



Memorandum

DATE: January 11, 2018
TO: Chairman and Members of the Board
FROM: Kevin H. Roche, CEO/General Manager
SUBJECT: Agenda - Joint Audit & Finance Committee Meeting

There is an **ecomaine** Joint Audit & Finance Committees Meeting scheduled for **January 18, 2018 @ 3PM**. The agenda for this meeting is as follows:

1. Approval of Minutes (*Attachment A - Audit Committee – September 21, 2017*)
2. Cash Disbursements Report – Mike Shaw, Chairman
3. **Joint Committee Discussion:** Pro’s & Cons of Combining Finance & Audit Committees
 - Review & Recommendation Letter from Staff (*Attachment B1*)
 - Legal Opinion - Jensen Baird Gardner & Henry (*Attachment B2*)
 - RKO – Recommendation (*Attachment B3*)
4. Financial Statements **FY 18**
 - 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*)
5. Other:

Future Meetings:

Full Board Meeting	January 18, 2018 @ 4PM
Recycling Committee	January 25, 2018 @ 4PM
Executive Committee	February 15, 2018 @ 4PM
Recycling Committee	March 1, 2018 @ 4PM
Full Board Meeting	March 15, 2018 @ 4PM
Finance/Budget Workshop	March 22, 2018 @ 4PM
Audit Committee	April 26, 2018 @ 3PM
Full Board Meeting	April 26, 2018 @ 4PM (Cancelled)
Finance Committee	May 17, 2018 @ 3PM
Executive Committee	May 17, 2018 @ 4PM (Changed to Full Board Meeting)
Recycling Committee	May 24, 2018 @ 4PM
Annual Board Meeting	June 14, 2018 @ 11:30AM



Memorandum

DATE: January 11, 2018
TO: Chairman and Members of the Board
FROM: Kevin H. Roche, CEO/General Manager
SUBJECT: Audit Committee Minutes – September 21, 2017

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

Item #1: Minutes

Dave Morton motioned to accept the minutes. The motion was seconded by Mike Shaw . All in favor

Item #2: Presentation – Drat Audit Report FY 17 Amy Chasse & Roger Lebreux

Erik Street introduced Amy Chasse and Roger Lebreux from RKO. RKO presented their Audit Report for FY 17.A discussion and Q & A session followed. Erik Street would like the Management letter items added to the Audit Committee agenda in April.

Dave Morton motioned to accept the Audit and recommended acceptance to the Board of Directors next month (October). The motion was second by Christopher Branch. A discussion followed that included whether or not we should have RKO do their formal Audit report presentation for the full board at the October meeting. The committee felt that with a clean opinion and no material issues, another formal presentation was not needed to the full Board of Directors. All in favor.

The Committee also discussed the possibility of reviewing the pros and cons of combining the Finance Committee and the Audit Committee into one committee. Staff will review this and report back to the committees.

Item # 3: Discussion – Selection of Auditors for FY 18

Kevin Roche provided historical background on Auditor selection and a discussion followed. Christopher Branch motioned to retain RKO for the FY 18 Audit. The motion was second by Dave Morton. All in favor.

Mike Shaw motioned to adjourn. The motion was seconded by Dave Morton. All in favor

Present:

Christopher Branch, Dave Morton, Mike Shaw, Erik Street & Matthew Sturgis

Guest:

Runyon, Kersteen & Ouellette – Amy Chasse & Roger Lebreux

Staff:

Arthur Birt & Kevin Roche



Memorandum

DATE: January 08, 2018

TO: Finance & Audit Committee Members

FROM: Kevin H. Roche, CEO/General Manager & Arthur Birt, Director of Finance & Administration

SUBJECT: Combining the Audit Committee and the Finance Committee together

We have prepared a review of combining the Finance Committee and the Audit Committee into one committee (called the Finance and Audit Committee). During this review, we identified both pros and cons to creating one committee to handle the responsibilities of both committees. In the end, we feel that the benefits of having one committee outweigh the status quo (having separate committees).

We've attached letters from both RKO and JBGH that describes their perspective on transitioning to one committee. Neither party opposes the change or raised significant issues.

Outlined below are the details included in our review:

Role of the Finance Committee

The role of the finance committee is primarily to provide financial oversight for the organization. Typical task areas include budgeting and financial planning, financial reporting, and the creation and monitoring of internal controls and accountability policies. Although the entire board carries fiduciary responsibility for the organization, the finance committee serves a leadership role in this area, making sure appropriate internal control procedures are in place and are also often charged with ensuring compliance and/or developing other policies that further serve to protect the organization and manage its exposure to risk.

