



## Memorandum

**DATE:** October 4, 2013  
**TO:** Chairman and Members of the Board  
**FROM:** Kevin H. Roche, General Manager  
**SUBJECT:** **Agenda for the Board of Directors Meeting**

There is an **ecomaine Board Meeting** scheduled for **Thursday, October 10, 2013 at 4:00PM**. The agenda for this meeting is as follows:

1. Approval of the September 12, 2013 Board Meeting minutes (*Attachment A*)
2. Audit Committee Report – Gary Foster, Chair
3. Presentation of the FY 2013 Audit (*Attachment B*)
  - **Kathleen Tyson, Partner, Runyon Kersteen Ouellette**
  - **Peter Way, Senior Manager, Runyon Kersteen Ouellette**
4. Finance Committee Report – Troy Moon, Chair
5. Recycling Committee Report – Susan McGinty, Chair
6. Manager's Report
  - Financial Summary (*Attachment C*)
  - Statement of Revenue and Expenses (*Attachment D*)
  - Cash Flows (*Attachment E*)
  - Statistical Data (*Attachments F-1, F-2 & F-3*)
  - Operations & Electrical Generation (*Attachment G*)
  - Legislative Update
  - Environmental Update
  - Organics Recycling Feasibility Study - Update
7. Other Items
  - Approval of General Manager's Title Change to Chief Executive Officer
8. Future Meetings:
  - OPEN HOUSE: October 5<sup>th</sup> (Saturday) from 8:30AM to 11:30AM.
  - Audit Committee Meeting, rescheduled from 09/26/13: October 10<sup>th</sup> (Thursday) @ 3:00PM.
  - Recycling Committee Meeting: October 24<sup>th</sup> (Thursday) @ 4:00PM.
  - Finance Committee Meeting: November 14<sup>th</sup> (Thursday) @ 2:30PM.
  - Executive Committee Meeting: November 14<sup>th</sup> (Thursday) @ 4:00PM.
  - Recycling Committee Meeting: November 21<sup>st</sup> (Thursday) @ 4:00PM.
  - Executive Committee Meeting: December 19<sup>th</sup> (Thursday) @ 4:00PM.

The Board of Directors may wish to go into Executive Session for any of the above items under Section 405 of Title 1 of the Maine Revised Statutes ([per the following legislative website: http://janus.state.me.us/legis/statutes/1/title1ch13sec0.html](http://janus.state.me.us/legis/statutes/1/title1ch13sec0.html).)

10/4/2013 5:18 PM



### Owner Communities

Bridgton  
Cape Elizabeth  
Casco  
Cumberland  
Falmouth  
Freeport  
Gorham  
Gray  
Harrison  
Hollis  
Limington  
Lyman  
North Yarmouth  
Ogunquit  
Portland  
Pownal  
Scarborough  
South Portland  
Waterboro  
Windham  
Yarmouth

### Associate Members

Baldwin  
Hiram  
Naples  
Parsonsfield  
Porter  
Saco  
Standish

### Contract Members

Andover  
Cornish  
Eliot  
Greenland, NH  
Harpwell  
Jay  
Kittery  
Livermore Falls  
Manchester  
Monmouth  
Newington, NH  
North Haven  
Old Orchard Beach  
Poland  
Readfield  
Sanford  
Stockton Springs  
Swan's Island  
Wayne

DATE: September 13, 2013  
TO: Chair and Members of the Board  
FROM: Kevin H. Roche, General Manager  
SUBJECT: Minutes of 09/12/13 **ecomaine** Board Meeting

The **ecomaine** Board of Directors met on Thursday, September 13, 2013, at the Waste-to-Energy facility. The meeting was called to order at 4:03PM.

There were nine items on the Agenda:

1. Approval of the June 13, 2013 Annual/Board Meeting Minutes
2. Presentation and Acceptance of the Strategic Review Report
3. Audit Committee Report
4. Finance Committee Report
5. Recycling Committee Report
6. Ogunquit – Status of MSW deliveries
7. Manager's Report (for FY 13 & FY 14)
8. Other Items
9. Future Meetings

Chair, Mike McGovern, welcomed new Board Member Claudia King to **ecomaine**.

He then noted that the Executive Committee just met prior to the Board Meeting regarding the General Manager's Annual Performance Evaluation. The Committee decided that the General Manager's title should be changed to Chief Executive Officer to better represent his responsibility for the organization.

#### **Item #1 – Approval of the June 13, 2013 Board Meeting Minutes**

Mr. Cole moved that the Board hereby approves the minutes of the June 13, 2013 Board/Annual meeting as presented. The motion was seconded by Mr. Brobst and passed unanimously.

#### **Nominating Committee**

The Nominating Committee Chair, Tony Plante, explained that letters would be going out to all Board Members inquiring of any interest in becoming an **ecomaine** Officer for the Fiscal Year 2014-2015.

#### **Item #3 – Audit Committee Report – Gary Foster, Chair**

The Board then moved to Item #3. Mr. Foster, Chair, noted that the Audit Committee last met on April 11, 2013 and reported to the Board that same day.

The next meeting is scheduled for Thursday, September 26, 2013 at 2:30PM and will include a review of the draft audit report from Runyon Kersteen Ouellette (RKO) for FY 2013.

#### **Item #4 – Finance Committee Report – Troy Moon, Chair**

The Committee last met on September 10, 2013, at which they reviewed the Cash Disbursements, **ecomaine** Financial Statements for June 2013 YTD, the Five Year Plan, Medical Insurance including a Wellness Program and how Recycle Revenue Sharing works.

The vote regarding FY 15 Assessments was tabled to follow the Health Insurance & Wellness bullet of Item #4 of the Agenda.

After a brief overview and discussion regarding a Health Insurance & Wellness Program for **ecomaine**, Mr. Moon made a motion that the Board approves the program as presented. The motion was seconded by Mr. Gailey and passed unanimously.

#### **Item #2 – Presentation and Acceptance of the Strategic Review Report**

The Board then moved to Item #2.

Mr. Gailey, Chair of the Strategic Planning Review Committee, gave an overall summary of the Final 2013 Strategic Review Report.

The Board agreed on the present Mission Statement.

Mr. Gailey made a motion that the Board accepts the Strategic Plan as presented. The motion was seconded by Mr. Moon.

Mr. Regier requested to amend the motion to change the word “manage” (on Page 7 of the Strategic Report, #1 of the Critical Issues) to “reduce”. The motion was seconded by Mr. Bradstreet. After a discussion, the Board voted 4 in favor, 17 not in favor and the motion to amend was not approved.

The original motion to accept the Strategic Plan as presented was then voted on and unanimously approved.

#### **Assessments**

The Board then briefly discussed the Assessments for FY 15 (the first bullet of Item #4 of the Agenda).

Mr. Moon made a motion to recommend the Board accept the FY 15 Assessments as presented. The motion was seconded by Mr. Cole and passed unanimously.

Mr. Doughty requested that **ecomaine** forward this news as we have done previously.

#### **Item #5 – Recycling Committee Report – Chair, Susan McGinty**

The Recycling Committee last met on May 23, 2013 and was reported out at the Annual Meeting on June 13, 2013.

Ms. McGinty handed out a flyer regarding the School Grant Program and requested the Board’s assistance in getting the word out regarding this program. Mr. Regier requested that this handout be sent via e-mail to all Board Members. The results of this effort will be presented at the next Recycling Committee Meeting on September 26, 2013.

**ecomaine’s** Annual Open House will be held on October 5, 2013 from 8:30AM to 11:30AM. at the Recycling Facility.

**ecomaine** Board Member, Alan Bradstreet, met with **ecomaine** staff to begin production of a TV spot for the “Incredible Maine” television show, of which he is a host. The spot most likely will air sometime in the winter.

At this point in the meeting, **ecomaine’s** new Communications Director, Frank Gallagher, was introduced and welcomed.

### **Item #6 – Ogunquit – Status of MSW Deliveries**

Ogunquit has resumed shipments of waste to **ecomaine** that had been suspended for a two month period of time. A letter was sent to the Town to collect the appropriate Tipping Fees (125%) according to our agreement. A withdrawal letter has been drafted and sent to the Town for their comments.

### **Item #7 – Manager’s Report**

Mr. Roche gave a brief summary of the Manager’s Report financials. He reviewed the outreach to communities program and noted that the organics study is still being worked on with some added scope, looking at co-collection of food waste.

Maine State Senators, Thomas Saviello and James Boyle, of the Maine Joint Standing Committee on Environment and Natural Resources, toured **ecomaine** on September 9, 2013.

**ecomaine** is awaiting the Maine Department of Environmental Protection’s decision regarding the Juniper Ridge issue.

The DEP would like to run a second study involving the processing of pharmaceuticals at Waste-to-Energy facilities.

Mr. Roche gave an update on the issue of International Waste.

### **Item #8 – Future Meetings**

- OPEN HOUSE: October 5<sup>th</sup> (Saturday) from 8:30AM to 11:30AM.
- Audit Committee Meeting: October 10<sup>th</sup> (Thursday) @ 3:00PM.
- Full Board Meeting: October 10<sup>th</sup> (Thursday) @ 4:00PM.
- Recycling Committee Meeting: October 24<sup>th</sup> (Thursday) @ 4:00PM.
- Finance Committee Meeting: November 14<sup>th</sup> (Thursday) @ 2:30PM.
- Executive Committee Meeting: November 14<sup>th</sup> (Thursday) @ 4:00PM.
- Recycling Committee Meeting: November 21<sup>st</sup> (Thursday) @ 4:00PM.
- Executive Committee Meeting: December 19<sup>th</sup> (Thursday) @ 4:00PM.

Mr. Brobst made a motion to adjourn the meeting. The motion was seconded by Mr. Foster and all were in favor. The meeting adjourned at 5:38PM.

