



**Financial Statements**

**For the Years Ended  
June 30, 2024 and 2023**

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## Independent Auditor's Report

Board of Directors  
ecomaine

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of ecomaine as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise ecomaine's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ecomaine as of June 30, 2024 and 2023, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management for the Financial Statements***

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

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

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 ecomaine's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the ecomaine's ability to continue as a going concern for a reasonable period of time.

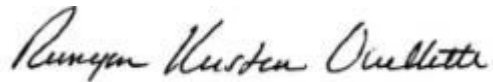
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedule of changes in ecomaine's total health plan OPEB liability and related ratios, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

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



September 18, 2024

South Portland, Maine

Management's Discussion and Analysis  
June 30, 2024

This discussion and analysis of ecomaine's financial performance provides an overall review of our financial activities for the year ended June 30, 2024. It consists of a series of financial statements and notes on those statements that are prepared and organized so the reader can understand ecomaine as an entire operating entity as well as providing a detailed look at our specific financial conditions. Readers should also review the financial statements and the related notes to enhance their understanding of ecomaine's financial performance.

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, liabilities, deferred outflows of resources, and deferred inflows of resources 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's 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.

The statements of net position look at ecomaine as a whole. Table 1 below is a summary of ecomaine's net position for 2024 with comparative numbers for 2023. Details for Table 1 can be found on the [Statements of Net Position](#) on page 10 in the financial statements.

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

|                                  | June 30,<br><u>2024</u> | June 30,<br><u>2023</u> |
|----------------------------------|-------------------------|-------------------------|
| <b>ASSETS</b>                    |                         |                         |
| Current                          | \$ 14,738,198           | 13,491,619              |
| Capital assets, net              | 39,396,942              | 36,392,421              |
| Right to use leased Facility     | 17,817,041              | -                       |
| Investments                      | 21,517,192              | 18,857,259              |
| Total assets                     | 93,469,373              | 68,741,299              |
| <br>                             |                         |                         |
| <b>DEFERRED OUTFLOWS</b>         | 51,604                  | -                       |
| <br>                             |                         |                         |
| <b>LIABILITIES</b>               |                         |                         |
| Current                          | 3,313,561               | 2,323,592               |
| Long-term liabilities            | 43,402,239              | 24,214,360              |
| Total liabilities                | 46,715,800              | 26,537,952              |
| <br>                             |                         |                         |
| <b>DEFERRED INFLOWS</b>          | 1,313,585               | 587,830                 |
| <br>                             |                         |                         |
| <b>NET POSITION</b>              |                         |                         |
| Net investment in capital assets | 33,202,281              | 31,162,390              |
| Unrestricted                     | 12,289,312              | 10,453,127              |
| Total net position               | \$ 45,491,593           | 41,615,517              |

## Management's Discussion and Analysis, Continued

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**Cash balances on hand (including Investment Reserves) totaled \$27.5 million at year end FY 24, which was an increase of \$1.97 million from FY 23.**

- The cash provided by Operations in FY 24 totaled \$5.1 million which was \$6.8 million more than in FY 23. Two major contributors were the market for recycled materials improved by \$1.23 million and the positive impact of having the turbine in operations for the full year and the resultant increase in electricity generated of \$1.39 million and reduction in bypass costs \$1.5 million.
- A favorable variance was the result of financial markets improving with an increase of investment market value of \$2.49 million.
- Another use of cash was \$6.68 million of capital spending, which included approximately \$3.8 million of WTE improvements, \$642 thousand of recycling improvements, and \$534 thousand of landfill improvements. \$2.06 million of these improvements were funded by proceeds from a financed purchase agreement.

**The total Net Position for ecomaine increased from \$41.6 million at the end of FY 23 to \$45.5 million at the end of FY 24.**

- Total assets for ecomaine increased by \$24.73 million from \$68.74 million in FY 23 to a total of \$93.47 million in FY 24.
  - ✓ Current assets increased by \$1.25 million from \$13.49 million in FY 23 to \$14.74 million in FY 24 resulting primarily from an increase in account and lease receivables (\$1.08 Million), Prepaid expenses (\$587 thousand), and inventory (\$337 thousand) offset by a decrease in cash and cash equivalents (\$-690 thousand).
  - ✓ Capital assets, net of depreciation, were up \$3 million to \$39.4 million due to the capital investments of \$6.68 million being more than depreciation expense of \$3.67 million in FY 24.
  - ✓ ecomaine entered into a new lease and under the lease accounting rules recognizes a Right of Use asset for the building which totaled \$17.8 million at the end of FY 24.
- Total Liabilities for ecomaine increased from \$26.54 million at the end of FY 23 to \$46.72 million at the end of FY 24.
  - ✓ Current Liabilities increased from \$2.32 million in FY 23 to \$3.31 million in FY 24 primarily due to the increase in the accounts payable (\$325 thousand), increase in accrued expenses (\$239 thousand) and increase of the current portion of long-term debt and finance lease payable (\$377 thousand).
  - ✓ Long-term liabilities were up \$19.19 million. The primary reason for this large increase is the offsetting long term obligation for the lease of 90 Blueberry. In addition, there was an increase in long-term debt (\$706 thousand) and an increase in the accrued landfill closure and post closure liability (\$497 thousand).

Management’s Discussion and Analysis, Continued

**Financial Highlights**

**Return to Normal Operations -Waste to Energy Operations (WTE)**

This past year is best described as a return to normal operations. The prior two years were significantly impacted by the turbine outage, which resulted in significantly higher bypass and operating costs. This year the WTE plant was able to operate at its normal capacity with a boiler availability factor of 92% and a power sold capacity factor of 82%. Recognize that power sold capacity is impacted by internal use of power, so it is expected to be lower. Overall, WTE expenditures decreased by \$1.85 million. The largest reduction in expenditures was a decrease of bypass costs of \$1.51 million. On the revenue side, electrical generation from the WTE plant increased from \$3.2 million in FY 23 to \$4.6 million with twelve full months of generation, as compared to nine months in FY 23.

**Recycling Commodity Prices**

Over the past three years we have experienced both a strong market for commodity prices (FY22) and a poor market (FY23) related to the sale of recycled goods. This past year we saw a gradual increase in pricing. Prices for fiber (mixed paper and cardboard) plummeted in FY23 due to oversupply and fears of a recession. Both mixed paper and cardboard prices increased throughout FY 24 and were at reasonable prices to close the year. Revenues from the sale of recycled goods increased from \$1.46 million in FY23 to \$2.7 million in FY24.

