services	291,376	287,705
Miscellaneous	1,858	815
Fees	3,545	3,225
Interest	324	797
Woodlot Sales		14,912
Gain on Sale of Assets	8,500	
	\$ 492,630	\$ 487,587
Total Revenues		
EXPENDITURES:		
Bookkeeping and Accounting	\$ 7,015	\$ 3,927
Depreciation	39,577	41,993
Freon Removal	2,290	2,860
Insurance	8,182	8,100
Maintenance - Building and Grounds	13,494	14,158
Office Expense	4,993	4,963
Payroll Expenses	29,128	25,101
Plowing	3,750	3,600
Recycling	29,118	26,002
Salaries and Wages	144,233	121,497
Special Waste and Demo Debris	6,163	5,232
Tipping Fees	114,423	111,755
Transportation	53,646	51,805
Trash Bags		18,843
Utilities	3,864	3,602
Workers' Compensation	5,255	4,899
	\$ 465,131	\$ 448,337
Total Expenditures		
Change in Net Position	\$ 27,499	\$ 39,250
Net Position, January 1	714,919	675,669
Net Position, December 31	\$ 742,418	\$ 714,919

TRI-COUNTY SOLID WASTE MANAGEMENT ORGANIZATION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Miscellaneous	\$ 10,358	\$ 15,727
Receipts from Local Assessments	185,817	180,133
Interest	324	797
Fees	3,545	3,225
Payments to Employees	(144,233)	(121,497)
Payments to Vendors	(275,358)	(293,735)
Charges for Services	291,376	287,705
	\$ 71,829	\$ 72,355
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Property, Plant, and Equipment	(31,436)	(87,665)
	\$ 40,393	\$ (15,310)
Increase (Decrease) in Cash	231,114	246,424
Cash Balance, January 1	271,507	231,114
Cash Balance, December 31	\$ 271,507	\$ 231,114

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
GOVERNMENTAL FUND BALANCES:		
Restricted	\$ 22,637	\$ 26,692
Unassigned	266,704	227,009
 Amounts reported for governmental activities in the Statements of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	453,077	461,218
	\$ 742,418	\$ 714,919
Net Position of Governmental Activities	\$ 742,418	\$ 714,919

TRI-COUNTY SOLID WASTE MANAGEMENT ORGANIZATION, INC.
RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
Net Change in Fund Balances - Total Governmental Funds (Exhibit G)	\$ 35,640	\$ (6,422)
Amounts reported for governmental activities in the Statements of Activities are different because:		
Governmental funds report capital outlays as expenditures.		
However, in the Statements of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeds depreciation (depreciation exceeds capital outlays).		
	(8,141)	45,672
Change in Net Position of Governmental Activities	\$ 27,499	\$ 39,250

Exhibit F

BALANCE SHEETS - GOVERNMENTAL FUNDS
DECEMBER 31, 2021 AND 2020

	2021	2020
ASSETS:		
Cash	\$ 271,507	\$ 231,114
Accounts Receivable	2,514	1,304
Inventory	22,637	26,692
Total Assets	\$ 296,658	\$ 259,110
LIABILITIES:		
Payroll Taxes	\$ 7,317	\$ 5,409
FUND BALANCE:		
Restricted	\$ 22,637	\$ 26,692
Unassigned	266,704	227,009
Total Fund Balance	\$ 289,341	\$ 253,701
Total Liabilities and Fund Balance	\$ 296,658	\$ 259,110

The accompanying notes are an integral part of the financial statements

TRI-COUNTY SOLID WASTE MANAGEMENT ORGANIZATION, INC.
STATEMENTS OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
REVENUES:		
Assessment - Union	\$ 62,281	\$ 59,864
Assessment - Appleton	38,861	37,493
Assessment - Somerville	13,832	13,261
Assessment - Liberty	26,961	26,011
Assessment - Washington	45,092	43,504
Charges for Services	291,376	287,705
Miscellaneous	1,858	815
Fees	3,545	3,225
Interest	324	797
Woodlot Sales		14,912
Gain on Sale of Assets	8,500	
	\$ 492,630	\$ 487,587
Total Revenues		
EXPENDITURES:		
Bookkeeping and Accounting	\$ 7,015	\$ 3,927
Freon Removal	2,290	2,860
Insurance	8,182	8,100
Maintenance - Building and Grounds	13,494	14,158
Office Expense	4,993	4,963
Payroll Expenses	29,128	25,101
Plowing	3,750	3,600
Recycling	29,118	26,002
Salaries and Wages	144,233	121,497
Special Waste and Demo Debris	6,163	5,232
Tipping Fees	114,423	111,755
Transportation	53,646	51,805
Trash Bags		18,843
Utilities	3,864	3,602
Workers' Compensation	5,255	4,899
Capital Purchases	31,436	87,665
	\$ 456,990	\$ 494,009
Total Expenditures		
Excess of Revenues Over (Under) Expenditures	\$ 35,640	\$ (6,422)
Fund Balance, January 1	253,701	260,123
Fund Balance, December 31 (Exhibit F)	\$ 289,341	\$ 253,701

TRI-COUNTY SOLID WASTE MANAGEMENT ORGANIZATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accounting policies of the Tri-County Solid Waste Management Organization, Inc. conform to generally accepted accounting principles as applicable to governmental units.