#### **PRESENT:**

D. Abbott  
M. Bobinsky  
L. Boudreau  
A. Bradstreet  
R. Brobst  
D. Cole  
D. Doughty  
M. Frank  
G. Foster  
J. Gailey  
J. Jalbert  
C. King  
S. McGinty  
M. McGovern  
T. Moon  
A. Plante  
R. Regier  
M. Shaw  
E. Street  
E. Suslovic  
L. Van Gaasbeek

#### **ABSENT:**

R. Ahlquist  
J. Anton  
T. Fortier  
D. Morton  
M. Rees  
M. St. Clair  
D. Sherman

**Staff:** A. Birt, F. Gallagher, K. Roche, and L. Trufant.

**ecomaine**

**Financial Statements**

**June 30, 2013 and 2012**

**DRAFT**

## Independent Auditor's Report

Board of Directors  
**ecomaine**

We have audited the accompanying statements of net position of **ecomaine** as of June 30, 2013 and 2012, and the related statements of revenues, expenses, and changes in net position, cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise **ecomaine's** basic financial statements.

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

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

### **Auditor's Responsibility**

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

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

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of ecomaine, as of June 30, 2013 and 2012, 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.

## 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 1 through 6 and the schedule of funding progress on page 19 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 by 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 audits of the basic financial statements. We do not express an opinion or provide any assurance on the management's discussion and analysis or schedule of funding progress because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. Schedules 1 and 2 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

October 10, 2013  
South Portland, Maine

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This discussion and analysis of **ecomaine's** financial performance provides an overall review of **ecomaine's** financial activities for the year ended June 30, 2013 with the intent of looking at **ecomaine's** financial performance as a whole. Readers should also review the financial statements and the related notes to enhance their understanding of **ecomaine's** financial performance.

### Financial Highlights

Continuing the trend that has been underway for several years **ecomaine** had a solid FY 13. Revenues less expenses for the fiscal year ending June 30, 2013 totaled just under \$5 million, \$1.7 million below FY 2012's level of \$6.7 million but \$1.9 million ahead of the FY 13 budget. Cash generated from operations in 2013 totaled \$8.4 million down from last year's level of \$11.3 million, but ahead of the \$7.7 million budgeted for FY 13. **ecomaine** made final debt service payments totaling \$4.6 million and invested \$4.8 million in capital improvements including a \$1.9 million landfill expansion in FY 13. Our recycle market and the market rates for power sold were both soft but we had one of the best years ever in terms of the quantity of power sold with 90,000 MWH's of electricity going onto the New England power grid. Our continued strong financial position has allowed the Board of Directors to again reduce assessments in order to provide financial relief to the member communities. In FY 11 Owner Member Assessments totaled just under \$4.7 million annually and effective with FY 15 they will total \$2.4 million – a 48% reduction in 4 years. In addition, effective July 1, 2013, **ecomaine** has lowered our tipping fees for Owner Member Communities and Commercial Accounts by 20% to provide additional financial relief and to meet market conditions.

### Using this Annual Report

This annual report consists of a series of financial statements and notes to those statements. These statements are prepared and organized so the reader can understand **ecomaine** as a financial whole or as an entire operating entity. The statements then proceed to provide an increasingly detailed look at our specific financial conditions.

The statement of net position and the statement of revenues, expenses and changes in net position provide information about the activities of **ecomaine** as a whole and present a longer-term view of our finances. They include all assets and liabilities using the accrual basis of accounting, similar to the accounting method used by the private sector. The basis for this accounting takes into account all of the current year's revenues and expenses regardless of when the cash was received or paid.

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

**ecomaine** receives fees from its customers for certain services. They also receive revenue from selling electricity and recyclable material. In the statement of net assets and statement of revenues, expenses, and changes in net position, all of these activities are reported as business-type activities.



**ecomaine**  
**Management's Discussion and Analysis, Continued**

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**ecomaine as a whole**

The statements of net position look at **ecomaine** as a whole. Table 1 below is a summary of **ecomaine's** net position for 2013 with comparative numbers for 2012.

**Table 1**  
**Net Position**

	<b>2013</b>	<b>2012</b>
<b>ASSETS</b>		
Current and other	\$ 29,098,650	30,075,350
Capital assets	<u>31,183,549</u>	<u>30,416,351</u>
Total assets	<u>60,282,199</u>	<u>60,491,701</u>
<b>LIABILITIES</b>		
Current liabilities	1,528,848	2,405,010
Long-term debt outstanding		
Due within one year	-	4,560,000
Due in more than one year	-	-
Other liabilities	<u>16,246,576</u>	<u>15,988,724</u>
Total liabilities	<u>17,775,424</u>	<u>22,953,734</u>
<b>NET POSITION</b>		
Invested in capital assets, net of related debt	31,183,549	25,856,351
Restricted	-	1,800,195
Unrestricted	<u>11,323,226</u>	<u>9,881,421</u>
Total net position	<u>\$ 42,506,775</u>	<u>37,537,967</u>

Details for Table 1 can be found on the Statements of Net Position on page 7 in the financial statements.

**Assets**

The \$.2 million decrease in total assets during FY 13 reflects a \$.9 million decrease in cash balances partially offset by an increase in capital assets, net of depreciation, of \$.7 million.

**Liabilities**

Total liabilities decreased by \$5.2 million during the year as a result of \$4.6 million in bond principal payments along with a reduction in the Account's Payable balances offset in part by an increase of \$.3 million in the landfill close and post close liability as a result of capacity utilization in 2013.

**ecomaine**  
**Management's Discussion and Analysis, Continued**

**Table 2**  
**Changes in Net Position**

	2013	2012	Increase (decrease)
<b>REVENUES</b>			
Operating revenues	\$ 23,772,889	25,355,077	(1,582,188)
Total revenues	<u>23,772,889</u>	<u>25,355,077</u>	<u>(1,582,188)</u>
<b>OPERATING EXPENSES</b>			
Administration	2,447,226	2,432,537	14,689
Facility operations	9,018,812	8,693,408	325,404
Recycling operations	1,652,454	1,779,621	(127,167)
Landfill operations	1,569,934	1,603,147	(33,213)
Landfill closure and Postclosure care costs	257,852	277,316	(19,464)
Post-retirement benefit	-	-	-
Depreciation and amortization	<u>4,015,074</u>	<u>3,807,890</u>	<u>207,184</u>
Total operating expenses	18,961,352	18,593,919	367,433
Non-operating revenues (expenses):			
Interest income	70,227	54,698	15,529
Interest expense	(416)	(112,684)	112,268
Gain on disposition of assets	30,924	-	30,924
All other	<u>56,536</u>	<u>6,656</u>	<u>49,880</u>
Net non-operating revenues (expenses)	<u>157,271</u>	<u>(51,330)</u>	<u>208,601</u>
Increase in net position	<u>\$ 4,968,808</u>	<u>6,709,828</u>	<u>(1,741,020)</u>

Details for Table 2 can be found in the Statements of Revenues, Expenses, and Changes in Net Position on page 8 of the financial statements.

**Operating Revenues**

Total operating revenues for 2013 decreased by \$1.6 million or 6.2%, compared to the prior year reflecting a reduction in owner assessments and a soft recycle market. The **ecomaine** Board of Directors reduced assessments for FY 13 by \$1.0 million (22.5%) from FY 12. FY 13 MSW volumes overall were up 2.2% over FY 12 adding to revenue while recycle volume were essentially flat to FY 12. We noted last year that we might be seeing the beginning of a softening of the recycle market and that has come to pass with the market value of the recycle material down by 23.5% from FY 12 lowering recycle revenue by \$.9 million. Revenue from power sales totaled \$3.8 million in FY 13, up slightly from FY 12, reflecting one of the best years ever for **ecomaine** in terms of the quantity of power sold with over 90,000 MWH's (up 6.2% over FY 12) going onto the New England power grid. However the market value for our power was down by about 4.7% from FY 12 averaging \$41.69 per MWH.

ecomaine  
Management's Discussion and Analysis, Continued

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**Total Expenses**

Total operating expenses increased by \$.4 million or 2% when compared to 2012. The WTE facility cash operating costs were up 3.7% (\$.3 million) with gas use (fuel quality) and slightly higher gas rates accounting for the majority of this increase. Recycle facility operating costs were favorable by 7.1% (\$.1 million) reflecting the soft recycle market resulting in lower prices paid for recycle material, landfill operating costs were favorable by 2.1% (favorable vehicle maintenance costs) and administration costs were essentially flat to FY 12. Non cash costs were unfavorable by \$.2 million reflecting higher depreciation resulting from our capital expenditures program. In addition, interest expense was favorable by \$.1 million reflecting the pay off of our long-term debt.

Details for the analysis below can be found in the Budget to Actual schedule on page 21.

**Analysis of Fiscal Year 2013 Actual Results Compared to Budget**

**Total Revenue less Expenses**

Revenue less Expenses for FY 2013 totaled just under \$5 million and was favorable to budget by \$1.9 million. The budget was developed in a somewhat conservative manner due to the uncertainty in the recycle and power markets and continuing trends of lower owner MSW tonnages.

**Operating Revenues**

Total operating revenue of \$23.8 million was favorable to budget by \$1.0 million (4.5%). Electrical revenue was 23% (\$.7 million) favorable to budget reflecting both positive volume (90,001 MWH's sold vs. 79,053 budgeted) and favorable market rates (\$41.69/MWH vs. \$38.59 budgeted). Overall MSW tipping fee revenue was \$.4 million (2.8%) favorable to budget with the spot market experiencing strong volume (24.8% over budget) which more than offset slightly unfavorable MSW market rates in all categories. As noted in last year's comments in FY 12 we were beginning to see the recycle market soften and those conditions did continue thru all of FY 13. With the soft market conditions recycle volume and values were 1.3% and 1.6% respectively below our budget for FY 13 and as a result recycle revenue ended the year \$.1 million (3.9%) below budget.