**Investment Returns - Reserve Funds**

ecomaine has invested reserves in a blend of fixed income and stock investments. Both of these security types have annual fluctuations in their market prices with ups and downs in the market and interest rates. During the past year the combined reserve investment portfolio incurred an increase in value of \$2.49 million during FY24 as compared to an increase in value of 1.25 million in FY23. We anticipate some volatility in these reserves but the overall return over the past five years has averaged 7.8% for the whole investment reserve portfolio.

**Table 2  
Comparing FY24 Actual to FY23 Actual**

|   | <b><u>FY<br/>2024</u></b> | <b><u>FY<br/>2023</u></b> | <b><u>Increase<br/>(decrease)</u></b> |
|---|---------------------------|---------------------------|---------------------------------------|
| <b>REVENUES</b>                           |                           |                           |                                       |
| Operating revenues                        | \$ 28,124,949             | 23,449,992                | 4,674,957                             |
| <b>OPERATING EXPENSES</b>                 |                           |                           |                                       |
| Administration                            | 3,807,396                 | 3,710,438                 | 96,958                                |
| Waste-to-energy operations                | 13,040,461                | 14,894,533                | (1,854,072)                           |
| Recycling operations                      | 2,922,061                 | 2,763,678                 | 158,383                               |
| Landfill & transportation operations      | 2,660,568                 | 2,458,979                 | 201,589                               |
| Landfill closure and post closure costs   | 496,903                   | 557,828                   | (60,925)                              |
| Other postemployment benefits             | 22,361                    | 11,054                    | 11,307                                |
| Depreciation and amortization             | 4,046,309                 | 3,395,423                 | 650,886                               |
| Total operating expenses                  | 26,996,059                | 27,791,933                | (795,874)                             |
| <b>NON-OPERATING REVENUES (EXPENSES):</b> |                           |                           |                                       |
| Interest income                           | 570,473                   | 427,106                   | 143,367                               |
| Interest expense                          | (342,582)                 | (113,693)                 | (228,889)                             |
| Gain (loss) on investments                | 2,487,057                 | 1,252,380                 | 1,234,677                             |
| All other                                 | 32,238                    | 82,472                    | (50,234)                              |
| Net non-operating revenues                | 2,747,186                 | 1,648,265                 | 1,098,921                             |
| Increase (decrease) in net position       | \$ 3,876,076              | (2,693,676)               | 6,569,752                             |



Management's Discussion and Analysis, Continued

Details for Table 2 can be found in the Statements of Revenues, Expenses, and Changes in Net Position on page 11 of the financial statements.

***FY 24 Revenue less Expenses (change in net position) was an increase of \$3.88 million compared to the FY 23 decrease of 2.69 million reflecting a favorable operating result.***

- *FY 25 revenues (\$28.12 million) were up \$4.67 million from FY 23 Revenues (\$23.45 million) .*
  - ✓ *Total solid waste volume received by ecomaine was up slightly .66% totaling 191,515 tons in FY 24 compared with 190,255 tons in FY 23. Overall tipping fees were \$98.06 per ton in FY 24 compared to \$92.67 in FY 23. This 5.8% increase in revenue per ton along with increase in tonnage resulted in a 11% increase in WTE tipping fee revenue for FY 24. Tipping fees for solid waste totaled \$18.78 million in FY 24 compared to \$16.92 million in FY 23.*
  - ✓ *Inbound recycle volume totaled 34,598 tons in FY 24, a 941 ton decrease (-2.65%) from FY 23, which was 35,539 tons, while the market value for outbound recycle material averaged \$73.13 per ton, as compared to FY 23's rate of \$ 29.8 per ton a year ago. As a result, FY 24 recycling sale of recycled goods were up \$1.23 million.*
  - ✓ *With the turbine refurbishment and fully operational in FY 24, ecomaine sold 87,794 MWH's of electricity into the New England power grid, which was up 39% from FY 23's 63,120 MWH's. The market value of the power averaged \$52.15 per MWH which was up 3.19% from FY23 (\$50.54/MWH). As a result, revenue from the sale of energy totaled \$4.578 million in FY 24, up from \$3.19 million from FY 23.*
- *Total operating expenses (\$27 million) were \$796 thousand favorable to FY 23 expenses (\$27.79 million). The largest decrease in expenses relates to the \$1.854 million decrease in waste by-pass expense in FY 24, including a decrease in bypass, of 1.51 million. These decreases were somewhat offset by added costs of adding the 90 Blueberry building expenses of \$128 thousand, and \$141 thousand increase in costs for leachate treatment at the landfill.*
- *Non-operating revenue increased during the year with interest revenue and gain on investments having a strong year with an increase in overall income of \$1.378 million, while interest expense increased by \$229 thousand.*

**Comparing FY 24 Actual to FY 24 Budget**

***Overall FY 24 Operating Revenues exceeded the budget by \$990 thousand. FY24 operating revenues (\$28.13 million) were better than FY 24 budgeted revenues (\$27.14 million) primarily because of an increase in sale of recycled goods (\$553 thousand), an increase in recycling tipping fee (\$379 thousand), and better than expected electrical generating revenues (\$151 thousand).***

Management’s Discussion and Analysis, Continued

- ✓ Total solid waste volume received by ecomaine was 191,515 tons in FY 24, which was less than the FY 24 budget of 194,797 tons. This was a slight increase over FY 23 total of 190,255 tons.

FY24 Tons Data:

|               | <u>Budget</u>  | <u>Actual</u>  | <u>Variance</u> |
|---------------|----------------|----------------|-----------------|
| Owner         | 57,730         | 58,147         | 417             |
| Associate     | 13,758         | 13,644         | (114)           |
| Contract      | 23,992         | 24,360         | 368             |
| Commercial    | 95,054         | 90,454         | (4,600)         |
| Spot          | 4,263          | 4,910          | 647             |
| <u>Totals</u> | <u>194,797</u> | <u>191,515</u> | <u>(3,282)</u>  |

- ✓ Inbound recycling volume totaled 34,598 tons in FY 24 which exceeded budget by 4,108 tons from the FY 24 budget (30,490 tons) while the market value improved for outbound recyclable material averaged \$76.44 per ton compared to \$49.57 per ton in the budget (which uses a five-year average). As a result, sale of recycling material revenues exceeded budget by \$553 thousand.
- ✓ In FY 24, ecomaine sold 87,794 MWH’s of electricity into the New England power grid, which was less than anticipated 88,375 MWH’s, while the market value of the power increased, averaging \$52.15 per MWH which compared favorably to the FY 24 budget of \$50.09 per MWH. As a result, revenue from the sale of energy totaled \$4.58 million in FY 24, which was more than the FY 24 budget by \$151k.