Depending on many factors including the size of the board, the size of the budget and the magnitude and complexity of existing financial assets, the finance committee may be called upon to perform the roles of two other committees that are sometimes separate in larger organizations. the audit committee and the investment committee.

Role of the Audit Committee

The primary purpose of the audit committee is to provide oversight of the financial reporting process, the audit process, the system of internal controls and compliance with laws and regulations. An understanding of how management develops internal financial information is necessary to assess whether reports are complete and accurate. The audit committee is responsible for the appointment, compensation and oversight of the work of the auditor. As such, CPAs report directly to the audit committee, not management. The committee reviews the results

of the audit with management and external auditors, including matters required to be communicated to the committee under generally accepted auditing standards.

Role of the Investment Committee

The primary purpose of an investment committee is to draft an investment policy detailing the objectives of the investment portfolio, guidelines on the asset allocation of the portfolio based on a predetermined level of risk tolerance, authorizations for executing transactions, disposition of earned income, etc., updating the policy as necessary, ensuring compliance and to hire and evaluate the investment managers/advisors. At ecomaine, the Finance Committee already performs the Investment Committee function.

Pros of Merging Into One Committee

1. More board members will hear directly from the Auditors.
2. Take advantage of the synergies between the two committees.
3. There will be fewer committees requiring less time on meeting coordination and preparation.
4. Finance Committee Members are engaged with the Audit process.
5. There is often overlap between the committees.
6. The two committees have held joint committee meetings in the past.

Cons of Merging Into One Committee

1. Separation of duties from a committee perspective.
2. Focus on just the Audit

There is already some overlap of committee membership on both committees. The current Audit Committee members and Finance Committee members could all serve on the Finance Committee & Audit Committee. Both committees have held several joint meetings in order to keep both committees informed on issues. Our recommendation is to combine these two committees into one. To do this, the bylaws would need to be amended and we've attached a redline version of the by-laws for your consideration.



MEMORANDUM

TO: Kevin Roche, CEO

FROM: Mark A. Bower, Esq.

RE: Committee Structure

DATE: January 3, 2018

You have asked me to analyze a proposal to merge the Audit Committee with the Finance Committee. I have divided this memorandum into three issues as discussed below. Please note that this analysis is limited to legal issues, and any audit-related questions should be directed to your audit firm.

By way of background, it is not uncommon for a finance committee to also serve as the audit committee. Many municipalities (including **ecomaine** members) have the finance committee also serve as the audit committee (Portland, Gray, Cumberland). However, some municipalities and nonprofits have separate audit committees (Auburn, Presque Isle, Brunswick).

1. Is there any legal requirement to have an audit committee?

As you know, **ecomaine** is organized under the Maine Nonprofit Corporation Act, which is Title 13-B of the Maine Revised Statutes. That set of laws does not require a nonprofit corporation to have an audit committee. (This is in contrast to publicly-traded corporations, which are required to have an audit committee in order to be listed on a stock exchange.) However, Section 709 of Title 13-B authorizes a board of directors to form an executive committee and any other committees that the board deems necessary.

I have also reviewed **ecomaine's** corporate documents, including the Interlocal Agreement, which does not contain any mention any committees or the annual audit. The Articles of Incorporation are similarly silent on the question of committees and the audit. However, **ecomaine's** current bylaws, which are adopted by the Board, establishes four separate committees: Executive, Finance, Audit and Recycling. Therefore, the bylaws are the source of legal authority for **ecomaine's** current committee structure.

Finance Committee

Article VI of **ecomaine's** current bylaws describe the Finance Committee as follows: "The Finance Committee shall be responsible for preparation of the annual budget for review by the Executive Committee and for oversight of the Corporation's financial matters at the direction of the Executive Committee." Although not expressly stated in the bylaws, the Finance Committee is also responsible for reviewing and ensuring the accuracy of financial reports, as well as overseeing reserve funds and investments, in accordance with the Cash Reserve & Investment Policy.

Audit Committee

Article VIII of **ecomaine's** current bylaws describe the Audit Committee as follows:

The primary function of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities related to corporate accounting, financial reporting practices, quality and integrity of financial reports as well as legal compliance and business ethics. Key components of fulfilling this charge include:

- (a) Facilitating and maintaining an open avenue of communication among the Board, the Audit Committee, senior management and the independent external accountants;
- (b) Serving as an independent and objective party to monitor the Corporation's financial reporting process and internal control system; and
- (c) Engaging, reviewing and appraising the efforts of the independent accountants.