**Operating Expenses**

Total operating expenses plus depreciation were favorable to budget by \$.7 million or 3.7%.

Recycle facility cash operating costs were favorable to budget by 9.4% (\$.2 million) reflecting favorable prices paid for recycle material (soft recycle market) and baling wire purchase (timing) offset in part higher maintenance costs on facility (aging) and silver bullets. Cash operating costs at the landfill operation were favorable by 4.1% (\$.1 million) reflecting costs that became part of the landfill expansion capital project (geomembrane and certain maintenance costs). Administration expenses overall were flat to the budget with favorable insurance premiums (markets), computer maintenance costs (stable, more effective staff), and payroll (vacant positions), offset by higher Legal Costs (extended labor negotiations and other contractual issues, legislative activities), and Consulting Costs (Organics Recovery, Medical Insurance study). WTE operating costs were unfavorable to budget by .8% reflecting higher payroll costs (associated with the new labor contracts), and chemicals (lime usage). These unfavorable costs in the WTE facility were partially offset in part by favorable maintenance and utility costs (both associated with a good operating year) and lower compliance costs (favorable bids and less testing required).

**ecomaine**  
**Management's Discussion and Analysis, Continued**

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A portion of the budgeted contingency expense was effectively used to cover general wage increases (included in each department actual operating expenses) as the impact of these items was unknown when the budget was developed.

Post Retirement benefits were favorable to budget by \$.1 million reflecting revised actuarial reports.

**Capital Assets**

**Table 3**  
**Capital Assets at June 30**  
**(Net of depreciation)**

	<b>2013</b>	<b>2012</b>
Land-waste-to-energy facility	\$ 1,517,764	1,475,061
Vehicles	700,282	95,685
Office furniture and equipment	68,288	65,377
Recycling facility and equipment	3,298,146	2,979,232
Balefill/ashfill/leachate site	7,317,729	5,583,905
Waste-to-energy facility	<u>18,281,340</u>	<u>20,217,091</u>
Total capital assets	\$ <u>31,183,549</u>	<u>30,416,351</u>

Gross capital additions for 2013 totaled \$4.8 million against a budget of \$5.5 million. One of the more significant projects completed this year included Phase II of the Landfill Expansion at a cost of \$1.9 million (budget was \$2.1 million). Several smaller projects that were budgeted in FY 13 were not able to be completed this year and will be carried over into FY 14. In addition the ESP Rebuild project (budgeted for \$.5 million) was deferred into the future when we will have completed a more comprehensive evaluation of the opportunities associated with the Precipitators.

**ecomaine**  
**Management's Discussion and Analysis, Continued**

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**Debt**

**Table 4**  
**Outstanding Debt at Year-End**

	<b>2013</b>	<b>2012</b>
Variable rate demand bonds	\$ -	2,760,000
Fixed rate serial bonds	<u>-</u>	<u>1,800,000</u>
Total debt	<u>\$ -</u>	<u>4,560,000</u>

During the fiscal year ended June 30, 2013, principal payments totaling \$4,560,000 were made and all existing long-term bonds were paid off.

**Current Financial Activities and Economic Factors Included in the FY 2014 Budget**

In our budget process for FY 14 we continued in a conservative manner assuming that Power Sales, Recycle markets and MSW volumes would remain relatively flat. Our Cash Reserve Policy provides that when our financial position permits it, our first priority is to provide financial relief to our owner member communities. Looking out over the next few years the board believes our financial condition continues to be sound. Therefore (and as announced last fall) our FY 14 budget includes a further \$.5 million reduction in Owner Member Assessments effective July 1, 2013 bringing total assessments down from \$4.7 million in FY 11 to \$2.9 million in FY 14 – a reduction of \$1.8 million (37.1%) in just three years. In addition, effective July 1, 2013 we lowered Owner Community Member and Commercial Account MSW tipping fees by 19.8% and have included the impact of this change in our FY 14 budget. Our budget indicates that we will generate about \$4.9 million in cash from operations and use about \$3.2 million in our capital improvement program in FY 14.

A further \$.5 million reduction in assessments, effective July 1, 2014, was approved by the **ecomaine** board on September 12, 2013.

**Request for Information**

This financial report is designed to provide our members, customers, investors and creditors with a general overview of **ecomaine's** finances and to show **ecomaine's** accountability for the money it receives. If you have any questions about this report or need additional information, contact Arthur P. Birt, Director of Finance and Administration, at (207) 523-3107.

ecomaine  
Statements of Net Position  
June 30, 2013 and 2012

**DRAFT**

	2013	2012
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 23,060,385	19,181,650
Cash and equivalents held by trustee for current obligations	-	2,947,086
Accounts receivable, net	1,982,809	2,274,343
Inventory	2,362,098	2,128,395
Prepaid expenses	193,358	243,681
Total current assets	27,598,650	26,775,155
Capital assets, net	31,183,549	30,416,351
Restricted cash, equivalents, and investments:		
Debt service reserve fund	-	1,800,195
Total restricted cash, equivalents, and investments	-	1,800,195
Other assets:		
Idle asset - Gorham property	1,500,000	1,500,000
Total other assets	1,500,000	1,500,000
<b>Total assets</b>	<b>\$ 60,282,199</b>	<b>60,491,701</b>
<b>LIABILITIES</b>		
Current liabilities:		
Current installments of long-term debt	\$ -	4,560,000
Accounts payable	590,067	1,492,836
Accrued expenses	36,861	82,189
Accrued salaries and compensated absences	901,920	829,985
Total current liabilities	1,528,848	6,965,010
Post-retirement benefit liability	294,704	294,704
Accrued landfill closure and postclosure care liabilities	15,951,872	15,694,020
<b>Total liabilities</b>	<b>\$ 17,775,424</b>	<b>22,953,734</b>
<b>NET POSITION</b>		
Invested in capital assets, net of related debt	31,183,549	25,856,351
Restricted - debt service reserve	-	1,800,195
Unrestricted	11,323,226	9,881,421
<b>Total net position</b>	<b>\$ 42,506,775</b>	<b>37,537,967</b>

*See accompanying notes to financial statements on pages 10-19.*

ecomaine  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**Years Ended June 30, 2013 and 2012**

	2013	2012
<b>Operating revenues:</b>		
Municipal assessments and tipping fees	\$ 8,490,777	9,588,832
Electrical generating revenues	3,752,470	3,707,430
Commercial tipping fees and spot market waste	8,098,281	7,916,180
Contract member tipping fees	272,172	162,285
Recycling tipping fees	67,819	42,343
Gorham property assessments	170,312	157,384
Sales of recycled goods	2,807,955	3,694,277
Other operating income	113,103	86,346
<b>Total operating revenues</b>	<b>23,772,889</b>	<b>25,355,077</b>
<b>Operating expenses:</b>		
Administrative expenses	2,447,226	2,432,537
Facility operating expenses	9,018,812	8,693,408
Recycling operating expenses	1,652,454	1,779,621
Landfill/ashfill operating expenses	1,569,934	1,603,147
Landfill closure and postclosure care costs	257,852	277,316
<b>Total operating expenses other than depreciation and amortization</b>	<b>14,946,278</b>	<b>14,786,029</b>
<b>Net operating income before depreciation and amortization</b>	<b>8,826,611</b>	<b>10,569,048</b>
<b>Depreciation</b>	<b>4,015,074</b>	<b>3,807,890</b>
<b>Net operating income</b>	<b>4,811,537</b>	<b>6,761,158</b>
<b>Non-operating revenues (expenses):</b>		
Interest income	70,227	54,698
Interest expense	(416)	(112,684)
Miscellaneous receipts	56,536	6,656
Gain on disposition of assets	30,924	-
<b>Net non-operating revenue (expenses)</b>	<b>157,271</b>	<b>(51,330)</b>
<b>Change in net positions</b>	<b>4,968,808</b>	<b>6,709,828</b>
<b>Total net position, beginning of year</b>	<b>37,537,967</b>	<b>30,828,139</b>
<b>Total net position, end of year</b>	<b>\$ 42,506,775</b>	<b>37,537,967</b>

*See accompanying notes to financial statements on pages 10-19.*

ecomaine  
**Statements of Cash Flows**  
**Years Ended June 30, 2013 and 2012**

	2013	2012
<b>Cash flows from operating activities:</b>		
Receipts from assessments and tipping fees	\$ 17,220,583	17,634,670
Receipts from electrical generating revenues	3,752,470	3,824,959
Receipts from other sources	3,091,370	3,897,011
Payments to employees	(7,356,798)	(7,029,426)
Payments to suppliers	(4,750,156)	(3,596,501)
Contractual payments	(3,584,478)	(3,385,223)
<b>Net cash and cash equivalents provided by operating activities</b>	<b>8,372,991</b>	<b>11,345,490</b>
<b>Cash flows from capital and related financing activities:</b>		
Payments of interest	(416)	(222,257)
Repayment of long-term debt	(4,560,000)	(6,630,000)
<b>Net cash and cash equivalents used in capital and related financing activities</b>	<b>(4,560,416)</b>	<b>(6,852,257)</b>
<b>Cash flows from investing activities:</b>		
Receipts of interest	70,227	54,698
Purchases of property, plant and equipment	(4,751,348)	(2,587,094)
<b>Net cash and cash equivalents used in investing activities</b>	<b>(4,681,121)</b>	<b>(2,532,396)</b>
<b>Net increase (decrease) in cash</b>	<b>(868,546)</b>	<b>1,960,837</b>
<b>Cash and cash equivalents balance, beginning of year</b>	<b>23,928,931</b>	<b>21,968,094</b>
<b>Cash and cash equivalents balance, end of year</b>	<b>\$ 23,060,385</b>	<b>23,928,931</b>
<b>Reconciliation of net operating income to net cash and cash equivalents provided by operating activities:</b>		
Net operating income	\$ 4,811,537	6,761,158
Adjustments to reconcile net operating income to net cash provided by operating activities:		
Depreciation and amortization	4,015,074	3,807,890
Purchase discounts	56,536	-
(Increase) decrease in assets:		
Accounts receivable	291,534	42,559
Inventory	(233,703)	(93,213)
Prepaid expenses	50,323	(57,356)
Increase in liabilities:		
Accounts payable	(902,769)	551,393
Accrued salaries and compensated absences	71,935	55,743
Accrued expenses	(45,328)	-
Accrued landfill closure and postclosure care liabilities	257,852	277,316
<b>Net cash provided by operating activities</b>	<b>\$ 8,372,991</b>	<b>11,345,490</b>

*See accompanying notes to financial statements on pages 10-19.*



ecomaine  
Notes to Financial Statements

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES

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**Reporting Entity** - ecomaine was incorporated during the fiscal year ended June 30, 2006 under the laws of the State of Maine. ecomaine is a non-profit solid waste management corporation serving 46 municipalities in southern Maine and New Hampshire. Owned and controlled by 21 of these municipalities, ecomaine creates electricity through its processing of waste. ecomaine also operates an extensive recycling program.

