



Memorandum

DATE: May 8, 2019
TO: Chairman and Members of the Board
FROM: Kevin H. Roche, CEO/General Manager
SUBJECT: Agenda for the Finance & Audit Committee Meeting

There is an **ecomaine** Finance & Audit Committee Meeting scheduled for **May 16, 2019 @ 3PM**. The meeting will be held at the **MPX Facility located at 2301 Congress Street, Portland, ME 04102**. The agenda for this meeting is as follows:

1. Approval of Minutes (*Attachment A*)
2. Cash Disbursement Report – Erik Street, Chairman
3. Roger Lebreux, RKO – Review of the duties and responsibilities of RKO, Staff and the Finance & Audit Committee and the Audit Schedule.
4. RFP – Timeline for FY 20 Audit (*Handout*)
5. Review Cash Reserve & Investment Policy (*Attachment B*)
 - Proposal from HM Payson (*Handout*)
 - Policy Language Review for Advisors
6. Discussion on Future Bonding as an Alternative to paying cash for long term projects
7. Review of Disaster Insurance Coverage (*Handout*)
8. Manager's Report:

Financial Report – FY 19

- Statement of Revenues and Expenses (*Attachment C1*)
- Statistical Data (*Attachment C2*)
- Balance Sheet (*Attachment C3*)
- Statement of Cash Balances (*Attachment C4*)
- Capital Expenditures (*Attachment C5*)
- Status of Accounts Receivable (*Attachment C6*)

Future Meetings:

Executive Committee	May 16, 2019 @ 4PM
Outreach & Recycling Committee	May 23, 2019 @ 4PM
Annual Board of Directors Meeting	June 20, 2019 @ 11:30AM

DATE: April 24, 2019
TO: Chairman and Members of the Board
FROM: Kevin H. Roche, CEO/General Manager
SUBJECT: FY 20 Budget Review - Finance & Audit Committee
Minutes – April 4, 2019

There was a **Finance & Audit Committee Meeting** held on the date noted above. The meeting was called to order by Erik Street, Chair.

Item #1: Approval of the Minutes

Troy Moon motioned to accept the minutes as written. The motion was seconded by Matthew Frank. All in favor.

Item #2: Cash Disbursements – Erik Street, Chair

Erik Street reported out to the committee that he had reviewed 6 ranging from \$13.00 to \$500,000 and found no issues or concerns to report.

Item # 3: FY 20 Budget Review

Kevin Roche provided an outline on the proposed budget for FY 20 with a specific focus on our Investments and the staffing needs to address more education in our communities.

Don Hebert continued discussions on the FY 20 Budget comparing FY 19 Budget to forecast and FY 20 budget proposal.

There was a lengthy discussion on contract expirations, contamination, four full time positions, the \$250,000 contingency line, overtime and the \$35 charge to owner communities for recycle material.

Rod Regier shared his concerns regarding the contamination fees.

Bill Shane raised concerns on the contingency line and overtime. The committee would like a report in September on overtime.

Bill Shane motioned to recommend to the full board to pass the budget with the following amendment to reduce the contingency line by \$50,000 to support operating personnel costs. Unsuccessful motion.

Linda Boudreau motioned to recommend to the Full Board approval of the proposed FY 20 Budget as written. The motion was second by Mike Shaw. All in favor.

Christopher Branch motioned to adjourn. The motion was seconded by Linda Boudreau. All in favor.

Present:

Dennis Abbott, Anne Bilodeau, Linda Boudreau, Alan Bradstreet, Christopher Branch, Matthew Frank, Don Hamill, Caleb Hemphill, Troy Moon, Bill Shane, Mike Shaw & Erik Street

Staff:

Matt Grondin, Don Hebert, Denise Mungen, Kevin Roche & Kevin Trytek

CASH RESERVE & INVESTMENT POLICY

RESERVES

As part of strengthening **ecomaine's** financial position, we will establish and fund the reserves outlined below with the knowledge that general economic conditions and other **ecomaine** needs may impact on the timing of the funding of these reserves. There may also be conditions that arise requiring the **ecomaine** board to authorize the use of a reserve in a manner not originally intended for unanticipated financial issues. Therefore, with Board approval, funds from a reserve (with the exception of the Required Landfill Closure / Post Closure Reserve) could be used to cover other areas.

FAVORABLE CASH FLOW

Objective: To provide financial relief to owner communities when the financial position of **ecomaine** permits it.

OPERATING CASH RESERVE

Objective: To provide routine operating cash and financial security for extraordinary events that could cause a significant decrease in operating revenues or increase in operating expenses. These would be used to fund operations until any necessary adjustments can be made to provide sufficient cash flow to maintain operations.

Goal: We will build and maintain a balance of six months of cash operating expenses.