In a nutshell, the Finance Committee is responsible for overseeing the organization's financial practices, while the Audit Committee monitors the process through which the financial practices are carried out.¹ The Audit Committee is not

¹ Attached to the end of this memorandum is a useful table prepared by the National Council of Nonprofits, which draws the general differences between the two committees.

required by law other than **ecomaine's** bylaws, which can be amended by the Board with a two-thirds majority vote.

2. What are the pros and cons of combining the Audit Committee's functions with the Finance Committee?

The ultimate question is whether it is a good idea to combine the two committees, or whether leaving the structure as is would be best. This is ultimately a policy judgment for the Board of Directors to make in its sole discretion. However, based on my research into the issue, combining the two committees could result in the following advantages:

- Because the Finance Committee is larger than the Audit Committee, there would be more Board members involved the audit process—working with the auditors, reviewing the audit report, and receiving the auditor's recommendations. In other words, there would be more “eyes” on the audit.
- With one committee handling all finance-related matters, rather than splitting the duties between two committees, there would be somewhat less “bureaucracy,” which could allow for more consistency. As you have noted, there is already some overlap in the membership of the two committees; currently, 3 of the 5 members of the Audit Committee also serve on the Finance Committee.
- Some Board members come from municipalities with finance committees that also serve as audit committees, so they would be familiar and comfortable with this structure.

On the other hand, there are some potential disadvantages that would be associated with combining the two committees, including:

- If the two committees are consolidated, fewer total Board members will be actively involved in some aspect of financial oversight of the organization (11 Board members instead of 16), meaning fewer “eyes” on the organization's finances.
- Combining the two committees would result in a larger workload for the Finance Committee, meaning that more work would be required from its members than if the workload were divided between two committees (*i.e.*, Finance and Audit). A larger workload could make the Finance Committee a less appealing role for Board members.

- The Audit Committee has a much narrower scope, allowing it to focus its attention on the annual audit, while the Finance Committee has a broader role with several other matters to attend to (including annual budgeting, financial reports, and investments).
- The smaller size of the Audit Committee could allow it to interface with the auditor in a more efficient manner than the larger Finance Committee.

Again, these are the pros and cons that resulted from my research and analysis of this issue. As there is no legal requirement to have an independent Audit Committee, this is entirely a policy decision for the Board to make.

3. What are the options going forward?

It is the Board of Directors that bears the ultimate fiduciary responsibility to ensure that the financial reports of the organization are accurate. The Board has the authority to delegate this function to a committee, as it sees fit. With that in mind, I see a few options going forward.

1. **Status quo.** The Finance Committee and Audit Committee remain as two separate committees with their respective duties as outlined in the existing bylaws. In other words, there would be no change to existing operations.
2. **Merger.** The Finance Committee assumes the duties of the Audit Committee, which will cease to exist.
3. **Merger, but subcommittee.** The Finance Committee assumes the duties of the Audit Committee, but a subcommittee of the Finance Committee takes on the duties that the Audit Committee previously filled.

Note that if the Board were to adopt either of the last two options above, there would need to be an amendment to the bylaws to specify that the Finance Committee will serve as the Audit Committee or to give the Board authority to specify who will serve in that role.

Source: National Council of Nonprofits, available at:
<https://www.councilofnonprofits.org/nonprofit-audit-guide/audit-finance-committee>

Audit Committee	Finance Committee
(a) Reviews the organization’s financial statements and other official financial information provided to the public;	(a) Oversees the preparation of the annual budget and financial statements. The finance committee ensures that budgets and interim financial statements are prepared;
(b) Ensures that reports are received, monitored, and distributed correctly;	(b) Oversees the administration, collection, and disbursement of the organization’s financial resources, in addition to the related policies and procedures;
(c) Oversees the organization’s internal controls, including management’s compliance with applicable policies and procedures and risk management (for example, for organizations that are part of a national network, annually reviewing whether the organization meets the re-chartering requirements of its national organization);	(c) Advises the board with respect to making significant financial decisions, such as correcting or restructuring the organization's books and accounting procedures when fiscal problems arise;
(d) Usually oversees the annual independent audit process, including engaging the independent auditor and receiving all reports and management letters from the auditor;	N/A
(e) Reviews the annual information returns (IRS Form 990, related schedules, and forms) and recommends it for approval, signature, and submission by the appropriate officer. The audit committee also transmits the returns to the board for its review before signing and submitting it. The audit committee engages (on the board’s behalf) and interacts with the independent auditor or auditing firm. Many audit firms also prepare the	(e) Oversees the preparation and implementation of the governance policies referenced in the Form 990: conflict of interest, document retention, whistle-blower, review of executive compensation, etc.;