**Measurement Focus and Basis of Accounting** - The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements. The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses recorded when a liability is incurred, regardless of the timing of the related cash flows.

The Organization distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the principal ongoing operations of ecomaine. The principal operating revenues of ecomaine are assessments, tipping fees, receipts from the sale of spot market waste, electric energy sales, and the sale of recycled goods. Operating expenses include the cost of operating the facility, recycling, landfill, closure, postclosure and administrative expenses. All revenues and expenses not meeting this determination are reported as nonoperating revenues and expenses.

**Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Cash Equivalents** - ecomaine considers all highly liquid instruments (primarily money market funds and other U.S. Treasury obligations) with maturities of three months or less to be cash equivalents.

**Accounts Receivable** - ecomaine provides credit to users of their facility, including municipalities and private waste transporters, substantially all of whom are located in southern Maine. Macquarie Energy, a purchaser of ecomaine's electrical outlet, is also afforded credit. Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. The allowance for doubtful accounts was \$30,411 and \$31,877 at June 30, 2013 and 2012, respectively. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a reduction in trade accounts receivable.

**Inventory** - Inventory is comprised of consumable items used in production and spare parts. Inventory is stated at the lower of cost or market determined on the first-in, first-out basis.

**Capital Assets** - Capital assets are recorded at cost. All costs incurred for construction, additions, and improvements to the facility, including interest during construction, are capitalized.

**ecomaine**  
**Notes to Financial Statements, Continued**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES, CONTINUED**

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Depreciation has been provided over the estimated useful lives of the assets using the straight-line method, as follows:

Equipment	5 - 30 years
Vehicles	5 - 7 years
Ashfill/balefill	15 - 20 years
Recycling plant	25 years
Waste-to-energy facility	20 - 45 years

**Income Taxes** - The Organization is exempt from federal and state income taxes under Section 501 (c)(3) of the Internal Revenue Code, and therefore no liability or provision for income taxes has been recorded.

**Reclassifications** - Certain prior year balances have been reclassified to correspond to the current year's presentation. Such reclassifications had no effect on the results of operations as previously reported.

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**DEPOSITS AND INVESTMENTS**

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*Custodial Credit Risk - Deposits:* Custodial credit risk is the risk that in the event of a bank failure, **ecomaine's** deposits may not be returned to it. **ecomaine** does not have a deposit policy for custodial credit risk. As of June 30, 2013, **ecomaine** reported deposits of \$23,060,385 with a bank balance of \$23,178,839. As of June 30, 2012, **ecomaine** reported deposits of \$19,181,650 with a bank balance of \$19,251,776. At both June 30, 2013 and 2012, none of **ecomaine's** bank balances were exposed to custodial credit risk. The balances were covered by the F.D.I.C. or collateralized by a Stand-by Letter of Credit issued by the Federal Home Loan Bank of Pittsburgh in the amount of \$25,000,000 which expires on September 24, 2013. As of the report date, the Letter of Credit had been renewed for an additional quarter.

**ecomaine's** policy is to invest all available funds at the highest possible rates, in conformance with legal and administrative guidelines, while avoiding unreasonable risk. The funds are invested in liquid investments with maturities planned to coincide with **ecomaine's** cash needs during the year.

At June 30, 2013, all of **ecomaine's** investments were held in money market funds. These funds invest exclusively in short-term U.S. Treasury Obligations and repurchase agreements secured by U.S. Treasury Obligations. Money Market Funds are not considered securities and are exempt from credit risk disclosure requirements.

ecomaine  
Notes to Financial Statements, Continued

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DEPOSITS AND INVESTMENTS, CONTINUED

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*Cash, Equivalents, and Investments Held By Trustee:* Under the terms of a Trust Indenture, Huntington Bank, acting as Trustee, holds unexpended bond proceeds and operating funds in certain funds and accounts as specified in the bond series indenture. At June 30, 2013 and 2012, such amounts held by the Trustee consisted of money market funds. At June 30, 2012 the fair value was \$4,747,281. At June 30, 2013 the fund was no longer required and had been liquidated.

*Other Cash Reserves:* During the fiscal year ended June 30, 2012 ecomaine's Board of Directors approved the establishment of cash reserves, with the knowledge that general economic conditions and other needs may impact both the timing of the funding and the usage of such reserves in a manner not originally intended. These reserves at June 30, 2013 have been included in cash and cash equivalents and are as follows:

Landfill Closure and Postclosure Care Cost Reserve - The reserve is intended to fund the landfill closure and postclosure care costs during the remaining useful life of the landfill. The balance at June 30, 2013 is \$1,701,671.

Short-Term Capital Reserve - The funds are intended to provide for routine capital projects in the event of unanticipated circumstances. The balance at June 30, 2013 is \$3,254,225.

Long-Term Capital Reserve - The funds are intended to provide for large new capital projects which have not been provided for in the annual capital plan. The balance at June 30, 2013 is \$4,005,200.

Operating Cash Balance Reserve - The funds are intended to provide for routine operating cash and financial security in the event of extraordinary events that cause either a significant decrease in operating revenues or a significant increase in operating expenses. The balance at June 30, 2013 is \$7,503,718.

ecomaine  
Notes to Financial Statements, Continued

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CAPITAL ASSETS

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Capital assets at June 30, 2013 and 2012 consisted of the following:

	Balance <u>June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2013</u>
Capital assets, not being depreciated:				
Land-waste-to-energy/ashfill	\$ 1,475,061	42,703	-	1,517,764
<b>Total capital assets, not being depreciated</b>	<b>1,475,061</b>	<b>42,703</b>	<b>-</b>	<b>1,517,764</b>
Capital assets being depreciated:				
Vehicles	733,405	766,353	(365,178)	1,134,580
Office equipment	216,507	20,216	-	236,723
Recycling facility and equipment	5,501,389	64,289	-	5,565,678
Balefill/ashfill/leachate site	17,649,823	1,867,089	-	19,516,912
Baler	4,452,616	-	-	4,452,616
Waste-to-energy facility	94,391,092	2,114,198	-	96,505,290
<b>Total capital assets being depreciated</b>	<b>122,944,832</b>	<b>4,832,145</b>	<b>(365,178)</b>	<b>127,411,799</b>
Less accumulated depreciation:				
Vehicles	(576,409)	(130,491)	272,602	(434,298)
Office equipment	(150,991)	(17,444)	-	(168,435)
Recycling facility and equipment	(2,004,827)	(262,705)	-	(2,267,532)
Balefill/ashfill/leachate site	(12,179,925)	(483,983)	-	(12,663,908)
Baler	(3,809,786)	(178,105)	-	(3,987,891)
Waste-to-energy facility	(75,281,604)	(2,942,346)	-	(78,223,950)
<b>Total accumulated depreciation</b>	<b>(94,003,542)</b>	<b>(4,015,074)</b>	<b>272,602</b>	<b>(97,746,014)</b>
<b>Total capital assets being depreciated, net</b>	<b>28,941,290</b>	<b>817,071</b>	<b>(92,576)</b>	<b>29,665,785</b>
<b>Total capital assets</b>	<b>\$ 30,416,351</b>	<b>859,774</b>	<b>(92,576)</b>	<b>31,183,549</b>

**ecomaine**  
**Notes to Financial Statements, Continued**

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**LONG-TERM DEBT**

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**ecomaine** has issued several separate series of tax exempt and taxable bonds and notes, the activity for which consisted of the following:

	<u>Balance</u>		<u>Balance</u>
	<u>June 30, 2012</u>	<u>Additions</u> <u>Paydowns</u>	<u>June 30, 2013</u>
Series N (\$2,480,000 authorized, variable rate demand bonds, weekly variable interest rate, taxable, issued September 1993, maturing July 1, 2014, paid off early in August, 2012)	\$ 860,000	- (860,000)	-
Series R (\$21,735,000 authorized, variable rate demand bonds, taxable, issued April 2001, maturing July 1, 2012)	1,900,000	- (1,900,000)	-
Series S (\$6,750,000 authorized, serial bonds, fixed annual interest rates, 4.45% in the fiscal year ended June 30, 2013, non-taxable, issued June 2003, maturing July 1, 2012)	1,800,000	(1,800,000)	-
<b>Long-term debt</b>	<b>\$ 4,560,000</b>	<b>- (4,560,000)</b>	<b>-</b>

The obligations of **ecomaine** to pay the principal and interest on each series of bonds were payable from, and secured by, system revenues, including amounts payable under the Waste Handling Agreements, the Interlocal Agreement, and the Power Purchase Agreement. The bonds of each series were also secured by funds held under the Trust Indenture, including amounts deposited in the debt service reserve fund and including investment earnings on all such funds. The bonds of each series were special revenue obligations of **ecomaine**, payable solely from the sources described in the offering statement. The bonds did not constitute a debt or liability within the meaning of any constitutional or statutory provision of, or a pledge of the full faith and credit of: the State of Maine; Cumberland County, Maine; York County, Maine; or any political subdivision of the State of Maine.