*Total operating expenditures (budgetary basis) including depreciation expenses (\$26.95 million) were \$1.29 million favorable to the FY 24 budgeted expenses (\$28.24 million).*

- ✓ Departmental operating expenses (excluding depreciation) totaled \$23.28 million, as compared to FY23 revised budgeted departmental expenses of \$24.3 million for a positive variance to revised budget of \$1.03 million. *On the WTE side, expenditures were favorable; bypass (\$410K) wages and benefits (\$324K) chemicals (\$202). On the recycling side, wages and benefits were favorable (\$196K) which was offset by the cost of the new lease and operating expenditures of 90 blueberry building (-\$458K), which were unbudgeted. The Landfill budget experienced overages in sewerage charges (-\$212K) due to increased rainfall and major repairs (\$88K) due primarily as a result of the unplanned header pipe repair. Additionally, depreciation (\$3.67 million) which was \$261 thousand below budget.*

*Non-Operating Revenue was favorable in FY 24 compared to budget with a positive variance of \$2.59 million primarily as a result of an overall positive investment market.*

**Cash balances on hand (including Investment Reserves) increased in FY24 by \$1.97 million compared with FY23.**

- *The cash provided by Operations in FY 24 totaled \$5.1 million as compared to a negative \$1.66 generated in FY 23. This was primarily the result of improved operating conditions as compared to the prior year and the impact of the turbine outage.*
- *On a positive side, stronger financial markets increased investments by \$2.49 million.*
- *Capital expenditures were \$6.68 million and were less than the anticipated budget of \$7.65 million. Of note, the \$1.5 million NOx project was delayed and not started.*

Management’s Discussion and Analysis, Continued

**Capital Assets (net of depreciation) increased in FY 24 by \$3 million compared with FY 23.**

The chart below shows how ecomaine’s capital investment changes over time as a result of the effects of depreciation. It shows if the organization’s investments in capital infrastructure are keeping up with depreciation.

**Capital Expenditures and Asset Values  
Table 3  
Capital Assets at June 30  
(Net of accumulated depreciation)**

|                                    | June 30,<br><u>2024</u>     | June 30,<br><u>2023</u>  |
|------------------------------------|-----------------------------|--------------------------|
| Land                               | \$ 2,059,855                | 2,015,201                |
| Construction in progress           | 2,132,779                   | 809,163                  |
| Vehicles                           | 1,492,149                   | 1,566,477                |
| Office equipment                   | 134,965                     | 145,721                  |
| Recycling facility and equipment   | 2,185,482                   | 1,990,753                |
| Balefill/ashfill/leachate site     | 6,129,835                   | 6,266,171                |
| Waste-to-energy facility           | 25,261,877                  | 23,598,935               |
| <b><u>Total capital assets</u></b> | <b><u>\$ 39,396,942</u></b> | <b><u>36,392,421</u></b> |

**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 Greg L’Heureux, Director of Finance and Administration, at (207) 523-3107.

**ecomaine**  
**Statements of Net Position**  
**As of June 30, 2024 and 2023**

|  | 2024                 | 2023              |
|--|----------------------|-------------------|
| <b>ASSETS</b>  |                      |                   |
| Current assets:  |                      |                   |
| Cash and cash equivalents                                    | \$ 1,409,262         | 1,673,541         |
| Accounts receivable, net                                     | 2,520,443            | 2,244,401         |
| Lease receivable   | 1,163,577            | 363,862           |
| Amounts held in escrow                                       | 164,446              | 227,667           |
| Inventory  | 3,708,824            | 3,371,438         |
| Prepaid expenses   | 1,048,738            | 462,004           |
| Security deposits  | 100,000              | 100,000           |
| Total current assets   | 10,115,290           | 8,442,913         |
| Noncurrent assets:   |                      |                   |
| Capital assets   | 85,940,952           | 79,420,606        |
| Accumulated depreciation                                     | (46,544,010)         | (43,028,186)      |
| Subtotal capital assets                                      | 39,396,942           | 36,392,420        |
| Right to-use leased facility-net                             | 17,817,041           | -                 |
| Total noncurrent assets                                      | 57,213,983           | 36,392,420        |
| Reserves:  |                      |                   |
| Cash and cash equivalents - reserves                         | 4,622,908            | 5,048,706         |
| Investment - reserves  | 21,517,192           | 18,857,259        |
| Total reserves   | 26,140,100           | 23,905,965        |
| Total noncurrent assets                                      | 83,354,083           | 60,298,385        |
| <b>Total assets</b>  | <b>93,469,373</b>    | <b>68,741,298</b> |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                        |                      |                   |
| Deferred outflows of resources related to OPEB               | 51,604               | -                 |
| <b>Total deferred outflows of resources</b>                  | <b>51,604</b>        | <b>-</b>          |
| <b>LIABILITIES</b>   |                      |                   |
| Current liabilities:   |                      |                   |
| Accounts payable   | 708,137              | 383,198           |
| Accrued expenses   | 807,925              | 568,991           |
| Accrued salaries   | 321,463              | 272,812           |
| Current portion of long term debt and facility lease payable | 1,476,036            | 1,098,591         |
| Total current liabilities                                    | 3,313,561            | 2,323,592         |
| Noncurrent liabilities:                                      |                      |                   |
| Other post-employment benefit liability                      | 878,471              | 744,142           |
| Accrued compensated absences                                 | 1,102,623            | 1,110,345         |
| Accrued landfill closure and postclosure care liabilities    | 18,497,670           | 18,000,767        |
| Facility lease payable                                       | 17,858,130           | -                 |
| Long term debt, less current portion                         | 5,065,345            | 4,359,106         |
| Total noncurrent liabilities                                 | 43,402,239           | 24,214,360        |
| <b>Total liabilities</b>                                     | <b>46,715,800</b>    | <b>26,537,952</b> |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                         |                      |                   |
| Deferred inflows of resources related to OPEB                | 180,662              | 241,026           |
| Deferred inflows of resources related to Tower Lease         | 1,132,923            | 346,804           |
| <b>Total deferred inflows of resources</b>                   | <b>1,313,585</b>     | <b>587,830</b>    |
| <b>NET POSITION</b>  |                      |                   |
| Net investment in capital assets                             | 33,202,281           | 31,162,390        |
| Unrestricted   | 12,289,312           | 10,453,127        |
| <b>Total net position</b>                                    | <b>\$ 45,491,593</b> | <b>41,615,517</b> |