SHORT TERM CAPITAL RESERVE

Objective: To reserve funds for routine capital projects in the event of unanticipated circumstances.

Goal: We will establish a reserve equal to approximately 12 months of short term capital spending.

LONG TERM CAPITAL RESERVE

Objective: To reserve funds for new capital projects which have not been provided for in the annual capital plan. New capital projects are large projects in which the necessity and timing is not known at the present time. These could be projects to upgrade the current facilities or add additional capacity or functionality. It is our intent to fund these projects with internal cash flow to the extent possible but economic conditions and necessity may dictate that we issue some long term debt.

Goal: We will establish a reserve equal to the greater of \$3 million or the next year's long term capital spending.

DISCRETIONARY LANDFILL CLOSURE / POST CLOSURE RESERVE

Objective: To fund from internal cash flow a discretionary amount periodically for the landfill closure and post closure care costs during the remaining useful life of the landfill. Regulation, technology and other factors will impact the cost and life but as of June 30, 2015, this liability is estimated to be \$22.4 million in today's dollars and it is expected that the landfill will need to be closed in steps with final closing in 2044 and continued maintenance for 30 years thereafter.

Goal: We will establish a reserve that will fully fund this liability by the time the landfill is closed.

REQUIRED LANDFILL CLOSURE / POST CLOSURE RESERVE

Objective: To provide funding for a Landfill Closure / Post Closure Reserve account as required by section 8 of the Interlocal Solid Waste Agreement dated December 1, 2005.

Goal: We will immediately establish a reserve for \$300,000 to meet the terms of this agreement.

INCOME EARNED

Income earned on reserve accounts shall accrue to the respective reserve account.

RECORD KEEPING

These funded reserves may be maintained in separate accounts at financial institutions or may simply be reported separately in the **ecomaine** financial statements whatever is most efficient for **ecomaine**.

PERIODIC REVIEW

Five year cash flow projections and reserve funding requirements will be reviewed annually with the **ecomaine** board.

INVESTMENTS

SCOPE

This policy shall apply to the investment management of all **ecomaine** cash accounts including demand deposits and any reserve funds that are established under this policy. At all times, investments will be managed in accordance with Title 30-A, Sections 5706 through 5719 of the Maine Revised Statutes (see attached) and any revisions to these Statutes will become part of this policy immediately upon being enacted. Board responsibilities as identified in this policy may be delegated to the appropriate committee or staff member.

OBJECTIVES

The principal investment objectives for **ecomaine** are:

- **Safety** – to avoid unreasonable risk while preserving both the capital and the purchasing power of that capital. It is understood that no investment is totally free of risk, and occasional measured losses are inevitable in a diversified portfolio. Risk may include the quality of the investment, the qualifications of the institutions and advisors we deal with, the diversification of the portfolio, the movement of interest rates, inflation and the general state of the economy.
- **Liquidity** – to maintain sufficient liquidity to meet all operating requirements as may reasonably be anticipated by structuring the portfolio with investments that mature as the need for cash occurs.
- **Returns** – to generate a long-term rate of return in the portfolios that is commensurate with the appropriate blended benchmark returns that coincide with the asset allocation for each portfolio over an economic cycle, taking into account risk and liquidity needs.

Each of these factors will be weighted depending on the objective and goal for each reserve account.

PRUDENCE & RESPONSIBILITIES

The standard of prudence to be used for managing our investments shall be Title 30-A, Section 5718 of the Maine Revised Statutes which, in general, states that investments shall be made with the judgment and care that persons of prudence, discretion and intelligence, under circumstances then prevailing, exercise in the management of their own affairs, not for speculation but for investment, considering safety, income and maintenance of liquidity.

Authorized **ecomaine** employees acting in accordance with written procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that the deviations from expectations are reported in a timely fashion.

ETHICS AND CONFLICTS OF INTEREST

ecomaine personnel involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair or create the appearance of an impairment of their ability to make impartial investment decisions. These individuals shall disclose to **ecomaine** any material financial interests they have in financial institutions that conduct business with **ecomaine** and they shall subordinate their personal investment transactions to those of **ecomaine**.

DELEGATION OF AUTHORITY & INTERNAL CONTROLS

Under the Maine Revised Statutes and the **ecomaine** bylaws, responsibility for the investment of **ecomaine** funds covered by this Policy resides with **ecomaine**. Staff will assist the Board in developing policies and procedures and will implement these policies and procedures after approval by the **ecomaine** board. No person may engage in an investment transaction except as expressly provided under the terms of this Policy.

Staff will develop written procedures designed to prevent losses of **ecomaine** funds arising from fraud, employee error, and misrepresentation by third parties, or imprudent actions by **ecomaine** employees. Proper documentation for all investment transactions shall be prepared and maintained for an appropriate amount of time.