federal and state tax returns for their nonprofit audit clients;	
(f) Reviews the organization’s procedures for reporting problems. The audit committee may exercise primary responsibility to review the whistle-blower policy and process, anti-fraud policies, and policy and procedures related to the discovery of errors or illegal acts, whistle-blower hotline, and other communication methods and determine the process for “special investigations” (whistle-blower allegations, anti-fraud compliance, discovery of errors or illegal acts).	(f) Should ensure that joint membership between the audit committee and the finance committee meets local laws and regulations (if an organization has both committees).



December 15, 2017

Art Birt, Director Finance and Administration
ecomaine
64 Blueberry Road
Portland, ME 04102

Dear Art:

Currently, ecomaine has an audit committee and a finance committee, both of which provide financial oversight to the Board of Directors of ecomaine. The audit committee, which is made up of six members meets approximately two times per year. The finance committee, which is made up of ten members meets quarterly or on an as needed basis. Each of these committees have overlap where an audit committee member sits on the finance committee and vice versa.

Given the size of ecomaine, management's financial knowledge, the management structure within the finance office, and the controls that are currently in place, I do not see a reason why ecomaine's audit and finance committees could not be merged into one committee. If these committees were merged, it may allow better participation as committee members would be able to work around their schedules and avoid meeting conflicts. In addition, current audit committee members who are not involved with the finance committee would get an understanding of what the finance committees roles are about and would be involved with the audit process.

As ecomaine's auditor, we can continue to provide a brief entrance meeting with the finance committee in the spring to go over the audit plan and then present the audit results to the finance committee upon completion of the audit. The finance committee would then report to ecomaine's Board of Directors of their approval of the audit. Although there are various methods of presenting audit results to the Board, it is common practice for an auditor to present the audit to the finance committee (when one is in place) and not present to the Board. This was done at ecomaine for the FY17 audit. We as auditors presented to the audit committee who then presented their approval of the audit results to the Board of Directors. This allows for the Board to focus on higher level items that may not necessarily be financially focused.

The finance committee's function is to primarily provide financial oversight for ecomaine, review internal control policies, management prepared budgets and financial reports. I feel that the finance committee at ecomaine would be able to support the roles of the audit committee and the merging of both committees would not pose a problem.

If I can be of further assistance, please feel free to reach out to me.

Sincerely,

A handwritten signature in black ink that reads "Amy L. Chasse". The signature is written in a cursive, flowing style.