1. Financial Reporting Entity

The Tri-County Solid Waste Management Organization, Inc. is a voluntary association consisting of the Towns of Union, Appleton, Somerville, Liberty, and Washington. Its purpose is to serve as a regional transfer and recycling facility for the member towns. The basic operations of the Organization are financed by membership assessments and by fees charged for disposal of waste. The Organization intends to become self sufficient by charging fees to accept waste and from the sale of recyclables.

The Organization's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is responsible for establishing Generally Accepted Accounting Principles (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. The more significant accounting policies established in GAAP are used by the Organization as discussed below.

In accordance with GASB Statement No. 54, the Organization employs new terminology and classifications for fund balance items.

Fund balance - Governmental Fund balance is reported in five classifications that comprise a hierarchy based primarily on the extent to which the Organization is bound to honor constraints on the specific purposes for which those funds can be spent. The five classifications of fund balance for the Governmental Funds are as follows:

Nonspendable - resources which cannot be spent because they are either a) not in spendable form or, b) legally or contractually required to be maintained intact.

Restricted - resources with constraints placed on the use of resources which are either a) externally imposed by creditors (such as through debt covenant's), grantors, contributors or laws or regulations of other governments or; b) imposed by law through constitutional provisions or enabling legislation.

Committed - resources which are subject to limitations the government imposes on itself at its highest level of decision making authority, and that remain binding unless removed in the same manner.

Assigned - resources that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned - resources which have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount.

TRI-COUNTY SOLID WASTE MANAGEMENT ORGANIZATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

2. Basic Financial Statements - Government-Wide Statements

The Organization's basic financial statements include both government-wide (reporting the Organization as a whole) and fund financial statements (reporting the Organization's major funds). Both the government-wide and fund financial statements categorize primary activities as governmental.

In the Statement of Net Position, the total column is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Organization's net position is reported in three parts - net invested in capital assets, restricted, and unrestricted net position.

The Statement of Activities reports revenues and expenditures related to the Organization's functions.

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

3. Basic Financial Statements - Fund Financial Statements

The financial transactions of the Organization are reported in 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, liabilities, reserves, fund equity, revenues, and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund type is used by the Organization:

a. Governmental Fund:

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

1. General Fund:

General Fund is the general operating fund of the Organization. It is used to account for all financial resources except those required to be accounted for in another fund.

4. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied:

a. 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.

TRI-COUNTY SOLID WASTE MANAGEMENT ORGANIZATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

4. Basis of Accounting (Cont'd)

b. Modified Accrual:

The governmental funds 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. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

5. Financial Statement Amounts

a. Cash and Cash Equivalents:

The Organization has defined cash and cash equivalents to include cash on hand, demand deposits, and cash with fiscal agents. Statutes authorize the Treasurer of the Organization, as directed by the Board, to invest all funds, including reserve funds, to the extent that the terms of the instrument, order, or article creating the fund do not prohibit the investment, in financial institutions as described in Section 5706 MRSA and securities as described in Sections 5711 through 5717 MRSA.

b. Accounts Receivable:

The Organization states its accounts receivable at estimated realizable value based on prior year collections. An allowance for doubtful accounts is not considered necessary at year-end.

c. Capital Assets:

Capital assets purchased or acquired with an original cost of \$1,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	20-50 Years
Machinery and Equipment	5-10 Years
Improvements	10-20 Years

d. Use of Estimates:

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

e. Inventory:

Inventory of material and supplies is valued at cost using the first-in, first-out method.

TRI-COUNTY SOLID WASTE MANAGEMENT ORGANIZATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

6. Implementation of New Accounting Standards

During the year ended December 31, 2021, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

- a. Statement No. 89, "Accounting for Interest Cost Incurred before the End of a Construction Period", effective for the year ended December 31, 2021. The objectives of this statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This statement establishes accounting requirements for interest cost incurred before the end of a construction period. Management has determined that the impact of this statement is not material to the financial statements.
- b. Statement No. 98, "The Annual Comprehensive Financial Report" is effective for the year ended December 31, 2021. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. Management has determined that this statement is not applicable.