Staff may engage the support services of outside professionals in regard to its investment program, so long as it can be demonstrated that these services are advantageous or that they provide necessary financial protection of **ecomaine's** financial resources.

SELECTION OF ADVISORS

Management will, at least every five years, issue an RFP seeking investment services for **ecomaine** pursuant to 30-A M.R.S.A. § 5706(4). Services are to consist of advice, the safekeeping of the funds, collection of interest and dividends, and any other fiscal service that is normally covered in an advisory agreement. Other than Demand Deposit amounts (see below) all **ecomaine** investment activities as addressed in this Policy are to be provided by the selected firm. The Board will approve this selected firm.

All Advisors who desire to become qualified for **ecomaine** investment management must meet all requirements set forth in Section 5706(4) and supply the following as appropriate:

- Audited financial statements demonstrating compliance with state and federal capital adequacy guidelines
- Proof of FINRA (Financial Industry Regulatory Authority) certification (not applicable to certificate of deposit counterparties)
- Proof of registration to buy and sell securities in the State of Maine
- Certification of having read understood and agreed to comply with **ecomaine's** Cash Reserve and Investment Policy.
- Evidence of adequate insurance coverage (FDIC, SIPC, or other appropriate collateral)

When selecting Advisors, consideration will be given to local or regional firms as long as they meet the standards set forth in this policy. The selection of Advisors will be on the basis of their expertise in institutional cash management and their ability to provide services for **ecomaine** along with their fee structure.

Once selected the firm shall be required to resubmit the above on an annual basis and **ecomaine** may review the financial condition and registration annually for the selected firm.

AUTHORIZED SECURITIES AND TRANSACTIONS FOR ALL INVESTMENTS FAVORING LOWER RISK AND HIGHER LIQUIDITY

Monies to be invested under this investment philosophy (of lower risk and higher liquidity) include any cash in excess of the reserves as defined above, 100% of the Operating Reserve, 100% of the Short Term Capital Reserve, 100% of the Required Landfill Closure / Post Closure Reserve, and any Fixed Income Investments associated with the remaining reserves (see below).

As noted above the investment philosophy for these funds favors lower risk and higher liquidity. The need for the funds will be "near term" and the asset allocation in the portfolio should be flexible depending upon the outlook for the economy, the securities markets, and the anticipated cash flow needs. Income received from these funds is to be re-invested in these reserves. The investment of these funds will be in the types of securities and transactions listed below and all are to be guaranteed by the Federal Government or one of its agencies backed by the Federal Government.

1. Demand Accounts & Time Certificates of Deposit: To be provided by institutions insured by the Federal Deposit Insurance Corporation (FDIC), The National Credit Union Share Insurance Fund (NCUSIF), or the successors to these federal agencies. If the amount deposited exceeds the insurable levels the excess must be collateralized by securities authorized by the Federal Home Loan Bank (FHLB). Time Certificates of Deposit will have maturities not exceeding three years.
2. U.S. Treasury Obligations: Treasury Bills, Treasury Notes and Treasury Bonds with maturities not exceeding three years from the date of trade settlement.
3. Federal Instrumentality Securities: Debentures, discount notes and callable securities, with maturities not exceeding three years from the date of trade settlement, issued by the following only: Federal Home Loan Banks (FHLB), Federal National Mortgage Association (FNMA), Federal Farm Credit Banks (FFCB), Federal Home Loan Mortgage Corporation (FHLMC) and Student Loan Marketing Association (SLMA).
4. Money Market Mutual Funds: registered under the Investment Company Act of 1940 which (1) are “no-load” (meaning no commission or fee shall be charged on purchases or sales of shares); (2) have a constant daily net asset value per share of \$1.00; (3) limit assets of the fund to U.S. Treasury Obligations, Federal Instrumentality or Agency Securities or repurchase agreements collateralized by such securities; and (4) have a maximum stated maturity and weighted average maturity in accordance with Federal Securities Regulation 2a-7.

It is the intent of the **ecomaine** board that the foregoing list of authorized securities be strictly interpreted. Any deviation from this list must be preapproved by the Board.

ecomaine investment performance will be reviewed periodically by management with the Board. Fixed income investments will be compared to the appropriate bond index (e.g. Barclays Aggregate, Barclays U.S. Treasury, etc.) based upon bond maturity length. The goal of the fund will be to maintain over a normal market cycle (5 years) an annual rate of return on a comparable aforementioned index portfolio.

AUTHORIZED SECURITIES AND TRANSACTIONS FOR INVESTMENTS FAVORING REDUCED LIQUIDITY, AND GREATER RETURNS.