Amy L. Chasse, CPA
Runyon Kersteen Ouellette

ecomaine							
Statement of Revenue & Expenses December, 2017 (FY18)							
	Actual - Prior Years YTD			Current Year To Date			FY18 to FY17
	2015	2016	2017	Actual	Budget	Variance	Variance
Operating revenues							
Municipal assessments & rebates	(\$1,000,003)	\$0	\$0	\$0	\$0	\$0	\$0
Owners tipping fees	1,821,828	1,866,067	1,821,979	1,895,797	1,821,984	73,813	73,818
Assoc tipping fees	503,115	515,415	509,139	544,559	509,099	35,460	35,419
Contract tipping fees	159,370	161,398	184,361	190,574	184,372	6,202	6,213
Commercial tipping fees	2,719,919	2,695,103	2,818,372	2,776,798	2,657,032	119,766	(41,575)
Spot market tipping fees	1,105,639	952,612	875,350	800,157	788,545	11,612	(75,193)
Electrical generating revenues	2,567,021	2,045,180	1,813,485	1,892,551	1,686,029	206,522	79,066
Sales of recycled goods	1,681,700	1,229,206	1,801,642	1,535,777	1,380,856	154,921	(265,865)
Recycling tipping fees	50,422	81,828	19,482	68,131	52,454	15,677	48,649
Other operating income	47,540	52,101	50,473	51,475	50,978	498	1,002
Total operating revenues	\$9,656,552	\$9,598,909	\$9,894,283	\$9,755,819	\$9,131,348	\$624,471	(\$138,464)
Operating expenses							
Administrative expenses	1,343,998	1,318,006	1,259,223	1,327,806	1,359,228	31,423	(68,583)
Waste-to-energy operating expenses	4,120,549	4,406,010	4,387,518	4,584,510	4,927,815	343,305	(196,992)
Recycling operating expenses	984,646	1,029,992	1,019,374	1,178,877	1,190,408	11,531	(159,503)
Landfill/ashfill operating expenses	800,690	783,330	710,810	830,065	789,886	(40,178)	(119,255)
Contingency	0	0	0	0	100,000	100,000	0
Landfill closure & postclosure care costs	119,852	129,968	147,741	132,707	150,000	17,294	15,035
Post-retirement benefit- Health Care	27,047	35,229	35,229	35,229	42,500	7,271	0
Depreciation & amortization	1,836,015	2,045,867	2,085,069	2,109,621	2,174,057	64,435	(24,552)
Total operating expenses	\$9,232,796	\$9,748,402	\$9,644,964	\$10,198,814	\$10,733,894	\$535,080	(\$553,850)
Net operating income	\$423,755	(\$149,492)	\$249,318	(\$442,996)	(\$1,602,546)	\$1,159,551	(\$692,314)
Non-operating income (expense)							
Non Investment Interest	30,402	20,936	21,994	22,589	16,910	5,679	595
Investment Income Net of Expenses	0	(251,326)	377,149	823,828	0	823,828	446,679
Misc. Income / (Expenses)	(711)	5,025	16,756	3,367	0	3,367	(13,389)
Net non-operating	\$29,691	(\$225,365)	\$415,899	\$849,784	\$16,910	\$832,874	\$433,885
Total Revenue Less Expenses	\$453,446	(\$374,857)	\$665,217	\$406,788	(\$1,585,636)	\$1,992,425	(\$258,429)

Attachment C2

ecomaine									
Statistical Data December, 2017 (FY18)									
	Actual - YTD			Year to Date 2018				Year to Date Vs. Last Yr	
	2015	2016	2017	Actual	Budget	Var - Fav / (Unfav)		Var-Fav / (Unfav)	
						Units	%	Units	%
MSW - Tons									
Owner	26,221	26,696	25,970	27,208	25,984	1,224	4.7%	1,238	4.8%
Associate	6,083	6,266	6,109	6,461	6,109	352	5.8%	353	5.8%
Contract	2,863	2,822	3,199	3,250	3,186	64	2.0%	51	1.6%
Commercial	39,617	39,962	40,325	40,461	39,074	1,387	3.6%	136	0.3%
Spot	20,887	17,668	15,273	14,232	15,273	(1,041)	-6.8%	(1,041)	-6.8%
Total MSW	95,671	93,412	90,876	91,612	89,626	1,986	2.2%	736	0.8%
Recycle - Tons									
Inbound - MRF only	22,956	21,676	20,248	20,538	20,229	309	1.5%	290	1.4%
Outbound- MRF only including glass	20,403	18,893	18,255	18,188	18,233	(45)	-0.2%	(67)	-0.4%
Outbound- Post Burn	1,800	2,240	2,143	2,014	2,143	(129)	-6.0%	(128)	-6.0%
Outbound- Landfill Metal Mining	5,311	(24)	-	-	-	0		0	
Outbound Total	27,514	21,109	20,398	20,202	20,376	(174)	-0.9%	(195)	-1.0%
MSW - Revenue \$/Ton									
Owner	\$69.48	\$69.90	\$70.16	\$69.68	\$70.12	(\$0.44)	-0.6%	(\$0.48)	-0.7%
Associate	82.71	82.26	83.35	84.28	83.34	0.94	1.1%	0.93	1.1%
Contract	55.67	57.20	57.63	58.64	57.87	0.77	1.3%	1.02	1.8%
Commercial	68.66	67.44	69.89	68.63	68.00	0.63	0.9%	(1.26)	-1.8%
Spot	52.93	53.92	57.31	56.22	51.63	4.59	8.9%	(1.09)	-1.9%
Total MSW	65.95	66.27	68.33	67.76	66.51	1.25	1.9%	(0.56)	-0.8%
Recycle - Revenue \$/Ton									
\$/Ton Outbound (Includes glass/metals)	\$62.95	\$62.11	\$89.28	\$79.39	\$70.20	\$9.19	13.1%	(\$9.89)	-11.1%
\$/Ton Inbound- Rev/Cost Sharing	64.85	56.28	87.13	69.96	67.27	2.69	4.0%	(17.17)	-19.7%
Energy									
MWH's Sold	47,063	47,706	45,834	42,729	45,834	(3,105)	-6.8%	(3,105)	-6.8%
\$/MWH	\$54.54	\$42.87	\$39.57	\$44.29	\$36.79	\$7.51	20.4%	\$4.73	11.9%
Steam Plant Capacity Factor %	92.8%	93.3%	92.6%	92.5%					
Average Boiler Availability %	95.9%	94.8%	94.1%	92.0%	90.0%				
Steam Plant Capacity Utilization %	97.0%	98.0%	98.5%	100.5%					
Power Capacity Factor %	88.0%	88.0%	85.0%	78.9%					
Power Sold - % of Capacity to Sell	88.0%	89.3%	85.8%	80.0%	85.8%				