**ecomaine** has no taxing power. However, pursuant to the Waste Handling Agreements, the participating municipalities are obligated severally to deliver certain of the solid waste produced within each such participating municipality to **ecomaine** for processing and to make service payments and pay tipping fees for such processing in amounts which, when added to other available monies, will at least equal required debt service on the bonds of each series. The obligations of the participating municipalities under the Waste Handling Agreements are secured by the full faith and credit of the participating municipalities subject to certain limitations.

**ecomaine**  
**Notes to Financial Statements, Continued**

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**NET ASSETS INVESTED IN CAPITAL ASSETS NET OF RELATED DEBT**

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**Net Assets** - Net assets invested in capital assets, net of related debt, consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds and capital leases payable. **ecomaine's** net assets invested in capital assets, net of related debt, were calculated as follows at June 30:

	<u>2013</u>	<u>2012</u>
Capital assets	\$ 128,975,754	124,466,088
Accumulated depreciation	(97,792,205)	(94,049,737)
Bonds payable	-	(4,560,000)
<b>Total invested in capital assets net of related debt</b>	<b>\$ 31,183,549</b>	<b>25,856,351</b>

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**IDLE ASSET - GORHAM PROPERTY**

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In June 1993, the Material Recovery Facility Board voted not to proceed as planned with the development of the demolition debris and recycling facility project on the **ecomaine** approved site in Gorham, Maine. Therefore, the costs associated with the development of the facility, aggregating \$8,079,467, were reported as an idle asset. **ecomaine** continued to hold the property and the associated improvements. Permitting for the facility expired at June 30, 1997 and the reported costs of this property were written down to its estimated fair market value of \$4,000,000 - resulting in an unrealized loss of \$4,079,467.

During the fiscal year ended June 30, 2005, as **ecomaine** continued to evaluate various options for the property, the facility engaged an outside appraiser to conduct an updated appraisal of the aforementioned site. With a valuation date of June 1, 2005 the property was appraised at \$2,230,000, resulting in an unrealized loss of \$1,770,000. At that time, the Board met and decided not to take any action on the property.

During the fiscal year ended June 30, 2011, **ecomaine** requested an Opinion of Value on the property. The facility engaged an outside commercial real estate firm to prepare such report. Upon completion of the report, the property was valued at approximately \$1,300,000 to \$1,600,000. At June 30, 2011, the facility recorded an unrealized loss of \$730,000 to bring the asset to an estimated fair value of \$1,500,000.

During the fiscal year ended June 30, 2013, no changes were reported on the fair value. As of the report date, no decision has been made as to the eventual use of the property.

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**POWER PURCHASE AGREEMENTS**

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During the fiscal years ended June 30, 2013 and 2012, **ecomaine's** electric energy sales were governed by a Power Purchase Agreement with an outside third party for sale of its power at contracted rates. The prior agreement expired January 31, 2013; the current agreement commenced February 1, 2013 and expires January 31, 2014. At June 30, 2013 and 2012, electrical generating revenues amounted to \$3,752,470 and \$3,707,430, respectively.

**ecomaine**  
**Notes to Financial Statements, Continued**

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**ARBITRAGE REBATE**

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Under income tax regulations, **ecomaine** is obligated to rebate to the United States certain arbitrage amounts. During prior years, amounts were placed in a Rebate Fund held by the Trustee based on income tax regulations then in effect. There was no penalty payment for the fiscal years ended June 30, 2013 and 2012. **ecomaine** had set aside \$83,736 as of June 30, 2012 in an arbitrage rebate fund and subsequently has liquidated the fund.

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**RETIREMENT PLANS**

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**Nonunion** - All non-union employees are covered by a defined contribution plan after their probationary period is completed. **ecomaine** contributed 8% in 2013 and 2012 of the covered employees' gross pay on covered wages of \$1,708,208 and \$1,691,804, respectively. Pension expense amounted to \$136,649 and \$135,345 for the years ended June 30, 2013 and 2012, respectively.

**Union** - In accordance with an agreement with its Union, **ecomaine** contributes to the Union's Pension Plan. The contributions equal 5.25% of compensation received for hours worked by each eligible plan participant. Pension expense amounted to \$150,468 and \$144,332 for the years ended June 30, 2013 and 2012, respectively, on covered wages of \$2,866,049 and \$2,749,186, respectively. The Pension Fund is a defined contribution pension program that provides retirement and certain ancillary benefits to eligible plan participants.

**Other Plans** - In addition to the above plan, a second defined contribution plan was established in the fiscal year ended June 30, 2007 to provide retirement contributions in excess of 8% to specified employees. Such pension expense amounted to \$9,460 and \$3,165 on covered wages of \$159,637 and \$158,220 for the years ended June 30, 2013 and 2012, respectively.

**Social Security** - **ecomaine** participates in the Social Security retirement program. **ecomaine's** contributions to Social Security were \$364,740 and \$342,014 for the years ended June 30, 2013 and 2012, respectively.

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**CLOSURE AND POSTCLOSURE CARE COSTS**

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State and Federal laws and regulations require **ecomaine** to place a final cover on its balefill and ashfill sites when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the dates that the landfills stop accepting waste, **ecomaine** reports a portion of these closure and postclosure costs as an operating expense in each year based on landfill capacity used as of each balance sheet date. **ecomaine** will recognize the remaining estimated cost of closure and postclosure care for the ashfill site as the remaining estimated capacity is filled.

**ecomaine**  
**Notes to Financial Statements, Continued**

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**CLOSURE AND POSTCLOSURE CARE COSTS, CONTINUED**

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Actual costs may be higher due to inflation, changes in technology, or changes in regulations. **ecomaine** anticipates financing closure costs by funding and using reserves and/or the issuing bonds at the time of closure. A summary of estimated landfill closure and postclosure care costs is as follows:

	<u>2013</u>	<u>2012</u>
Total estimated future landfill closure and postclosure care costs	\$ 22,216,761	22,216,761
<u>Estimated capacity used</u>	<u>71.80%</u>	<u>70.64%</u>
Estimated gross landfill closure and postclosure care costs - end of year	15,951,872	15,694,020
<u>Amounts actually expended</u>	<u>N/A</u>	<u>N/A</u>
Estimated liability for landfill closure and postclosure care costs - end of year	<u>15,951,872</u>	<u>15,694,020</u>
Estimated remaining landfill closure and postclosure care costs to be recognized	<u>\$ 6,264,889</u>	<u>6,522,741</u>

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**OTHER POSTEMPLOYMENT BENEFITS**

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Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, requires that the long-term cost of retirement health care and obligations for other postemployment benefits (OPEB) be determined on an actuarial basis and reported similar to pension plans.

**ecomaine** is a member of the Maine Municipal Employees Health Trust. The Health Trust contracted with an outside consultant to assist in the determination and valuation of **ecomaine's** OPEB liability under GASB Statement No. 45. An OPEB liability actuarial valuation was completed by the consultants in May 2009 and again in September 2011.

**Plan Descriptions** - In addition to providing pension benefits, **ecomaine** provides health care benefits for certain retired employees. Eligibility to receive health care benefits follows the same requirements as MainePERS. Eligible retirees are required to pay 100% of the health insurance premiums to receive health benefit coverage.

**Funding Policy and Annual OPEB Cost** - GASB Statement No. 45 does not mandate the prefunding of postemployment benefits liability. **ecomaine** currently plans to fund these benefits on a pay-as-you-go basis. No assets have been segregated and restricted to provide postemployment benefits. The annual required contribution (ARC), an actuarial determined rate, represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize unfunded actuarial liabilities over a period not to exceed thirty years.



**ecomaine**  
**Notes to Financial Statements, Continued**

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**OTHER POSTEMPLOYMENT BENEFITS, CONTINUED**

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The following table represents the OPEB costs for the year and the annual required contribution:

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Normal cost	\$ 34,608	34,608	34,608
Amortization of unfunded	30,786	30,786	30,786
Adjustment to ARC	(13,345)	(9,661)	(5,910)
<u>Interest</u>	<u>10,525</u>	<u>7,977</u>	<u>5,383</u>
Annual required contribution	\$ 62,574	63,710	64,867

**Funding Status and Funding Progress** - ecomaine's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ending June 30 was as follows:

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Annual required contribution	\$ 62,574	63,710	64,867
Actual contribution	-	-	-
Percent contributed	0.00%	0.00%	0.00%
Actuarial accrued liability	553,647	553,647	553,647
<u>Plan assets</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unfunded actuarial accrued liability	553,647	553,647	553,647
Covered payroll	4,733,894	4,524,794	4,436,838
Unfunded actuarial accrued liability as a percentage of covered payroll	11.70%	12.24%	12.47%

**Net OPEB Obligation** - The net OPEB obligation was calculated as follows:

	<u>2013</u>	<u>2012</u>	<u>2011</u>
OPEB liability, July 1	\$ 230,770	167,060	102,193
Annual required contribution	62,574	63,710	64,867
<u>Less: Actual contributions</u>	<u>-</u>	<u>-</u>	<u>-</u>
OPEB liability, June 30	\$ 293,344	230,770	167,060

The post-retirement benefit liability at June 30, 2013 is \$294,704, resulting in an excess of \$1,360.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information (five years available) that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**ecomaine**  
**Notes to Financial Statements, Continued**

**OTHER POSTEMPLOYMENT BENEFITS, CONTINUED**

**Actuarial Methods and Assumptions** - Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between **ecomaine** and plan members at that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of plan assets. Significant methods and assumptions were as follows:

Actuarial valuation date	1/1/11
Actuarial cost method	Projected unit credit cost method
Amortization method	Level dollar
Remaining amortization period	30 years

Actuarial assumptions:

Investment rate of return	4.0%
Projected salary increases	N/A
Healthcare inflation rate	4.0% - 9.6%

**REQUIRED SUPPLEMENTARY INFORMATION**  
**Schedule of Funding Progress**

**Retiree Healthcare Plan**

Fiscal year	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) – Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
2009	1/1/09	\$ -	\$ 340,262	\$ 340,262	0.00%	\$ 4,497,961	7.60%
2010	1/1/09	-	340,262	340,262	0.00%	4,445,697	7.60%
2011	1/1/11	-	553,647	553,647	0.00%	4,436,838	12.47%
2012	1/1/11	-	553,647	553,647	0.00%	4,524,794	12.24%
2013	1/1/11	-	553,647	553,647	0.00%	4,733,894	11.70%

ecomaine  
**Schedule of Municipal Assessments and Tipping Fees**  
**Years Ended June 30, 2013 and 2012**

	2013	2012
<b><u>Members</u></b>		
Bridgton	\$ 152,579	195,760
Casco	59,290	74,085
Cumberland	112,413	149,244
Cape Elizabeth	188,759	248,891
Falmouth	144,951	190,875
Freeport	120,868	157,494
Gorham	139,479	173,944
Gray	164,494	205,356
Harrison	66,277	87,335
Hollis	70,215	100,517
Limington	112,896	145,602
Lyman	72,637	86,942
Ogunquit	40,751	51,625
Pownal	18,039	25,404
Portland	662,543	851,728
North Yarmouth	57,969	84,567
Scarborough	359,452	475,250
South Portland	441,218	565,700
Waterboro	150,603	174,203
Windham	141,250	178,682
Yarmouth	165,426	218,905
<b>Total members' assessments</b>	<b>3,442,109</b>	<b>4,442,109</b>
Associate members tip fees	878,519	885,599
Municipal tipping fees	4,170,149	4,261,124
<b>Total municipal assessments and tipping fees</b>	<b>\$ 8,490,777</b>	<b>9,588,832</b>

ecomaine  
Budget to Actual  
Year Ended June 30, 2013

	Actual	Budget	Variance	Change
Operating revenues:				
Municipal assessments	\$ 3,442,109	3,442,109	-	0.0%
Owners tipping fees	4,170,149	4,270,441	(100,292)	-2.3%
Associate tipping fees	878,519	1,101,870	(223,351)	-20.3%
Commercial tipping fees	6,079,337	5,776,742	302,595	5.2%
Spot market tipping fees	2,291,116	1,910,271	380,845	19.9%
Electrical generating revenues	3,752,470	3,050,623	701,847	23.0%
Sales of recycled goods	2,807,955	2,922,408	(114,453)	-3.9%
Recycling tipping fees	67,819	36,000	31,819	88.4%
Gorham property assessments	170,312	164,260	6,052	3.7%
Other operating income	113,103	84,360	28,743	34.1%
<b>Total operating revenues</b>	<b>23,772,889</b>	<b>22,759,084</b>	<b>1,013,805</b>	<b>4.5%</b>
Operating expenses:				
Administrative expenses	2,447,226	2,448,185	959	0.0%
Waste-to-energy operating expenses	9,018,812	8,947,733	(71,079)	-0.8%
Recycling operating expenses	1,652,454	1,824,828	172,374	9.4%
Landfill/ashfill operating expenses	1,569,934	1,637,713	67,779	4.1%
Contingency	-	250,000	250,000	n/a
Landfill closure and postclosure care costs	257,852	278,402	20,550	n/a
Post-retirement benefit	-	93,474	93,474	n/a
<b>Total operating expenses</b>	<b>14,946,278</b>	<b>15,480,335</b>	<b>534,057</b>	<b>3.4%</b>
<b>Net operating income other than depreciation and amortization</b>	<b>8,826,611</b>	<b>7,278,749</b>	<b>1,547,862</b>	<b>21.3%</b>
Depreciation and amortization	4,015,074	4,200,000	184,926	4.4%
<b>Net operating income</b>	<b>4,811,537</b>	<b>3,078,749</b>	<b>1,732,788</b>	<b>56.3%</b>
Non-operating income (expense):				
Interest income	70,227	35,000	35,227	100.6%
Interest expense	(416)	(9,360)	8,944	-95.6%
Miscellaneous receipts	56,536	-	56,536	n/a
Gain on disposition of assets	30,924	-	30,924	n/a
<b>Net non-operating</b>	<b>157,271</b>	<b>25,640</b>	<b>131,631</b>	<b>513.4%</b>
<b>Total revenues less expenses</b>	<b>\$ 4,968,808</b>	<b>3,104,389</b>	<b>1,864,419</b>	<b>60.1%</b>

# Financial Summary September 2013 (FY 2014)

Revenue Less Expenses	YTD vs. Budget YTD				YTD vs. FY13 YTD			
	Rev. - Exp.		%		Rev. - Exp.		%	
	↑	\$1.3	↑	325%	↓	\$0.3	↓	16%

Tons and Revenues YTD- Compared to Budget and Last Year												
	Compared to Budget					Compared to FY13						
	Revenue YTD-\$000	Units	Revenue \$/Units	Revenue YTD - \$000	Units	Revenue \$/Units	Revenue YTD - \$000	Units	Revenue \$/Units	Revenue \$/Units		
Owner	↑	\$131	↑	12%	↑	3%	↓	\$199	↑	0%	↓	18%
Assoc. & Contract	↑	\$54	↑	16%	↑	3%	↑	\$12	↓	1%	↑	4%
Commercial	↑	\$219	↑	19%	↓	1%	↓	\$121	↑	12%	↓	17%
Spot	↑	\$49	↑	24%	↓	12%	↓	\$206	↓	12%	↓	16%
Recycling	↑	\$282	↑	39%	↑	1%	↑	\$307	↑	36%	↑	7%
Assessments							↓	\$125				
Electrical	↑	\$48	↑	6%	↓	1%	↑	\$186	↑	0%	↑	22%
Overall	↑	\$784					↓	\$161				

Cash Expenses YTD				
Cost Center	Status-\$000	% of Annual Budget	Notable Items Effecting Expenses YTD	
WTE	↓	\$351	21%	Fav on Replacement Spare Parts, Gas, Outside Services, Major Repairs, partially offset by unfav Cleaning - all timing
Recycling	↑	\$44	29%	Unfav Outside labor (high vol) & replacement parts (timing), partially offset by fav payroll (vacancy), & baling wire (timing)
Landfill	↓	\$80	21%	Fav Maint, Permits, Force Main Cleaning, Outside Services & Major Repairs (all timing)
Administration	↓	\$2	26%	Unfav Audit Fees, Computer Maint, Consulting & legal offset by fav Public Relations (all timing)
Total Departmental Costs	↓	\$389	24%	

Cash Flow			
	Current Position	Notes	
Cash on 7/1/2013	\$23.1 MM		
Cash Generated	\$3.0 MM	61% of 12 Mo. Budget	
Cash Going Out	\$0.6 MM	\$0.6 MM (Capital)	
Current Cash Position	\$25.4 MM	Increased by	\$2.4 MM

WTE Operations				
Month	Capacity	Availability	Sales-KWHrs	Notes
August	89%	99%	7,996	
September	89%	98%	7,778	

Recycling Markets						
Materials	July, 2013	August, 2013	Sept, 2013	Sept, 2012	Sept, 2013 Vs Sept, 2012	
Cardboard	\$ 113	\$ 121	\$ 126	\$ 81	↑	56%
Newspaper	56	49	55	37	↑	49%
Cans	170	165	185	140	↑	32%
#2 Natural Plastic	785	770	770	651	↑	18%
#2 Colored Plastic	380	340	372	521	↓	-29%
Post Burn Metal	87	87	87	87		-

**ecomaine**  
**Statement of Revenue and Expenses September 2013 (FY 2014)**  
**\$000's**

	<b>Month</b>			<b>Year To Date</b>			<b>Last Year - YTD</b>	
	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>Actual</b>	<b>Variance</b>
<b>Operating revenues</b>								
Municipal assessments	\$ 245	\$ 245	\$ 0	\$ 736	\$ 736	\$ 0	\$ 861	\$ (125)
Owners tipping fees	302	276	26	959	828	131	1,158	(199)
Contract & Assoc tipping fees	100	94	6	336	282	54	325	12
Commercial tipping fees	453	403	51	1,428	1,208	219	1,548	(121)
Spot market tipping fees	188	184	4	600	551	49	806	(206)
Electrical generating revenues	343	323	20	1,039	990	48	852	186
Sales of recycled goods	311	232	79	966	695	271	663	302
Recycling tipping fees	2	4	(2)	23	12	11	19	4
Gorham property assessments	14	13	1	41	40	1	56	(15)
Other operating income	7	8	(0)	22	23	(1)	22	0
<b>Total operating revenues</b>	<b>1,965</b>	<b>1,781</b>	<b>183</b>	<b>6,149</b>	<b>5,365</b>	<b>784</b>	<b>6,310</b>	<b>(161)</b>
<b>Operating expenses</b>								
Administrative expenses	187	206	19	633	635	2	589	(43)
Waste-to-energy operating expenses	579	806	228	1,856	2,207	351	1,843	(13)
Recycling operating expenses	166	160	(7)	536	492	(44)	400	(136)
Landfill/ashfill operating expenses	99	136	36	342	422	80	409	67
Contingency	-	21	21	-	62	62	-	-
Landfill closure and postclosure care	21	23	2	64	70	5	69	5
Post-retirement benefit- Health Care	8	8	-	24	24	(0)	-	(24)
Depreciation & amortization	352	358	6	1,066	1,075	9	1,050	(16)
<b>Total operating expenses</b>	<b>1,413</b>	<b>1,717</b>	<b>305</b>	<b>4,521</b>	<b>4,986</b>	<b>465</b>	<b>4,360</b>	<b>(161)</b>
<b>Net operating income</b>	<b>552</b>	<b>64</b>	<b>488</b>	<b>1,628</b>	<b>379</b>	<b>1,249</b>	<b>1,950</b>	<b>(322)</b>
<b>Non-operating income (expense)</b>								
Interest income	6	3	3	18	9	10	17	2
Interest expense	-	-	-	3	-	3	(0)	3
Other Expense	(0)	0	(0)	1	1	0	-	1
<b>Net non-operating</b>	<b>6</b>	<b>3</b>	<b>3</b>	<b>23</b>	<b>10</b>	<b>13</b>	<b>16</b>	<b>6</b>
<b>Total Revenue Less Expenses</b>	<b>\$ 558</b>	<b>\$ 67</b>	<b>\$ 491</b>	<b>\$ 1,650</b>	<b>\$ 389</b>	<b>\$ 1,261</b>	<b>\$ 1,966</b>	<b>\$ (316)</b>