As detailed in this policy, **ecomaine** maintains reserves for Long Term Capital needs and for the funding of the Discretionary Landfill Closure / Post Closure Reserve. A portion of these “longer term funds”, due to their nature, are invested under a longer-term investment perspective to include a conservative and balanced portfolio of equity and fixed income investments. There is less interest in liquidity and more interest in returns with safety as the primary focus. Income received from these funds is to be re-invested in these reserves.

The Long Term Capital Reserve and the Discretionary Landfill Closure / Post Closure Reserves are to hold no less than 50% nor more than 80% of each accounts value in equities without consent of the **ecomaine** board. Such consent shall not be given until it has been read on two separate days by the **ecomaine** Board prior to voting. To the extent the Reserve Funds listed in this paragraph are managed by a financial institution or investment advisor pursuant to Section 5706(4), “Equities” shall include, but not be limited to, individual equities, equity mutual funds, bond mutual funds, or other investments that 1) may risk loss of principal, and 2) are subject to

Maine law and the Prudent Investor Rule. No single fixed income security will comprise more than 10% of the total value of each of the reserves, unless fully backed by the federal government or its agencies and instrumentalities.

The balance of each of these reserves (non equity portion) will be in investments as described under **AUTHORIZED SECURITIES AND TRANSACTIONS FOR ALL INVESTMENTS FAVORING LOWER RISK AND HIGHER LIQUIDITY.**

All reserve funds must be invested in accordance with 30-A M.R.S.A. §§ 5706-5719 or managed by a qualified financial institution or investment advisor pursuant to Section 5706(4).

ecomaine investment performance will be reviewed periodically by management with the Board. Equity investments are to be measured against the asset class bench mark (e.g. S&P 500 Index, Russell Midcap Index, MSCI Emerging Markets Index, etc.). The goal of the fund will be to maintain over a normal market cycle (5 years) an annual rate of return on a comparable aforementioned index portfolio.

POLICY REVISIONS

This policy shall be reviewed periodically by the Board and may be amended as conditions warrant.

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Statement of Revenue & Expenses April, 2019 (FY19)							
Attachment C1	Actual - Prior Years YTD			Current Year To Date			FY19 to FY18
	2016	2017	2018	Actual	Budget	Variance	Variance
Operating revenues							
Municipal assessments & rebates	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Owners tipping fees	2,926,932	2,894,231	2,961,930	3,052,932	2,960,365	92,567	91,002
Assoc. tipping fees	809,388	802,286	839,327	864,127	840,866	23,261	24,800
Contract tipping fees	254,451	290,131	361,909	907,115	1,274,033	(366,918)	545,206
Commercial tipping fees	4,301,355	4,573,563	4,560,861	5,034,582	4,535,143	499,440	473,721
Spot market tipping fees	1,408,255	1,389,195	1,099,953	252,359	321,480	(69,121)	(847,593)
Electrical generating revenues	3,664,015	3,201,372	3,680,935	3,705,353	3,587,815	117,538	24,418
Sales of recycled goods	1,862,909	3,121,241	2,085,747	1,232,378	1,852,656	(620,278)	(853,369)
Recycling tipping fees	126,768	24,458	183,836	423,947	113,551	310,396	240,111
Other operating income	86,209	84,537	85,792	88,138	87,080	1,057	2,345
Total operating revenues	\$15,440,282	\$16,381,014	\$15,860,291	\$15,560,931	\$15,572,989	(\$12,058)	(\$299,360)
Operating expenses							
Administrative expenses	2,086,204	2,058,815	2,205,110	2,298,818	2,370,084	71,266	(93,708)
Waste-to-energy operating expenses	7,436,391	7,758,406	8,186,786	8,081,413	8,567,295	485,882	105,373
Recycling operating expenses	1,667,451	1,804,136	1,997,737	1,978,384	2,077,625	99,241	19,353
Landfill/ashfill operating expenses	1,433,986	1,463,528	1,482,655	1,594,066	1,508,819	(85,247)	(111,412)
Contingency	0	0	0	0	208,333	208,333	0
Landfill closure & post-closure care costs	216,613	246,236	221,178	212,403	229,167	16,763	8,774
Post-retirement benefit - health Care	58,715	58,715	58,715	70,830	70,833	3	(12,115)
Depreciation & amortization	3,418,480	3,458,283	3,558,972	3,286,006	3,419,521	133,514	272,966
Total operating expenses	\$16,317,840	\$16,848,117	\$17,711,153	\$17,521,921	\$18,451,678	\$929,756	\$189,232
Net operating income	(\$877,558)	(\$467,103)	(\$1,850,862)	(\$1,960,991)	(\$2,878,689)	\$917,698	(\$110,129)
Non-operating income (expense)							
Non Investment Interest	29,128	30,506	40,734	36,661	37,500	(839)	(4,074)
Investment Income Net of Expenses	54,393	980,043	811,070	1,376,316	0	1,376,316	565,245
Misc. Income / (Expenses)	157,668	8,593	22,940	23,160	0	23,160	219
Net non-operating	\$241,189	\$1,019,142	\$874,745	\$1,436,136	\$37,500	\$1,398,636	\$561,391
Total Revenue Less Expenses	(\$636,369)	\$552,038	(\$976,117)	(\$524,855)	(\$2,841,189)	\$2,316,334	\$451,262