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

Attachment C3	ecomaine Balance Sheet			
December, 2017 (FY18)				
	Year End Actuals @ 6/30			FY 2018
	2015	2016	2017	December

Assets

Current Assets

Balance Operating Cash	\$6,298,130	\$5,914,305	\$6,223,377	\$6,012,636
Accounts Receivable	1,943,169	1,885,906	2,135,332	1,653,905
Inventory	2,487,755	2,641,991	2,808,335	2,759,452
Prepaid Expenses	190,326	405,802	197,485	263,259
Total Current Assets	\$10,919,380	\$10,848,004	\$11,364,529	\$10,689,253

Property, Plant & Equipment

Less: Accumulated Depreciation	105,721,945	109,792,071	113,825,748	115,935,369
Net Property, Plant and Equipment	31,078,757	29,039,060	28,037,761	27,579,379

Cash Reserve Accounts

Gorham Property	1,500,000	-	-	-
Total Assets	\$63,710,335	\$62,510,802	\$64,040,233	\$64,580,403

Liabilities

Current Liabilities

Accounts Payable	49,687	83,895	526,605	328,645
Accrued Expenses	1,148,099	751,829	800,081	904,476
Accrued Compensated Absences	980,386	901,118	993,122	1,052,133
Total Current Liabilities	2,178,171	1,736,842	2,319,808	2,285,254

Other Liabilities

Bonds - Long-Term Portion				
Accrued Landfill Close & Post Close costs	16,451,511	16,746,994	14,564,514	14,697,220
Accrued Post Retirement Benefit - Health Care	439,894	510,352	570,596	605,825
Total Liabilities	19,069,577	18,994,189	17,454,918	17,588,300

Net Assets (Equity)

Fund Balance (Retained Earnings)	45,675,907	44,640,758	43,516,613	46,585,314
Revenues Less Expenses (Current Year)	(1,035,148)	(1,124,146)	3,068,702	406,788
Total Fund Balance (Retained Earnings)	44,640,758	43,516,613	46,585,314	46,992,103
Total Net Assets (Equity)	\$ 44,640,758	\$ 43,516,613	\$ 46,585,314	\$ 46,992,103

Attachment C4

ecomaine							
Statement of Cash Balances December, 2017 (FY18)							
	12 Month Actuals @ 6/30			Bud FY 2018 @	Act FY 18 @	Reserves	Reserve
	2015	2016	2017	6/30/18	12/31/17	per policy	Target
Cash & Reserves - beginning of period	29,317,000	26,510,251	28,538,043	\$28,131,027	30,861,320		
Cash flows from operating activities:							
Net operating income	(1,238,109)	(1,232,895)	1,802,380	(3,768,567)	(442,996)		
Add back: depreciation	3,804,881	4,201,984	4,177,307	4,348,113	2,109,621		
Add back: landfill closure costs	259,936	295,483	(2,182,480)	300,000	132,707		
Add back: Post Retirement Benefit	49,730	70,458	60,244	85,000	35,229		
Other working capital changes	(41,673)	(859,134)	388,720		433,349		
Net cash provided by operating activities	<u>2,834,765</u>	<u>2,475,896</u>	<u>4,246,170</u>	<u>964,546</u>	<u>2,267,910</u>		
Cash flows from capital and related financing activities:							
Payment of interest	427	1,983	-	0	0		
Repayment of long-term debt	-	-	-	0	0		
Repayment of capital leases	-	-	-	0	0		
Net cash used in capital and related financing	<u>427</u>	<u>1,983</u>	<u>-</u>	<u>0</u>	<u>0</u>		
Cash flows from investing activities:							
Receipts of interest	48,352	35,662	36,584	33,820	22,589		
Investment income	71,167	141,924	1,164,205	0	823,828		
Capital expenditures	(5,761,460)	(2,147,288)	(3,123,683)	(4,512,950)	(1,651,239)		
Sale of Gorham Property		1,519,615					
Net cash used in investing activities	<u>(5,641,941)</u>	<u>(450,087)</u>	<u>(1,922,894)</u>	<u>(4,479,130)</u>	<u>(804,822)</u>		
Net increase (decrease) in cash	(2,806,749)	2,027,792	2,323,277	(3,514,584)	1,463,087		
Cash & Reserves - end of period	<u>26,510,251</u>	<u>28,538,043</u>	<u>30,861,320</u>	<u>24,616,443</u>	<u>32,324,407</u>		