**ecomaine**  
**Statement of Cash Balances September 2013 (FY 2014)**

\$000's

	<b>Act FY 13 @ 6/30/13</b>	<b>Bud FY 2014 @ 6/30/14</b>	<b>Act FY 14 @ 9/30/13</b>
<b>Cash flows from operating activities:</b>			
Net operating income	\$ 4,811	\$ 215	\$ 1,628
Add back: depreciation	4,015	4,300	1,066
Add back: landfill closure costs	258	278	64
Add back: Post Retirement Benefit	-	95	24
Other working capital changes	(711)	-	177
<b>Net cash provided by operating activities</b>	<b>8,373</b>	<b>4,888</b>	<b>2,960</b>
<b>Cash flows from capital and related financing activities:</b>			
Bank loan	-	-	-
Payment of interest	(0)	-	3
Repayment of long-term debt	(4,560)	-	-
Repayment of capital leases	-	-	-
<b>Net cash used in capital and related financing</b>	<b>(4,560)</b>	<b>-</b>	<b>3</b>
<b>Cash flows from investing activities:</b>			
Receipts of interest	71	35	18
Capital expenditures	(4,752)	(3,236)	(594)
<b>Net cash used in investing activities</b>	<b>(4,681)</b>	<b>(3,201)</b>	<b>(576)</b>
<b>Net increase (decrease) in cash</b>	<b>(868)</b>	<b>1,687</b>	<b>2,387</b>
<b>Cash, beginning of period</b>	<b>23,929</b>	<b>22,350</b>	<b>23,061</b>
<b>Cash, end of period</b>	<b>23,061</b>	<b>24,037</b>	<b>25,447</b>

Detail				Reserves	
				as per	Target
Operating Cash Reserve	7,500	7,500	7,500	\$ 7,500	\$ 7,500
Short Term Capital Reserve	3,253	3,252	3,255	3,255	3,250
Long Term Capital Reserve	4,004	4,002	4,006	4,006	4,000
Landfill Closure reserve	1,701	3,050	3,052	3,052	22,217
Balance Operating Cash	6,603	6,234	7,634	-	-
<b>Total</b>	<b>\$ 23,061</b>	<b>\$ 24,038</b>	<b>\$ 25,447</b>	<b>\$ 17,813</b>	<b>\$ 36,967</b>

**ecomaine  
Statistical Data September 2013 (FY 2014)**

	Month Actual Vs Budget				Year to Date Actual Vs Budget				Year to Date Vs Last Year		
	Actual	Budget	Var - Fav / (Unfav)		Actual	Budget	Var - Fav / (Unfav)		Prior Year Actual	Var - Fav / (Unfav)	
			Units	%			Units	%		Units	%
<b>MSW - Tons</b>											
Owner	4,128	3,970	158	4.0%	13,630	11,911	1,719	14.4%	13,306	324	2.4%
Assoc & Contract	1,364	1,333	31	2.3%	4,630	3,999	631	15.8%	4,655	(25)	-0.5%
Commercial	6,600	5,816	784	13.5%	20,720	17,449	3,271	18.7%	18,573	2,147	11.6%
Spot	3,593	3,205	388	12.1%	11,938	9,616	2,322	24.1%	13,493	(1,555)	-11.5%
<b>Total MSW</b>	<b>15,685</b>	<b>14,325</b>	<b>1,360</b>	<b>9.5%</b>	<b>50,918</b>	<b>42,974</b>	<b>7,944</b>	<b>18.5%</b>	<b>50,027</b>	<b>891</b>	<b>1.8%</b>

<b>Recycle - Tons</b>											
Inbound	3,808	2,879	929	32.3%	12,226	8,638	3,588	41.5%	9,144	3,082	33.7%
Outbound (inc Glass & all Metals)	5,402	3,816	1,585	41.5%	15,868	11,449	4,419	38.6%	11,710	4,158	35.5%

<b>MSW - Revenue \$ /Ton</b>											
Owner	\$ 73.07	\$ 69.50	\$ 3.56	5.1%	\$ 70.37	\$ 69.50	\$ 0.87	1.2%	\$ 87.03	\$ (16.66)	-19.1%
Assoc & Contract	73.48	70.51	2.97	4.2%	72.60	70.51	2.09	3.0%	69.72	2.87	4.1%
Commercial	68.70	69.25	(0.55)	-0.8%	68.90	69.25	(0.35)	-0.5%	83.36	(14.46)	-17.4%
Spot	52.24	57.29	(5.05)	-8.8%	50.26	57.29	(7.03)	-12.3%	59.76	(9.50)	-15.9%
<b>Total MSW</b>	<b>66.49</b>	<b>66.76</b>	<b>(0.27)</b>	<b>-0.4%</b>	<b>65.26</b>	<b>66.76</b>	<b>(1.50)</b>	<b>-2.3%</b>	<b>76.70</b>	<b>(11.44)</b>	<b>-14.9%</b>

<b>Recycle - Revenue \$/Outbound Ton (Inc Glass &amp; Metals)</b>											
\$/Ton Outbound	\$ 57.82	\$ 61.75	(3.93)	-6.4%	\$ 62.33	\$ 61.75	0.58	0.9%	\$ 58.26	4.07	7.0%

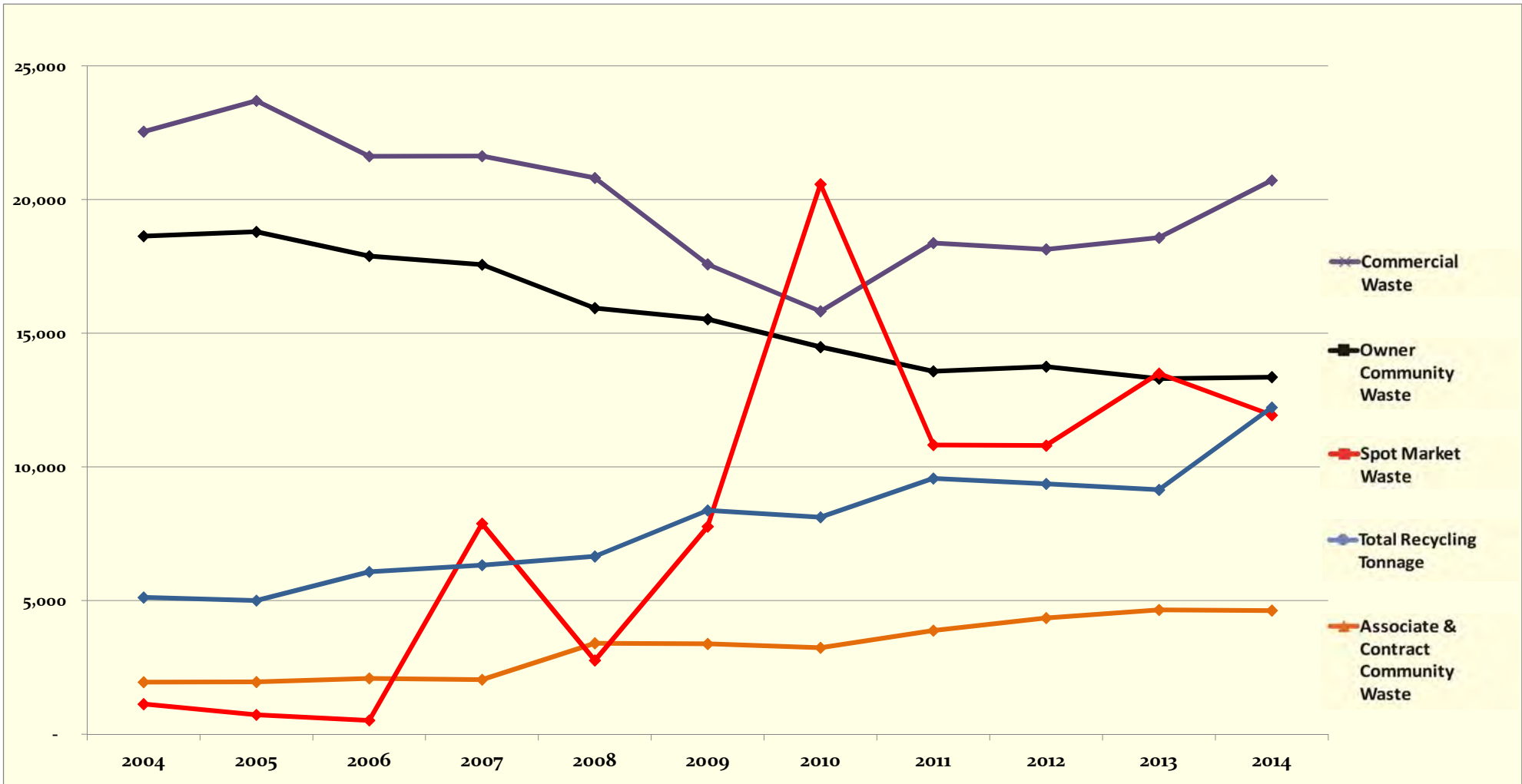
<b>Energy</b>											
MWH's Sold	7,778	7,275	503	6.9%	23,576	22,345	1,231	5.5%	23,521	55	0.2%
\$/MWH	\$ 44.08	\$ 44.41	(0.32)	-0.7%	\$ 44.05	\$ 44.33	(0.28)	-0.6%	\$ 36.23	\$ 7.82	21.6%
Steam Plant Capacity Factor %	92.0%				91.8%				92.1%		
Average Boiler Availability %	98.3%				98.5%				97.6%		
Steam Plant Capacity Utilization %	93.5%				93.2%				94.4%		
Power Capacity Factor %	88.0%				87.4%				86.5%		
Power Sold - % of Capacity to Sell	89.3%	81.8%			88.2%	83.6%			88.0%		