*See accompanying notes to financial statements.*

**ecomaine**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**For the Years Ended on June 30, 2024 and 2023**

|  | <b>2024</b>          | <b>2023</b>       |
|--|----------------------|-------------------|
| <b>Operating revenues:</b>                       |                      |                   |
| Tipping fees                                     | \$ 8,585,383         | 7,923,815         |
| Commercial tipping fees and spot market waste    | 10,199,371           | 8,998,561         |
| Electrical generating revenues                   | 4,578,128            | 3,190,379         |
| Recycling tipping fees                           | 1,115,168            | 1,132,253         |
| Recycling owner tipping fees                     | 791,673              | 627,674           |
| Sales of recycled goods                          | 2,697,045            | 1,464,222         |
| Other operating income                           | 158,181              | 113,088           |
| Total operating revenues                         | 28,124,949           | 23,449,992        |
| <b>Operating expenses:</b>                       |                      |                   |
| Administrative expenses                          | 3,807,396            | 3,710,438         |
| Waste-to-energy operating expenses               | 13,040,461           | 14,894,533        |
| Recycling operating expenses                     | 2,922,061            | 2,763,678         |
| Transportation operating expenses                | 676,484              | -                 |
| Landfill/ashfill operating expenses              | 1,984,084            | 2,458,979         |
| Landfill closure and postclosure care costs      | 496,903              | 557,828           |
| Other post-employment benefits                   | 22,361               | 11,054            |
| Total operating expenses other than depreciation | 22,949,750           | 24,396,510        |
| Net operating income (loss) before depreciation  | 5,175,199            | (946,518)         |
| Depreciation and amortization                    | 4,046,309            | 3,395,423         |
| Net operating income (loss)                      | 1,128,890            | (4,341,941)       |
| <b>Non-operating revenues (expenses):</b>        |                      |                   |
| Interest and dividend income                     | 570,473              | 427,106           |
| Interest expense                                 | (342,582)            | (113,693)         |
| Miscellaneous receipts                           | 20,329               | 33,062            |
| Gain on investments                              | 2,487,057            | 1,252,380         |
| Gain (loss) on disposition of assets             | 11,909               | 49,410            |
| Net non-operating revenue (expenses)             | 2,747,186            | 1,648,265         |
| Change in net position                           | 3,876,076            | (2,693,676)       |
| Total net position, beginning of year            | 41,615,517           | 44,309,193        |
| <b>Total net position, end of year</b>           | <b>\$ 45,491,593</b> | <b>41,615,517</b> |

**ecomaine**  
**Statements of Cash Flows**  
**For the Years Ended on June 30, 2024 and 2023**

|   | <b>2024</b>         | <b>2023</b>        |
|---|---------------------|--------------------|
| <b>Cash flows from operating activities:</b>  |                     |                    |
| Receipts from assessments and tipping fees  | \$ 20,415,553       | 18,530,074         |
| Receipts from electrical generating revenues  | 4,578,128           | 3,190,379          |
| Receipts from other sources   | 2,861,959           | 1,603,320          |
| Payments to employees   | (9,458,794)         | (9,434,271)        |
| Payments to suppliers   | (13,291,010)        | (15,545,052)       |
| Net cash and cash equivalents provided by (used in) operating activities  | 5,105,836           | (1,655,550)        |
| <b>Cash flows from capital and related financing activities:</b>  |                     |                    |
| Interest payments on long term debt   | (170,238)           | (113,694)          |
| Payments on facility lease  | (329,688)           | -                  |
| Payments on long term debt  | (1,098,590)         | (711,378)          |
| Proceeds from long term debt  | 2,063,221           | 3,772,333          |
| Purchases of property, plant and equipment  | (6,680,653)         | (6,663,847)        |
| Sale of other assets  | 22,438              | 49,410             |
| Net cash and cash equivalents provided by (used in) capital and related financing activities                            | (6,193,510)         | (3,667,176)        |
| <b>Cash flows from investing activities:</b>  |                     |                    |
| Sale (purchase) of investments  | (2,659,933)         | 3,834,081          |
| Gain (loss) on investments  | 2,487,057           | 1,252,380          |
| Interest income   | 570,473             | 427,106            |
| Net cash and cash equivalents provided by (used in) investing activities  | 397,597             | 5,513,567          |
| Net increase (decrease) in cash   | (690,077)           | 190,842            |
| Cash and cash equivalents balance, beginning of year  | 6,722,247           | 6,531,406          |
| Cash and cash equivalents balance, end of year  | 6,032,170           | 6,722,247          |
| Less cash and cash equivalents - reserves   | (4,622,908)         | (5,048,706)        |
| <b>Cash and cash equivalents</b>  | <b>\$ 1,409,262</b> | <b>1,673,541</b>   |
| <b>Reconciliation of net operating income (loss) to net cash and cash equivalents provided by operating activities:</b> |                     |                    |
| Net operating income (loss)   | \$ 1,128,890        | (4,341,941)        |
| Adjustments to reconcile net operating income (loss) to net cash provided by operating activities:                      |                     |                    |
| Depreciation and amortization of right of use   | 4,046,309           | 3,395,423          |
| Purchase discounts  | 20,329              | 33,062             |
| (Increase) decrease in assets and deferred outflows:  |                     |                    |
| Accounts receivable   | (276,042)           | (152,229)          |
| Lease receivable  | (799,715)           | 59,771             |
| Inventory   | (337,386)           | (17,090)           |
| Prepaid expenses  | (586,734)           | (10,367)           |
| Security Deposits   | -                   | (100,000)          |
| Deferred outflows of resources  | (51,604)            | -                  |
| Increase (decrease) in liabilities and deferred inflows:  |                     |                    |
| Accounts payable  | 324,939             | (647,311)          |
| Accrued salaries  | 48,651              | 38,885             |
| Accrued compensated absences  | (7,722)             | 146,759            |
| Accrued expenses  | 238,934             | (562,571)          |
| Other post-employment benefits liability  | 134,329             | (38,214)           |
| Accrued landfill closure and postclosure care liabilities   | 496,903             | 557,828            |
| Deferred inflows of resources   | 725,755             | (17,555)           |
| <b>Net cash provided by (used in) operating activities</b>  | <b>\$ 5,105,836</b> | <b>(1,655,550)</b> |
| <b>Noncash activities:</b>  |                     |                    |
| Lease proceeds not yet drawn down   | \$ 164,446          | 227,667            |