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Statistical Data April, 2019 (FY19)									
Attachment C2	Actual - YTD			Year to Date 2019				Year to Date Vs. Last Year	
	2016	2017	2018	Actual	Budget	Var - Fav / (Unfav)		Var-Fav / (Unfav)	
						Units	%	Units	%
MSW - Tons									
Owner	41,826	41,230	42,466	43,517	42,434	1,083	2.6%	1,052	2.5%
Associate	9,814	9,626	9,966	9,915	9,977	(62)	-0.6%	(51)	-0.5%
Contract	4,442	5,014	6,191	14,980	19,262	(4,282)	-22.2%	8,789	142.0%
Commercial	62,452	65,017	66,906	71,386	66,132	5,254	7.9%	4,480	6.7%
Spot	26,749	25,089	19,611	3,580	4,560	(980)	-21.5%	(16,032)	-81.7%
Total MSW	145,283	145,977	145,139	143,378	142,365	1,013	0.7%	(1,761)	-1.2%
Recycle - Tons									
Inbound - MRF only	34,125	31,903	32,570	29,076	32,193	(3,117)	-9.7%	(3,494)	-10.7%
Outbound- MRF only including glass	29,386	28,891	28,871	26,566	28,824	(2,258)	-7.8%	(2,306)	-8.0%
Outbound- Post Burn	3,775	3,848	3,379	3,607	3,719	(112)	-3.0%	228	6.7%
Outbound- Landfill Metal Mining	(24)	-	-	-	-	0		0	
Outbound Total	33,137	32,739	32,251	30,173	32,543	(2,370)	-7.3%	(2,078)	-6.4%
MSW - Revenue \$/Ton									
Owner	\$69.98	\$70.20	\$69.75	\$70.15	\$69.76	\$0.39	0.6%	\$0.41	0.6%
Associate	82.48	83.34	84.22	87.15	84.28	2.87	3.4%	2.93	3.5%
Contract	57.28	57.86	58.46	60.56	66.14	(5.59)	-8.4%	2.10	3.6%
Commercial	68.87	70.34	68.17	70.53	68.58	1.95	2.8%	2.36	3.5%
Spot	52.65	55.37	56.09	70.50	70.50	0.00	0.0%	14.41	25.7%
Total MSW	66.77	68.16	67.69	70.52	69.76	0.76	1.1%	2.83	4.2%
Recycle - Revenue \$/Ton									
\$/Ton Outbound (Includes glass/metals)	\$60.04	\$96.09	\$70.37	\$54.89	\$60.43	(\$5.53)	-9.2%	(\$15.48)	-22.0%
\$/Ton Inbound- Rev/Cost Sharing	54.44	92.90	56.64	33.55	50.94	(17.39)	-34.1%	(23.09)	-40.8%
Energy									
MWH's Sold	76,280	71,812	68,764	67,238	71,681	(4,443)	-6.2%	(1,525)	-2.2%
\$/MWH	\$48.03	\$44.58	\$53.53	\$55.11	\$50.05	\$5.06	10.1%	\$1.58	2.9%
Steam Plant Capacity Factor %	91.3%	89.9%	91.4%	93.2%					
Average Boiler Availability %	92.9%	93.1%	91.2%	93.0%	90.5%				
Steam Plant Capacity Utilization %	98.0%	96.6%	100.3%	100.3%					
Power Capacity Factor %	86.0%	81.0%	77.5%	76.9%					
Power Sold - % of Capacity to Sell	86.4%	81.3%	77.9%	76.2%	81.2%				