7. Future Accounting Pronouncements

- a. Statement No. 87, "Leases", effective for the year ended December 31, 2022. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Management has determined that the impact of this statement is not material to the financial statements.
- b. Statement No. 91, "Conduit Debt Obligations" is effective for the year ended December 31, 2022. The objective of the statement is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required disclosures. Management has determined that this statement is not applicable.
- c. Statement No. 93, "Replacement of Interbank Offered Rates" is effective for the year ended December 31, 2022. The objective of this statement is to improve guidance regarding the governments that have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR) - most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021. The objective of this statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. Management has determined that this statement is not applicable.

TRI-COUNTY SOLID WASTE MANAGEMENT ORGANIZATION, INC.
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

7. Future Accounting Pronouncements (Cont'd)

- d. Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements" is effective for the year ended December 31, 2023. The objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital assets (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Management has determined that this statement is not applicable.
- e. Statement No. 96, "Subscription-Based Information Technology Arrangements" is effective for the year ended December 31, 2023. The objective of this statement is to improve financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. Management has determined that this statement is not applicable.
- f. Statement No. 97, "Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans" is effective for the year ended December 31, 2022. The requirements of this statement will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefits plans, while mitigating the costs associated with reporting those plans. Management has determined that this statement is not applicable.

8. Subsequent Events

Management has made an evaluation of subsequent events to and including the audit report date, which was the date the financial statements were available to be issued, and determined that any subsequent events that would require recognition or disclosure have been considered in the preparation of the financial statements.

NOTE B - CASH AND CASH EQUIVALENTS:

At year-end, the carrying amount of the facility's bank deposits was \$271,507 in 2021 and \$231,114 in 2020 and the bank balance was \$301,099 in 2021 and \$251,137 in 2020. Of the bank balance, \$301,099 in 2021 and \$251,137 in 2020, was covered by federal depository insurance.

NOTE C - ACCOUNTS RECEIVABLE:

Accounts Receivable consists of the following:

Town of Appleton	\$ 1,040
Town of Somerville	40
Town of Washington	54
Town of Union	1,200
Town of Liberty	180
	<u>\$ 2,514</u>

TRI-COUNTY SOLID WASTE MANAGEMENT ORGANIZATION, INC.
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2021

NOTE D - BUDGET AND ASSESSMENTS:

Tri-County Solid Waste Management Organization, Inc.'s annual budget is a management tool that assists its users in analyzing financial activity for its fiscal year ending December 31, 2021.

Tri-County Solid Waste Management Organization, Inc.'s primary funding sources may have periods that do not coincide with the Organizations fiscal year.

The Organization annually analyzes expected costs and revenues. Membership dues are estimated on a per capita basis. Once the budget is accepted the local assessments are calculated.

NOTE E - BUDGET VARIANCES:

Unfavorable variances are the result of lower than anticipated revenues and higher than anticipated expenses.

DECEMBER 31, 2021			
FUNCTION	BUDGET	REVENUES/ EXPENDITURE	VARIANCE
Interest Income	\$ 400	\$ 324	\$ (76)
Salaries and Wages	\$ 134,838	\$ 144,233	\$ (9395)
Special Waste and Demo Debris	\$ 5,600	\$ 6,163	\$ (563)
Bookkeeping and Accounting	\$ 3,500	\$ 7,015	\$ (3,515)
Recycling	\$ 25,815	\$ 29,118	\$ (3,303)

DECEMBER 31, 2020			
FUNCTION	BUDGET	REVENUES/ EXPENDITURE	VARIANCE
Tipping Fees	\$ 110,443	\$ 111,755	\$ (1,312)
Transportation	\$ 48,440	\$ 51,805	\$ (3,365)
Special Waste and Demo Debris	\$ 4,500	\$ 5,232	\$ (732)
Insurance and Dues	\$ 8,000	\$ 8,100	\$ (100)
Bookkeeping and Accounting	\$ 3,500	\$ 3,927	\$ (427)
Freon Removal	\$ 1,100	\$ 2,860	\$ (1,760)
Payroll Taxes	\$ 21,650	\$ 25,101	\$ (3,451)
Recycling	\$ 25,815	\$ 26,002	\$ (187)

NOTE F - PROPERTY, PLANT, AND EQUIPMENT:

The following is a summary of changes in the general fixed asset account groups:

	BALANCE DECEMBER 31, 2019	ADDITIONS	BALANCE DECEMBER 31, 2020	ADDITIONS	DISPOSALS	BALANCE DECEMBER 31, 2021
Land and Land Improvements	\$ 231,187		\$ 231,187			\$ 231,187
Building Improvements	589,843		589,843			589,843
Equipment	391,758	87,665	479,423	\$ 31,436	(49,600)	461,259
Total	\$ 1,212,788	87,665	1,300,453	31,436	(49,600)	\$ 1,282,289
Accumulated Depreciation	(797,242)	(41,993)	(839,235)	39,577	49,600	(829,212)
Net Book Value of Fixed Assets	\$ 415,546	\$ 45,672	\$ 461,218	\$ (8,141)	\$	\$ 453,077