Cash Reserve Detail							
Operating Cash Reserve	8,174,000	8,249,690	8,290,518	8,244,555	8,295,874	8,295,874	8,295,874
Landfill Closure Reserve	300,151	300,941	301,736	300,223	301,610	301,610	301,610
Descretionary Landfill Closure Reserve	3,922,780	6,214,445	7,712,419	8,138,790	9,560,194	9,560,194	22,217,000
Long Term Capital Reserve	4,049,713	4,057,653	4,520,183	4,225,641	4,837,549	4,837,549	4,837,549
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	3,290,504	3,316,543	3,316,543	3,316,543
Bond Payment Reserves							
Debt Service Reserves							
Balance Operating Cash	6,298,130	5,914,305	6,223,377	416,730	6,012,636		
Total	<u>\$26,510,251</u>	<u>\$28,538,043</u>	<u>\$30,861,320</u>	<u>\$24,616,443</u>	<u>\$32,324,407</u>	<u>\$26,311,771</u>	<u>\$38,968,576</u>

Attachment C5

ecomaine								
Capital Expenditures								
December, 2017 (FY18)								
Project		FY 2018 Budget	Project Expend YTD	FY 18 Forecast	Variance From Budget	Total Cost @ 06/30/18	Inservice Date	Comments
No	Title							
Waste-to-Energy								
1524-481-2	480 volt switchgear	\$ 475,000	62,516	\$ 350,000	\$ 125,000	\$ 350,000	Apr-18	In Progress
1524-149-2	x Boiler - Air Preheater Coil Upgrade	-	118,250	118,250	(118,250)	850,304	Sep-17	Complete
1524-477-7	Boiler - Inconel Work - FY 18	250,000		250,000	-	250,000	Apr-18	
1524-359-2	Boiler - Superheater Tube Replacements.	150,000		150,000	-	150,000	Apr-18	
1524-412-3	x Building - Locker Room Renovations & Decon Zone		(1,702)	(1,702)	1,702	(1,702)	Jul-17	Complete
1524-029-2	Building Improvements - Leaks, Siding, Remodeling	3,000,000	29,000	1,500,000	1,500,000	1,500,000	Dec-18	In Progress
1524-517-2	Cameras - Refuse Bunker - FLIR Cameras		12,235	40,000	(40,000)	52,235	Jun-18	In Progress
1524-232-2	CEMS - Data Logger Replacements		55,580	60,000	(60,000)	60,000	Jun-18	In Progress
1524-547-1	Control Room - RTU for ISO NE Dispatchability Requirement			32,000	(32,000)	32,000	Jan-18	In Progress
1524-298-3	ESP - Casing Repairs - FY 18	600,000		300,000	300,000	300,000	Apr-18	In Progress
1524-533-2	ESP - Rebuild plates and electrodes (1,2,3 out of 5)	1,400,000	16,500	700,000	700,000	700,000	Apr-18	In Progress
1524-	Facility Process Improvements - Engineering	250,000		250,000	-	250,000	Jun-18	In Progress
1524-373-2	x Refuse Crane - Rebuild (rails)		7,175	7,175	(7,175)	7,175	Jul-17	Complete
1524-372-2	Refuse Crane - Replacement	575,000	419,117	685,000	(110,000)	1,641,667	Jan-18	In Progress
1526-538-1	Vehicles - Loader		266,938	266,938	(266,938)	266,938	Aug-17	Complete
	Subtotal WTE	6,700,000	985,609	4,707,661	1,992,339	6,408,618		
Recycle								
1527-468-3	Equipment - Harris Baler Ejector Cylinder Replacement	60,000	63,766	63,766	(3,766)	63,766	Jul-17	Complete
1527-468-4	Equipment - Harris Baler Reline Plates & Hardware	60,000		60,000	-	60,000	Mar-18	