*See accompanying notes to financial statements.*

**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 74 municipalities in southern Maine and New Hampshire. Owned and controlled by 20 of these municipalities at June 30, 2024, 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 tipping fees, 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 original 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. Exelon Generation Company, purchasers of ecomaine's electrical output, are 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 \$17,663 and \$21,964 at June 30, 2024 and 2023. 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.

**Prepaid Expenses** - Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses in the financial statements. The cost of prepaid expense is recorded as expenses when consumed rather than when purchased.

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

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES, CONTINUED

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**Capital Assets** - Capital assets are recorded at cost, (except for intangible right to use leased assets, the measurement of which is discussed in the lease footnote below). All costs incurred for construction, additions, and improvements to the facility, of more than \$10,000 and an estimated useful life of more than one year are capitalized. Donated capital assets are reported at their estimated acquisition cost at the date of donation. The costs for normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Depreciation/amortization 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 |
| Right to-use leased facility | 40 years      |

**Deferred Inflows and Outflows of Resources** - In addition to assets and liabilities, the statement of net position will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. These separate financial statement elements, deferred outflows of resources and deferred inflows of resources, represent a consumption or acquisition of net position that applies to a future period(s) and therefore will not be recognized as an outflow of resources (expense) or inflow of resources (revenue) until that time. ecomaine has deferred outflows and inflows that relate to the lease receivables and other postemployment benefit liability, which include ecomaine's benefit contributions subsequent to the measurement date, which is recognized as a reduction of the net other post-employment benefit liability in the subsequent year. They also include changes in assumptions, differences between expected and actual experience, and changes in proportion and differences between ecomaine contributions and proportionate share of contributions, which are deferred and amortized over the average expected remaining service lives of active and inactive members in the plan.

**Compensated Absences** - Under terms of personnel policies and union negotiated contracts, employees are granted vacation and sick and service time in varying amounts and are, in some cases, entitled to payment for unused vacation or sick and service payment upon termination or retirement. Compensated absences are accrued when incurred.

**Leases (Lessor)** - ecomaine is the lessor for non-cancellable leases of space on its tower for cellular equipment. ecomaine has recognized lease receivables and deferred inflows of resources in the financial statements. At the commencement of the leases, ecomaine measures the lease asset at the present value of payments expected to be made during the lease terms. Subsequently, the lease asset is reduced by the principal portion of the lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments made at or before the lease commencement date. Subsequently, the lease deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how ecomaine determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- ecomaine uses its estimated incremental borrowing rate as the discount rate for leases.



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

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

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- The lease term includes the noncancellable period of the leases. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

**Leases (Lessee):** ecomaine is a lessee for a noncancellable lease of a facility. ecomaine recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the financial statements. ecomaine recognizes lease liabilities with an initial, individual value of \$100,000 or more.

At the commencement of a lease, ecomaine initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how ecomaine determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- ecomaine uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, ecomaine generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that ecomaine is reasonably certain to exercise.

ecomaine monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

ecomaine monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

**Net Position Flow Assumption** - Although not a formal policy, when both restricted and unrestricted resources are available for use, it is ecomaine's intent to use restricted resources first, then unrestricted resources as they are needed.

**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.

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

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**DEPOSITS AND INVESTMENTS**

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**A. Deposits**

*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. As of June 30, 2024 and June 30, 2023, ecomaine had bank balances of \$5,921,168 and \$6,558,267, respectively, none of which was exposed to custodial credit risk as it was covered by the F.D.I.C. or collateralized by additional insurance.

**B. Investments**

ecomaine categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

ecomaine's policy is that all funds will be invested in accordance with Maine State law while the principal objectives in investing any ecomaine funds are safety, liquidity, and returns.

At June 30, 2024, ecomaine had the following investments and maturities:

|                            | <u>Fair Value</u>    | <u>Less than 1 year</u> | <u>1-5 years</u> | <u>Level 1 inputs</u> |
|----------------------------|----------------------|-------------------------|------------------|-----------------------|
| Mutual Funds               | \$ 725,648           | N/A                     | N/A              | 725,648               |
| Exchange Traded Fund       | 2,099,722            | N/A                     | N/A              | 2,099,722             |
| U.S. Government Securities | 5,534,766            | 4,056,001               | 1,478,765        | 5,534,766             |
| Equities/stock             | 13,157,056           | N/A                     | N/A              | 13,157,056            |
| <b>Total investments</b>   | <b>\$ 21,517,192</b> | <b>4,056,001</b>        | <b>1,478,765</b> | <b>21,517,192</b>     |

At June 30, 2023, ecomaine had the following investments and maturities:

|                            | <u>Fair Value</u>    | <u>Less than 1 year</u> | <u>1-5 years</u> | <u>Level 1 inputs</u> |
|----------------------------|----------------------|-------------------------|------------------|-----------------------|
| U.S. Government Securities | \$ 5,925,631         | 4,102,656               | 1,822,975        | 5,925,631             |
| Equities/stock             | 12,931,628           | N/A                     | N/A              | 12,931,628            |
| <b>Total investments</b>   | <b>\$ 18,857,259</b> | <b>4,102,656</b>        | <b>1,822,975</b> | <b>18,857,259</b>     |

*Cash and Investment Reserves* - ecomaine's Board of Directors approved the establishment of cash and investment 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. Such reserves consist of the following:

Operating Cash 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.

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

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**DEPOSITS AND INVESTMENTS, CONTINUED**

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Required Landfill Closure/Postclosure Reserve - The funds deposited in the required landfill closure reserve shall be used for funding the landfill's closure/postclosure costs as required by Section 8 of the Interlocal Solid Waste Agreement dated December 1, 2005.