TRI-COUNTY SOLID WASTE MANAGEMENT ORGANIZATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE G - RISK MANAGEMENT:

The Organization is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. All significant losses are covered by commercial insurance. There has been no significant reduction in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE H - WASTE DISPOSAL CONTRACTS:

On April 1, 2018 Tri-County Solid Waste Management Organization, Inc. started using EcoMaine for trash disposal. The term of the agreement was sixteen years and had an initial rate of \$71.42 per ton until June 30, 2020 at which time the rate was adjusted based on the consumer price index. Price was adjusted on July 1, 2021 to \$74.65 per ton and will hold there until June 30, 2022.

TRI-COUNTY SOLID WASTE MANAGEMENT ORGANIZATION, INC.
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021

	DECEMBER 31, 2021		
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Assessment - Union	\$ 62,281	\$ 62,281	\$ -
Assessment - Appleton	38,861	38,861	
Assessment - Somerville	13,832	13,832	
Assessment - Liberty	26,961	26,961	
Assessment - Washington	45,092	45,092	
Interest	400	324	(76)
Charges for Services	266,800	291,376	24,576
Fees	800	3,545	2,745
Miscellaneous		1,858	1,858
Gain on Sale of Assets		8,500	8,500
Total Revenues	\$ 455,027	\$ 492,630	\$ 37,603
EXPENDITURES:			
Salaries and Wages	\$ 134,838	\$ 144,233	\$ (9,395)
Special Waste and Demo Debris	5,600	6,163	(563)
Tipping Fees	117,000	114,423	2,577
Transportation	58,500	53,646	4,854
Bookkeeping and Accounting	3,500	7,015	(3,515)
Insurance and Dues	8,200	8,182	18
Maintenance - Building and Grounds	20,200	13,494	6,706
Freon Removal	2,900	2,290	610
Office Expense	5,350	4,993	357
Payroll Taxes	33,754	29,128	4,626
Recycling	25,815	29,118	(3,303)
Plowing	3,900	3,750	150
Utilities	4,570	3,864	706
Bags	25,000		25,000
Workers' Compensation	5,900	5,255	645
Capital Expenditures	43,000	31,436	11,564
Total Expenditures	\$ 498,027	\$ 456,990	\$ 41,037
Excess of Revenues Over (Under) Expenditures	\$ (43,000)	\$ 35,640	\$ 78,640
Fund Balance, January 1	182,457	253,701	71,244
Fund Balance, December 31	\$ 139,457	\$ 289,341	\$ 149,884

TRI-COUNTY SOLID WASTE MANAGEMENT ORGANIZATION, INC.
 BUDGETARY COMPARISON SCHEDULE - CASH BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2020

	DECEMBER 31, 2020		
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Assessment - Union	\$ 59,864	\$ 59,864	\$ -
Assessment - Appleton	37,493	37,493	
Assessment - Somerville	13,261	13,261	
Assessment - Liberty	26,011	26,011	
Assessment - Washington	43,504	43,504	
Interest	300	797	497
Charges for Services	238,100	287,705	49,605
Fees	1,800	3,225	1,425
Miscellaneous	800	815	15
Woodlot Sales		14,912	14,912
Total Revenues	\$ 421,133	\$ 487,587	\$ 66,454
EXPENDITURES:			
Salaries and Wages	\$ 121,602	\$ 121,497	\$ 105
Special Waste and Demo Debris	4,500	5,232	(732)
Tipping Fees	110,443	111,755	(1,312)
Transportation	48,440	51,805	(3,365)
Bookkeeping and Accounting	3,500	3,927	(427)
Insurance and Dues	8,000	8,100	(100)
Maintenance - Building and Grounds	20,864	14,158	6,706
Freon Removal	1,100	2,860	(1,760)
Office Expense	5,650	4,963	687
Payroll Taxes	21,650	25,101	(3,451)
Recycling	25,815	26,002	(187)
Plowing	3,900	3,600	300
Utilities	4,570	3,602	968
Bags	25,000	18,843	6,157
Workers' Compensation	6,100	4,899	1,201
Capital Expenditures	87,665	87,665	
Total Expenditures	\$ 498,799	\$ 494,009	\$ 4,790
Excess of Revenues Over (Under) Expenditures	\$ (77,666)	\$ (6,422)	\$ 71,244
Fund Balance, January 1	260,123	260,123	
Fund Balance, December 31	\$ 182,457	\$ 253,701	\$ 71,244