Steam Plant Capacity Factor % - Steam 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 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

ecomaine Balance Sheet				
April, 2019 (FY19)				
Attachment C3	Year End Actuals @ 6/30			FY 2019
	2016	2017	2018	April
Assets				
Current Assets				
Balance Operating Cash	\$5,914,305	\$6,223,377	\$3,641,942	\$3,120,960
Accounts Receivable	1,885,906	2,135,332	1,702,101	1,752,594
Inventory	2,641,991	2,808,335	2,801,314	2,780,845
Prepaid Expenses	405,802	197,485	241,659	335,474
Total Current Assets	<u>\$10,848,004</u>	<u>\$11,364,529</u>	<u>\$8,387,016</u>	<u>\$7,989,872</u>
Property, Plant & Equipment	138,831,131	141,863,509	145,827,536	64,269,773
Less: Accumulated Depreciation	109,792,071	113,825,748	118,008,753	34,430,483
Net Property, Plant and Equipment	<u>\$29,039,060</u>	<u>\$28,037,761</u>	<u>\$27,818,784</u>	<u>\$29,839,290</u>
Cash Reserve Accounts	22,623,738	24,637,943	26,693,634	25,069,949
Gorham Property	-	-	-	-
Total Assets	<u>\$62,510,802</u>	<u>\$64,040,233</u>	<u>\$62,899,434</u>	<u>\$62,899,111</u>
Liabilities				
Current Liabilities				
Accounts Payable	83,895	526,605	264,400	175,092
Accrued Expenses	751,829	800,081	839,193	994,553
Accrued Compensated Absences	901,118	993,122	1,016,748	1,191,995
Total Current Liabilities	<u>\$1,736,842</u>	<u>\$2,319,808</u>	<u>\$2,120,341</u>	<u>\$2,361,640</u>
Other Liabilities				
Bonds - Long-Term Portion				
Accrued Landfill Close & Post Close costs	16,746,994	14,564,514	14,819,398	15,031,801
Accrued Payroll & Compensated Absences	510,352	570,596	780,235	851,065
Total Liabilities	<u>\$18,994,189</u>	<u>\$17,454,918</u>	<u>\$17,726,461</u>	<u>\$18,250,993</u>
Deferred Inflow of Resources				
Deferred Inflows of Resources related to OPEB				\$6,487
Total Deferred Inflow of Resources	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$6,487</u>
Fund Balance (Retained Earnings)	44,640,758	43,516,613	46,424,763	45,172,973
Revenues Less Expenses (Current Year)	(1,124,146)	3,068,702	(1,251,790)	(524,855)
Total Fund Balance (Retained Earnings)	<u>43,516,613</u>	<u>46,585,314</u>	<u>45,172,973</u>	<u>44,648,118</u>
Total Net Assets (Equity)	<u>\$43,516,613</u>	<u>\$46,585,314</u>	<u>\$45,172,973</u>	<u>\$44,648,118</u>

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Statement of Cash Balances April, 2019 (FY19)

Attachment C4	12 Month Actuals @ 6/30				Bud FY 2019 @ 6/30/19	Act FY 19 @ 4/30/19	Reserves per policy	Reserve Target
	2015	2016	2017	2018				
Cash & Reserves - beginning of period	\$29,317,000	\$26,510,251	\$28,538,043	\$30,861,320	\$28,072,405	\$30,335,576		
Cash flows from operating activities:								
Net operating income	(\$1,238,109)	(\$1,232,895)	\$1,802,380	(\$2,623,561)	(\$2,835,205)	(\$1,960,991)		
Add back: depreciation	3,804,881	4,201,984	4,177,307	4,316,892	4,103,425	3,286,006		
Add back: landfill closure costs	259,936	295,483	(2,182,480)	224,814	275,000	212,403		
Add back: Post Retirement Benefit	49,730	70,458	60,244	70,458	85,000	64,343		
Other working capital changes	(41,673)	(859,134)	388,720	194,650		147,107		
Net cash provided by operating activities	\$2,834,765	\$2,475,896	\$4,246,170	\$2,183,253	\$1,628,220	\$1,748,869		
Cash flows from capital and related financing activities:								
Payment of interest	\$427	\$1,983	\$0	\$0	\$0	\$0		
Repayment of long-term debt	-	-	-	-	0	0		
Repayment of capital leases	-	-	-	-	0	0		
Net cash used in capital and related financing	\$427	\$1,983	\$0	\$0	\$0	\$0		
Cash flows from investing activities:								
Receipts of interest	\$48,352	\$35,662	\$36,584	\$49,340	\$45,000	\$36,661		
Investment income	71,167	141,924	1,164,205	1,205,691	0	1,376,316		
Capital expenditures	(5,761,460)	(2,147,288)	(3,123,683)	(3,964,027)	(8,660,950)	(5,306,512)		
Sale of Gorham Property		1,519,615						
Net cash used in investing activities	(\$5,641,941)	(\$450,087)	(\$1,922,894)	(\$2,708,996)	(\$8,615,950)	(\$3,893,536)		
Net increase (decrease) in cash	(2,806,749)	2,027,792	2,323,277	(525,744)	(6,987,730)	(2,144,667)		
Cash & Reserves - end of period	\$26,510,251	\$28,538,043	\$30,861,320	\$30,335,576	\$21,084,675	\$28,190,909		