Discretionary Landfill Closure/Postclosure Reserve - To be used to provide periodic funding for the landfill closure and postclosure care costs during the remaining useful life of the landfill and following closure.

Short-term Capital Reserve - The funds are intended to provide for routine capital projects in the event of unanticipated circumstances.

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.

|  | <u>2024</u>          | <u>2023</u>       |
|--|----------------------|-------------------|
| Operating Cash Reserve                   | \$ 2,064,489         | 1,666,809         |
| Landfill Closure Reserve - Required      | 318,908              | 304,360           |
| Landfill Closure Reserve - Discretionary | 16,391,117           | 14,310,380        |
| Long-term Capital Reserve                | 4,980,711            | 5,992,925         |
| Short-term Capital Reserve               | 2,384,875            | 1,631,491         |
| <b>Total reserve</b>                     | <b>\$ 26,140,100</b> | <b>23,905,965</b> |

*Custodial Credit Risk - investments:* For investments, custodial credit risk is the risk that, in the event of failure of the counterparty, ecomaine will not be able to recover the value of its investments that are in the possession of an outside party. ecomaine has the following policies for custodial credit risk.

**Authorized Securities and Transactions for All Investments Favoring Lower Risk and Higher Liquidity:**

The investments of these funds will be in demand accounts and time certificates of deposits, U.S. Treasury obligations, federal instrumentality securities, and money market mutual funds. They are all to be guaranteed by the federal government or one of its agencies backed by the federal government. The demand accounts and time certificates of deposit are 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.

**Authorized Securities and Transactions for Investments Favoring Reduced Liquidity, and Greater Returns:**

The investments in these funds is to be in 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.

*Interest Rate Risk - investments:* ecomaine does have a policy related to investment rate risk. This policy details that the investment and cash management portfolio be designed to attain a market value rate of return throughout budgetary and economic cycles, taking into account prevailing market conditions, risk constraints for eligible securities and cash flow requirements. Unless matched to a specific cash flow, ecomaine is not allowed to directly invest in securities maturing more than three years from the date of purchase.

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

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**DEPOSITS AND INVESTMENTS, CONTINUED**

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*Credit Risk - investments:* Maine statutes authorize ecomaine to invest in obligations of the U.S. Treasury and U.S. agencies, repurchase agreements and certain corporate stocks and bonds. ecomaine does have a formal policy related to credit risk as is detailed above.

At June 30, 2024, ecomaine's investments were rated as follows by Standard & Poor's.

|  |                     |
|--|---------------------|
| U.S. Government Securities with AA+ Ratings: |                     |
| United States Treasury Notes                 | \$ 3,239,579        |
| Federal Farm Credit Bank                     | 38,304              |
| Federal National Mortgage                    | 18,860              |
| Federal Home Loan Bank                       | 1,923,670           |
| Federal Home Loan Mortgage Corp              | 314,352             |
| <hr/>  |                     |
| <b>Total</b>                                 | <b>\$ 5,534,765</b> |

At June 30, 2023, ecomaine's investments were rated as follows by Standard & Poor's.

|  |                     |
|--|---------------------|
| U.S. Government Securities with AA+ Ratings: |                     |
| United States Treasury Notes                 | \$ 3,294,316        |
| Federal Farm Credit Bank                     | 477,350             |
| Federal National Mortgage                    | 18,119              |
| Federal Home Loan Bank                       | 1,836,854           |
| Federal Home Loan Mortgage Corp              | 298,992             |
| <hr/>  |                     |
| <b>Total</b>                                 | <b>\$ 5,925,631</b> |

The remainder of ecomaine's investments are not rated.

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**LEASES - LESSOR**

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In FY 2020, ecomaine entered into the first extension phase of a lease for space on its tower for cellular equipment. Under the terms of the lease, the lease may be extended for three terms, expiring on March 7, 2035. Under the lease terms, ecomaine will receive monthly payments of \$2,516 for the first extension, with payments increasing in the next two extensions to \$2,768 and \$3,044, respectively.

In FY 2024, ecomaine entered into a new lease for space on its tower for cellular equipment. Under the terms of the lease, the lease may be extended for four five year terms, expiring on February 29, 2044. Under the lease terms, ecomaine will receive monthly payments ranging from \$3,631 to \$6,366 through the end of the extension.

As of June 30, 2024 and 2023, ecomaine's receivable for lease payments was \$1,163,577 and \$363,862, respectively. ecomaine also has a deferred inflow of resources associated with the leases that will be recognized as revenue over the lease term. As of June 30, 2024 and 2023, the balance of the deferred inflow of resources was \$1,132,923 and \$346,804, respectively.

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

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**LEASES - LESSOR, CONTINUED**

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The future principal and interest lease payments as of June 30, 2024 were as follows:

| Fiscal year<br>ending June 30, | <u>Principal</u>    | <u>Interest</u> | <u>Total</u>     |
|--------------------------------|---------------------|-----------------|------------------|
| 2025                           | \$40,582            | 34,365          | 74,947           |
| 2026                           | 45,459              | 33,073          | 78,532           |
| 2027                           | 48,220              | 31,671          | 79,891           |
| 2028                           | 51,106              | 30,185          | 81,291           |
| 2029                           | 54,123              | 28,611          | 82,734           |
| 2030-2034                      | 335,839             | 115,141         | 450,980          |
| 2035-2039                      | 273,978             | 67,356          | 341,334          |
| 2040-2044                      | 314,270             | 23,437          | 337,707          |
| <b>Total</b>                   | <b>\$ 1,163,577</b> | <b>363,839</b>  | <b>1,527,416</b> |

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**LEASES - LESSEE**

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In FY 2024, ecomaine entered into a lease as lessee for warehouse and office space for a property located, adjacent to our facility, at 90 Blueberry Road. The property is being developed to house our new Materials Recovery Facility (MRF) anticipated to be operational in 2026. An initial lease liability was recorded in the amount of \$18,197,747 during the current fiscal year. As of June 30, 2024, the value of the lease liability was \$18,040,404. Under the terms of the lease, the lease is for 20 years with an additional 20-year extension available. Under the lease terms, ecomaine is required to make monthly payments ranging from \$32,969 to \$57,811 through the end of the original 20-year term. Thereafter, rents are adjusted to current market rates. The value of the right to use asset as of the end of the current fiscal year was \$18,197,747 and had accumulated amortization of \$370,706.