1527-394-4	Equipment - Install B-1 Drum Feeder Belt	20,000		20,000	-	20,000	Apr-18	
1527-	Equipment - Other equipment upgrades	300,000		300,000	-	300,000	Jun-18	
1527-250-2	Equipment - Plant Air Compressor Replacement		129	129	(129)	41,766	Jul-17	Complete
1526-535-1	Vehicles - Fork Truck Replacements - 1		(68)	(68)	68	32,890	Jul-17	Complete
1526-536-1	Vehicles - Fork Truck Replacements - 2		(68)	(68)	68	32,890	Jul-17	Complete
1526-537-1	Vehicles - Loader Replacement		258	258	(258)	133,108	Jul-17	Complete
	Subtotal Recycle	440,000	64,018	444,018	(4,018)	850,129		
Landfill								
1525-545-1	Equipment - Generator		350	350	(350)	13,061	Jun-17	Complete
1525-499-3	Land - Design/Permit Landfill East Expansion	150,000		100,000	50,000	100,000	May-18	
1525-403-2	Land - Geomembrane cover	115,000	130,683	145,000	(30,000)	145,000	Oct-18	In Progress
1525-548-1	Land - GeoTech Monitoring Settlement Platforms	21,950		21,950	-	21,950	Jun-18	Postponed
1525-547-1	Land - Phase One Settlement Berm	16,000		-	16,000	-		Postponed to FY19
1526-501-2	Vehicles - Dump Truck Body			32,000	(32,000)	32,000	Jan-18	In Progress
1526-	Excavator			302,000	(302,000)	302,000	Feb-18	In Progress
	Subtotal Landfill	302,950	131,033	601,300	(298,350)	614,011		
Administration								
1524-412-4	Building - Office Improvements	25,000		-	25,000	-		Cancelled
1524-526-2	Building - Scale House Sign	15,000		16,000	(1,000)	16,000	Apr-18	In Progress
1524-526-1	x Building - Scalehouse Replacement		388,544	438,700	(438,700)	739,910	Feb-18	In Progress
1528-546-1	Conference Room - Projector & Screen Upgrades		15,912	15,912	(15,912)	30,374	Aug-17	Complete
1528-541-1	Phone System - Replacement		2,202	10,000	(10,000)	42,393	Aug-17	Complete
1528-525-1	x Systems - Software Upgrades	30,000	85,921	88,000	(58,000)	164,780	Jun-18	In Progress
	Subtotal Administration	70,000	492,579	568,612	(498,612)	993,457		
Total All Areas		\$7,512,950	\$ 1,673,239.29	\$6,321,591	\$1,191,359	\$8,866,214		
	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 C6		ecomaine 12/31/17				
Accounts Receivables						
Date	Item	Current	31-60 Days	61-90 Days	91 & Over Days	Total
06/30/17	Balances	\$1,922,940	\$330,174	\$17,470	\$71,257	\$2,341,841
	%	82.1%	14.1%	0.7%	3.0%	100.0%
07/31/17	Balances	\$1,580,124	\$466,336	\$44,083	\$42,216	\$2,132,778
	%	74.1%	21.9%	2.1%	2.0%	100.0%
08/31/17	Balances	\$1,660,552	\$208,363	\$77,433	\$63,436	\$2,009,785
	%	82.6%	10.4%	3.9%	3.2%	100.0%
09/30/17	Balances	\$1,456,054	\$285,575	\$4,009	\$94,157	\$1,839,796
	%	79.1%	15.5%	0.2%	5.1%	100.0%
10/31/17	Balances	\$1,403,479	\$316,367	-\$46,011	\$50,121	\$1,723,956
	%	81.4%	18.4%	-2.7%	2.9%	100.0%
11/30/17	Balances	\$1,514,302	\$103,994	\$48,792	\$65,432	\$1,732,521
	%	87.4%	6.0%	2.8%	3.8%	100.0%
12/31/17	Balances	\$983,860	\$237,256	\$54,201	\$56,990	\$1,332,307
	%	73.8%	17.8%	4.1%	4.3%	100.0%

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