Cash Reserve Detail

Operating Cash Reserve	\$8,174,000	\$8,249,690	\$8,290,518	\$8,301,636	\$8,222,871	\$5,513,224	\$5,513,224	\$5,513,224
Landfill Closure Reserve	300,151	300,941	301,736	301,753	301,610	308,091	308,091	308,091
Discretionary Landfill Closure Reserve	3,922,780	6,214,445	7,712,419	9,789,027	9,560,194	10,541,585	10,541,585	22,217,000
Long Term Capital Reserve	4,049,713	4,057,653	4,520,183	4,984,354	0	5,338,126	5,338,126	5,338,126
Recycling Revenue & Cost Sharing	500,294	502,516	502,847	-	0	0	0	0
Short Term Capital Reserve	3,265,183	3,298,492	3,310,239	3,316,864	0	3,368,924	3,368,924	3,368,924
Bond Payment Reserves								
Debt Service Reserves								
Balance Operating Cash	6,298,130	5,914,305	6,223,377	3,641,942	3,000,000	3,120,960		
Total	\$26,510,251	\$28,538,043	\$30,861,320	\$30,335,576	\$21,084,675	\$28,190,909	\$25,069,949	\$36,745,365

April, 2019 (FY19)								
Project		FY 2019 Budget	Project Expend YTD	FY 19 Forecast	Variance From Budget	Total Cost @ 06/30/19	In-service Date	Comments
No	Title							
Waste-to-Energy								
					-	-		
1524-477-8	Boiler - Inconel Work - FY 19	350,000	365,889	\$ 365,889	(15,889)	365,889	Nov-18	Complete
1524-563-1	Boiler - Rapper system replacement	150,000			150,000	-		Postponed
1524-359-2	Boiler - Superheater Tube Replacements.	50,000	189,620	\$ 189,621	(139,621)	309,708	Nov-18	Complete
1524-440-2	Delta V DCS hardware and software upgrades	75,000	62,305	\$ 65,000	10,000	65,000	May-19	In Progress
1524-029-2	x Building Improvements - Leaks, Siding, Remodeling	2,500,000	405,752	\$ 750,000	1,750,000	884,634	Dec-19	In Progress
1524-533-2	ESP - Rebuild plates and electrodes (1,2,3 out of 5) & Casing Repa	1,000,000	1,054,194	\$ 1,054,194	(54,194)	1,796,489	Nov-18	Complete
1524-293-1	Facility Process Improvements - Engineering	250,000		\$ -	250,000	-	Dec-19	Postponed FY19
1524-372-2	x Refuse Crane - Replacement			\$ -	-	1,415,121	Jun-18	Complete
1524-549-1	Equipment - UPS Replacement	65,000		\$ 65,000	-	162,210	Jun-19	In Progress
1524-505-2	x Fire Alarm Design and Installation		89,113	\$ 100,000	(100,000)	100,395	Jun-19	In Progress
1524-554-1	Boiler - Suspension system inspection and adjustment	150,000			150,000	-	Jun-19	Postponed FY20
1524-375-2	Building - Tipping hall bay 7 modifications & structural repairs	150,000	153,640	\$ 150,000	-	150,000	Apr-19	In Progress
1524-561-1	Equipment - Replacement grapple for refuse crane	80,000		\$ 65,000	15,000	65,000	Jun-19	In progress
1524-481-2	x 480 volt switchgear		42,485	\$ 42,485	(42,485)	42,485	Jul-18	Complete
1524-547-1	x Control Room - RTU for ISO NE Dispatchability Requirement		874	\$ 644	(644)	644		Complete
1524-412-3	x Locker Room Renovations fy16		(834)	(834)	834	(834)		Complete
	Subtotal WTE	4,820,000	2,363,038	2,846,999	1,973,001	5,356,740		
Recycle								
1527-468-4	x Equipment - Harris Baler Reline Plates & Hardware			33,700	(33,700)	59,978	Jun-19	In Progress
1527-394-4	x Equipment - Install B-1 Drum Feeder Belt			20,000	(20,000)	20,000	Apr-19	In Progress
1527-381-3	x Equipment - Upper ONP Deck	300,000	-	-	300,000	-	Dec-19	Postponed to FY20
1527-555-1	Building - Replace Lower Roof Top Heat/Ac Unit	30,000		30,000	-	30,000	Apr-19	In Progress
1527-556-1	Engineering Design - Rear Loading Ramp Replacement	15,000		-	15,000	-	Jun-19	Postponed
1527-463-4	Equipment - American Baler Reline	20,000	15,017	20,000	-	20,000	Apr-19	
1527-557-1	Equipment - Stairway to Maint Shop Messanine	25,000		-	25,000	-	Apr-19	Postponed
1527-492-3	Equipment - Roll off Container Replacements	32,000		32,000	-	32,000	Jun-19	
1527-565-1	Fire Alarm - Prevention, Detection, Response			250,000	(250,000)	250,000	Jun-19	In Progress
	Subtotal Recycle	422,000	15,017	385,700	36,300	411,978		
Landfill								
1525-499-4	Landfill - Construction East Expansion	2,750,000	2,654,984	2,800,000	(50,000)	2,800,000	Jun-19	In Progress
1525-499-5	Landfill - Construction Management East Expansion	300,000	230,916	249,800	50,200	249,800	Jun-19	In Progress
1525-548-1	Landfill - GeoTech Monitoring Settlement Platforms	21,950	-	-	21,950	-	Jun-19	Postponed fy20
1525-550-1	Landfill - Phase One Settlement Berm	16,000		-	16,000	-	Jun-19	Postponed fy20
	Landfill - Geomembrane cover	20,000		-	20,000	-		Cancelled
1526-553-1	Vehicles - Ash Truck	190,000		-	190,000	-		Purchased in fy18
1526-560-1	Vehicles - Snow Plow		16,753	16,753	(16,753)	16,753	Dec-18	Complete
1525-562-1	Landfill Garage Heater Replacement			-	-	-		Moved to MR
1525-564-1	Landfill Gas Meter closed balefill		11,608	11,608	(11,608)	11,608	Apr-19	Complete
	Subtotal Landfill	3,297,950	2,914,262	3,078,161	219,789	3,078,161		
Administration								
1524-526-1	x Building - Scale house Replacement		2,674	2,674	(2,674)	753,884		Complete
1524-526-2	x Building - Scale House Sign		11,522	13,000	(13,000)	20,420	Mar-19	In Progress
1524-558-1	Equipment - Signs for WTE & Recycle facilities	30,000		30,000	-	30,000	Jun-19	
1528-559-1	Systems - ADP Time Clock Migration	16,000		16,000	-	16,000	Jun-19	In Progress
1528-500-5	Systems - Software Upgrades & Fixed asset upgrades	75,000		75,000	-	75,000	Jun-19	
1528-525-1	Systems - Software Upgrades			2,500	(2,500)	210,236		Complete
	Subtotal Administration	121,000	14,196	139,174	(18,174)	1,105,540		
Total All Areas		\$8,660,950	\$5,306,512	\$6,450,034	\$2,210,916	\$9,952,420		
x	Project carried over from prior year because they are not finished yet							
*	A project is complete when it goes in service and not when the money is necessarily spent.							