The future principal and interest lease payments as of June 30, 2024 were as follows:

| Fiscal year<br>ending June 30, | <u>Principal</u>     | <u>Interest</u>  | <u>Total</u>      |
|--------------------------------|----------------------|------------------|-------------------|
| 2025                           | \$182,274            | 225,220          | 407,494           |
| 2026                           | 200,213              | 219,506          | 419,719           |
| 2027                           | 219,068              | 213,242          | 432,310           |
| 2028                           | 238,881              | 206,399          | 445,280           |
| 2029                           | 259,690              | 198,948          | 458,638           |
| 2030-2034                      | 1,648,534            | 859,486          | 2,508,020         |
| 2035-2039                      | 2,344,602            | 562,880          | 2,907,482         |
| 2040-2044                      | 2,909,502            | 440,255          | 3,349,757         |
| 2045-2049                      | 2,115,033            | 1,353,621        | 3,468,654         |
| 2050-2054                      | 2,456,858            | 1,011,796        | 3,468,654         |
| 2055-2059                      | 2,853,928            | 614,726          | 3,468,654         |
| 2060-2063                      | 2,611,821            | 163,102          | 2,774,923         |
| <b>Total</b>                   | <b>\$ 18,040,404</b> | <b>6,069,181</b> | <b>24,109,585</b> |

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

**CAPITAL ASSETS**

Capital assets at June 30, 2024 and 2023 consisted of the following:

|  | Balance<br><u>June 30, 2023</u> | <u>Additions</u>   | <u>Deletions</u>   | Balance<br><u>June 30, 2024</u> |
|--|---------------------------------|--------------------|--------------------|---------------------------------|
| Capital assets, not being depreciated:             |                                 |                    |                    |                                 |
| Land-waste-to-energy/ashfill                       | \$ 2,015,201                    | 44,654             | -                  | 2,059,855                       |
| Construction in progress                           | 809,163                         | 8,305,751          | 6,982,135          | 2,132,779                       |
| <b>Total capital assets, not being depreciated</b> | <b>2,824,364</b>                | <b>8,350,405</b>   | <b>6,982,135</b>   | <b>4,192,634</b>                |
| Capital assets being depreciated:                  |                                 |                    |                    |                                 |
| Vehicles   | 2,986,173                       | 277,224            | 158,178            | 3,105,219                       |
| Office equipment                                   | 442,010                         | 29,643             | -                  | 471,653                         |
| Recycling facility and equipment                   | 8,883,092                       | 642,006            | -                  | 9,525,098                       |
| Balefill/ashfill/leachate site                     | 13,495,885                      | 534,105            | -                  | 14,029,990                      |
| Waste-to-energy facility                           | 50,789,082                      | 3,827,275          | -                  | 54,616,358                      |
| <b>Total capital assets being depreciated</b>      | <b>76,596,242</b>               | <b>5,310,254</b>   | <b>158,178</b>     | <b>81,748,318</b>               |
| Less accumulated depreciation:                     |                                 |                    |                    |                                 |
| Vehicles   | (1,419,696)                     | (343,154)          | 149,780            | (1,613,070)                     |
| Office equipment                                   | (296,291)                       | (40,397)           | -                  | (336,688)                       |
| Recycling facility and equipment                   | (6,892,339)                     | (447,277)          | -                  | (7,339,616)                     |
| Balefill/ashfill/leachate site                     | (7,229,713)                     | (670,441)          | -                  | (7,900,154)                     |
| Waste-to-energy facility                           | (27,190,147)                    | (2,164,334)        | -                  | (29,354,481)                    |
| <b>Total accumulated depreciation</b>              | <b>(43,028,186)</b>             | <b>(3,665,603)</b> | <b>149,780</b>     | <b>(46,544,010)</b>             |
| <b>Total capital assets being depreciated, net</b> | <b>33,568,056</b>               | <b>1,644,651</b>   | <b>8,398</b>       | <b>35,204,309</b>               |
| <b>Total capital assets</b>                        | <b>\$ 36,392,420</b>            | <b>\$9,995,056</b> | <b>\$6,990,533</b> | <b>\$39,396,942</b>             |

**RIGHT-TO-USE LEASED FACILITY**

Right to-use assets at June 30, 2024 and 2023 consisted of the following:

|                                  | Balance<br><u>June 30, 2023</u> | <u>Additions</u>  | <u>Deletions</u> | Balance<br><u>June 30, 2024</u> |
|----------------------------------|---------------------------------|-------------------|------------------|---------------------------------|
| Leased building                  | \$ -                            | 18,197,747        | -                | 18,197,747                      |
| Less accumulated amortization    | -                               | (380,706)         | -                | (380,706)                       |
| <b>Total right-to-use assets</b> | <b>\$ -</b>                     | <b>17,817,041</b> | <b>-</b>         | <b>17,817,041</b>               |

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

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**NET INVESTMENT IN CAPITAL ASSETS**

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**Net Position** - Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds and financed purchases. ecomaine's net investment in capital assets, were calculated as follows at June 30:

|   | <u>2024</u>          | <u>2023</u>       |
|---|----------------------|-------------------|
| Capital assets                                | \$ 85,940,952        | 79,420,606        |
| Accumulated depreciation                      | (46,544,010)         | (43,028,186)      |
| Long-term debt                                | (6,359,107)          | (5,457,697)       |
| Unspent debt proceeds                         | 164,446              | 227,667           |
| <b>Total net investment in capital assets</b> | <b>\$ 33,202,281</b> | <b>31,162,390</b> |

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**LONG-TERM LIABILITIES**

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The following is a summary of long-term liability transactions of ecomaine for the year ended June 30, 2024:

|  | <u>Beginning</u>     | <u>balance</u>    | <u>Additions</u> | <u>Deletions</u>  | <u>Ending</u>    | <u>Due within</u> |
|--|----------------------|-------------------|------------------|-------------------|------------------|-------------------|
|  |                      |                   |                  |                   | <u>balance</u>   | <u>one year</u>   |
| <b>Long-term liabilities:</b>              |                      |                   |                  |                   |                  |                   |
| Financed purchases                         | \$ 5,457,697         | 2,000,000         | 1,098,591        | 6,359,107         | 1,293,762        | -                 |
| Other postemployment benefit liability     | 744,142              | 134,329           | -                | 878,471           | -                | -                 |
| Accrued compensated absences               | 1,110,345            | -                 | 7,722            | 1,102,623         | -                | -                 |
| Facility lease payable                     | -                    | 18,197,747        | 157,343          | 18,040,404        | 182,274          | -                 |
| Landfill closure and postclosure liability | \$18,000,767         | 496,903           | -                | 18,497,670        | -                | -                 |
| <b>Total long-term liabilities</b>         | <b>\$ 25,312,951</b> | <b>20,828,979</b> | <b>1,263,656</b> | <b>44,878,275</b> | <b>1,476,036</b> | <b>-</b>          |

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**FINANCED PURCHASES**

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ecomaine has entered into financed purchase agreements as lessee for financing the acquisition of equipment. The agreements contain a fiscal funding clause that permits the organization to terminate the agreement on an annual basis if funds are not appropriated. These agreements have been recorded at the present value of the future minimum payments as of the date of inception.