Steam Plant Capacity Factor % - Steam to the turbine from the two boilers as a % of the total unadjusted capacity (144,000 lbs/hour for time in period with no down time)  
 Average Boiler Availability % - Percent of hours that boilers are available to burn MSW during period - reflects time out of service for boilers due to equipment problems  
 Steam Plant Capacity Utilization % - Steam to the turbine from the two boilers as a % of the adjusted capacity (144,000 lbs/hour for time in period less time not on MSW)  
 Power Capacity Factor % - Actual power produced (MWH's) by the turbine as a % of the rated capacity (14.1 MW's) for all hours in the period  
 Power Sold - % of Capacity to Sell - Power sold (MWH's) on grid as a % of the power available to sell (generation net of internal load -- 12.1 MW's) for the given time period





September Year to Date Tonnage - FY14



2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	
18,632	18,795	17,887	17,567	15,944	15,528	14,483	13,578	13,753	13,306	13,360	Owner Community Waste
1,950	1,958	2,094	2,045	3,408	3,382	3,239	3,879	4,349	4,655	4,630	Associate & Contract Waste
22,543	23,695	21,619	21,625	20,808	17,579	15,823	18,374	18,139	18,573	20,720	Commercial Waste
1,130	730	522	7,884	2,764	7,771	20,576	10,824	10,799	13,493	11,938	Spot Market Waste
44,254	45,177	42,122	49,120	42,923	44,260	54,121	46,655	47,040	50,027	50,648	Total Waste
5,118	5,004	6,076	6,328	6,653	8,374	8,119	9,568	9,368	9,144	12,226	Recycling

## Summary Analysis of All Tons

July 1, 2013 to September 30, 2013

Community	Waste			Recycle		
	FY13	FY14	over/(under)	FY13	FY14	over/(under)
BRIDGTON	688	721	33	184	182	(3)
CAPE ELIZABETH	730	893	163	284	298	14
CASCO	263	273	10	115	137	22
CUMBERLAND	353	330	(22)	202	215	13
FALMOUTH	550	553	3	354	351	(3)
FREEPORT	430	431	1	150	160	10
GORHAM	579	621	42	324	325	2
GRAY	684	743	58	-	-	-
HARRISON	291	299	8	64	68	4
HOLLIS	258	270	12	77	80	3
LIMINGTON	397	391	(7)	29	26	(3)
LYMAN	304	294	(9)	64	66	2
NORTH YARMOUTH	152	153	-	99	101	2
OGUNQUIT	278	245	(32)	103	36	(68)
PORTLAND	2,550	2,558	8	1426	1482	55
POWNA	46	49	2	38	37	(1)
SCARBOROUGH	1,492	1,513	21	666	662	(4)
SOUTH PORTLAND	1,582	1,517	(65)	574	595	21
WATERBORO	489	571	83	112	116	4
WINDHAM	572	591	20	371	414	43
YARMOUTH	617	614	(4)	247	251	4
<b>Owner Member Total</b>	<b>13,306</b>	<b>13,630</b>	<b>323</b>	<b>5,485</b>	<b>5,602</b>	<b>117</b>
BALDWIN	142	147	5	-	-	-
HIRAM	142	147	5	-	-	-
NAPLES	334	333	(1)	-	-	-
PARSONFIELD	215	209	(6)	19	18	(1)
PORTER	142	147	5	-	-	-
SACO	1,239	1,312	73	445	476	31
STANDISH	769	839	70	145	161	17
TRI-TOWN	-	-	-	30	56	25
<b>Associate Member Total</b>	<b>2,984</b>	<b>3,135</b>	<b>151</b>	<b>639</b>	<b>711</b>	<b>72</b>
ANDOVER	-	-	-	14	17	3
CORNISH	-	-	-	12	15	3
ELIOT	295	223	(72)	-	-	-
GREENLAND, NH	-	-	-	94	108	15
HAMPTON	-	-	-	-	957	957
HARPSWELL	354	-	(354)	-	-	-
JAY	-	-	-	87	91	4
KITTERY	606	542	(65)	-	-	-
LIMERICK	39	373	334	-	32	32
LIVERMORE FALLS	188	159	(29)	45	41	(4)
MANCHESTER	-	-	-	30	32	2
MONMOUTH	-	-	-	83	85	2
NEWINGTON	-	-	-	19	19	1
NORTH HAVEN	80	83	3	21	31	10
OLD ORCHARD	-	-	-	201	189	(12)
POLAND	-	-	-	101	102	1
READFIELD/WAYN	-	-	-	84	79	(4)
SANFORD	109	116	7	384	415	31
STOCKTON SPRINGS	-	-	-	5	35	30
<b>Contract Member Total</b>	<b>1,671</b>	<b>1,495</b>	<b>(175)</b>	<b>1,180</b>	<b>2,249</b>	<b>1,070</b>
<b>Commercial Total</b>	<b>18,573</b>	<b>20,720</b>	<b>2,147</b>	<b>1,841</b>	<b>3,664</b>	<b>1,823</b>
<b>Spot Market Total</b>	<b>13,493</b>	<b>11,938</b>	<b>(1,556)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Totals</b>	<b>50,027</b>	<b>50,918</b>	<b>891</b>	<b>9,144</b>	<b>12,226</b>	<b>3,082</b>

## ATTACHMENT G

Month / Year	Facility Availability	On Peak KWHs	Off Peak KWHs	Total KWHs	On Peak Rate	Off Peak Rate	Electricity Revenues	ISONE Market Value
Sep-11	100%	3,716,566	4,016,809	7,733,375	\$0.04334	\$0.04334	\$371,100	\$338,995
Oct-11	91%	3,150,283	4,079,819	7,230,102	\$0.04334	\$0.04334	\$350,098	\$326,227
Nov-11	98%	3,741,801	4,074,766	7,816,567	\$0.04334	\$0.04334	\$375,565	\$315,501
Dec-11	99%	3,257,803	3,616,743	6,874,546	\$0.04334	\$0.04334	\$334,360	\$276,125
Jan-12	93%	2,959,673	3,329,413	6,289,086	\$0.04334	\$0.04334	\$308,705	\$288,959
Feb-12	94%	3,413,300	3,228,454	6,641,754	\$0.04495	\$0.03630	\$306,063	\$238,095
Mar-12	85%	3,092,263	3,168,997	6,261,260	\$0.03511	\$0.02790	\$232,293	\$210,526
Apr-12	58%	2,101,538	1,972,052	4,073,590	\$0.03134	\$0.02603	\$151,738	\$139,129
May-12	98%	3,911,338	4,286,760	8,198,098	\$0.03149	\$0.02541	\$266,940	\$258,097
Jun-12	99%	3,539,110	4,261,600	7,800,710	\$0.03433	\$0.02547	\$259,129	\$278,911
Jul-12	99%	3,737,231	4,375,583	8,112,814	\$0.04081	\$0.02813	\$302,538	\$354,548
Aug-12	97%	3,631,328	4,119,267	7,750,595	\$0.04082	\$0.02816	\$293,300	\$319,764
Sep-12	97%	3,571,052	4,087,035	7,658,087	\$0.03415	\$0.02579	\$256,395	\$288,068
Oct-12	97%	3,844,692	3,898,933	7,743,625	\$0.03390	\$0.02715	\$265,260	\$298,565
Nov-12	100%	3,981,419	4,634,865	8,616,284	\$0.03588	\$0.02829	\$302,502	\$321,764
Dec-12	99%	3,401,045	4,626,631	8,027,676	\$0.04831	\$0.04038	\$379,450	\$394,790
Jan-13	99%	3,729,745	4,101,737	7,831,482	\$0.05690	\$0.04449	\$422,963	\$695,155
Feb-13	93%	2,875,953	3,384,163	6,260,116	\$0.04090	\$0.04090	\$282,168	\$770,404
Mar-13	83%	2,966,451	3,400,989	6,367,440	\$0.04090	\$0.04090	\$286,557	\$357,468
Apr-13	71%	2,568,464	2,846,621	5,415,085	\$0.04090	\$0.04090	\$247,606	\$261,797
May-13	98%	4,078,078	4,305,388	8,383,466	\$0.04090	\$0.04090	\$369,013	\$353,677
Jun-13	97%	3,368,261	4,466,430	7,834,691	\$0.04090	\$0.04090	\$346,568	\$298,272
Jul-13	98%	3,678,351	4,123,686	7,802,037	\$0.04090	\$0.04090	\$343,865	\$401,738
Aug-13	99%	3,755,120	4,240,555	7,995,675	\$0.04090	\$0.04090	\$351,785	\$289,752
Sep-13	98%	3,547,199	4,230,732	7,777,931	\$0.04090	\$0.04090	\$342,879	\$294,828
Oct-13					\$0.04090	\$0.04090		
Totals for Contract period							\$2,570,440	\$3,027,936