Attachment C5

ecomaine 4/30/19						
Accounts Receivables						
Date	Item	Current	31-60 Days	61-90 Days	91 & Over Days	Total
07/31/18	Balances	\$1,478,110	\$118,594	\$83,998	\$65,054	\$1,745,755
	%	84.7%	6.8%	4.8%	3.7%	100.0%
08/31/18	Balances	\$1,675,182	\$229,475	\$71,398	\$61,250	\$2,037,306
	%	82.2%	11.3%	3.5%	3.0%	100.0%
09/30/18	Balances	\$1,407,324	\$273,405	\$57,807	\$39,289	\$1,777,824
	%	79.2%	15.4%	3.3%	2.2%	100.0%
10/31/18	Balances	\$1,455,267	\$196,924	\$86,674	\$55,855	\$1,794,720
	%	81.1%	11.0%	4.8%	3.1%	100.0%
11/30/18	Balances	\$1,422,118	\$173,399	\$37,476	\$37,042	\$1,670,036
	%	85.2%	10.4%	2.2%	2.2%	100.0%
12/31/18	Balances	\$1,505,592	\$134,840	\$17,397	\$72,335	\$1,730,163
	%	87.0%	7.8%	1.0%	4.2%	100.0%
01/31/19	Balances	\$1,723,764	\$110,748	\$19,641	\$58,551	\$1,912,705
	%	90.1%	5.8%	1.0%	3.1%	100.0%
02/28/19	Balances	\$1,430,890	\$235,174	\$33,445	-\$10,504	\$1,689,006
	%	84.7%	13.9%	2.0%		100.0%
03/31/19	Balances	\$1,382,938	\$139,754	\$99,242	\$12,411	\$1,634,344
	%	84.6%	8.6%	6.1%	0.8%	100.0%
04/30/19	Balances	\$1,370,483	\$252,970	\$58,297	\$92,064	\$1,773,814
	%	77.3%	14.3%	3.3%	5.2%	100.0%

Attachment F6

Note: The Allowance for Doubtful Accounts & 1217 IRS are not included in the above.