The following is a schedule of future minimum financed purchase payments under the financed purchases at June 30, 2024.

| <u>Fiscal year</u><br><u>ending June 30,</u> | <u>Principal</u>    | <u>Interest</u> | <u>Total</u>     |
|--|---------------------|-----------------|------------------|
| 2025   | \$ 1,293,762        | 215,291         | 1,509,053        |
| 2026   | 1,335,368           | 173,685         | 1,509,053        |
| 2027   | 1,167,953           | 130,627         | 1,298,580        |
| 2028   | 771,211             | 93,057          | 864,268          |
| 2029   | 351,590             | 68,453          | 420,043          |
| <u>2030-2034</u>                             | <u>1,439,223</u>    | <u>156,522</u>  | <u>1,595,745</u> |
| <b>Total</b>                                 | <b>\$ 6,359,107</b> | <b>837,635</b>  | <b>7,196,742</b> |

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

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**POWER PURCHASE AGREEMENTS**

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During the fiscal years ended June 30, 2024 and 2023, 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 current agreement commenced March 1, 2021 and expires February 28, 2025. At June 30, 2024 and 2023, electrical generating revenues amounted to \$4,578,128 and \$3,190,379, respectively.

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**RETIREMENT PLANS**

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**Nonunion** - All non-union employees are covered by a defined contribution plan ("Retirement Plan of ecomaine") after their probationary period is completed. Employees are immediately vested in their own contributions as well as in ecomaine's contributions. ecomaine contributed 8% in 2024 and 2023, and for specified employees this rate is different. For the years ended 2024 and 2023, the covered payroll totaled \$2,861,717 and \$2,585,757, respectively. Contribution expense amounted to \$270,273 and \$244,777 for the years ended June 30, 2024 and 2023, 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 \$187,094 and \$179,211 for the years ended June 30, 2024 and 2023, respectively, on covered payroll of \$4,375,372 and \$4,195,325, respectively. The Pension Fund is a defined benefit pension program that provides retirement benefits to eligible plan participants. The net pension liability, deferred inflows or deferred outflows of resources, as of June 30, 2024, have not been recorded as they are immaterial to the financial statements. The net pension liability, deferred inflows and deferred outflows of resources, required disclosures, and required supplementary information will be evaluated annually to determine if recording the net pension liability and related pension expense as well as the required disclosures is necessary.

**Other Plans** - In addition to the above plan, a second defined contribution plan was established in the fiscal year ended June 30, 2019 to provide additional retirement contributions to specified employees. Such contribution expense amounted to \$13,155 and \$12,059 for the years ended June 30, 2024 and 2023, respectively.

**Social Security** - ecomaine participates in the Social Security retirement program. ecomaine's contributions to Social Security were \$552,629 and \$511,197 for the years ended June 30, 2024 and 2023, respectively.



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

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**LANDFILL 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.

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 of bonds at the time of closure.

A summary of estimated landfill closure and postclosure care costs is as follows:

|   | <b>Closed<br/>Balefill</b> | <b>Ashfill/Balefill</b> | <b>Total</b>     | <b>Total</b>     |
|---|----------------------------|-------------------------|------------------|------------------|
|   | <b>6/30/2024</b>           | <b>6/30/2024</b>        | <b>6/30/2024</b> | <b>6/30/2023</b> |
| Total estimated future landfill closure and postclosure care costs                | \$ 5,065,750               | 25,469,545              | 30,535,295       | 29,273,492       |
| Estimated capacity used   | 100%                       | 52.74%                  | N/A              | N/A              |
| Estimated gross landfill closure and postclosure care costs                       | 5,065,750                  | 13,431,920              | 18,497,625       | 18,000,767       |
| Amounts expended  | -                          | -                       | -                | -                |
| Estimated liability for landfill closure and postclosure care costs – end of year | 5,065,750                  | 13,431,920              | 18,497,625       | 18,000,767       |
| Estimated remaining landfill closure and postclosure care costs to be recognized  | -                          | 12,037,625              | 12,037,625       | 11,272,725       |
| Estimated remaining years of postclosure  | 23                         | 30                      |                  |                  |

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

**OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

**General Information about the OPEB Plan**

**Plan Description** - ecomaine sponsors a post-employment benefit plan providing health insurance to retiring employees. The plan is a single-employer defined benefit OPEB plan administered by the Maine Municipal Employees Health Trust (MMEHT). The ecomaine Board of Directors has the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

**Benefits Provided** - MMEHT provides healthcare and life insurance benefits for retirees and their dependents. ecomaine employees over the age of 55 with 5 years of continuous service are allowed to participate in the plan. Retirees that are designated in a plan pay 100% of the single coverage premium and 100% of the family coverage premium. For those ecomaine employees eligible for Medicare (post-65 Retiree Plan), the plan is offered in conjunction with Medicare Parts A and B and the Companion Plan B.

**Employees Covered by Benefit Terms** - At January 1, 2023, the following employees were covered by the benefit terms:

|  |    |
|--|----|
| Inactive employees or beneficiaries currently receiving benefits | 2  |
| Inactive employees or beneficiaries not receiving benefits       | -  |
| Active employees   | 72 |
| Total  | 74 |

**Total OPEB Liability**

ecomaine's total OPEB liability of \$878,471 was measured as of January 1, 2024 and was determined by an actuarial valuation as of January 1, 2024.

**Actuarial Assumptions and Other Inputs** - The total OPEB liability in the January 1, 2024 actuarial valuation roll forward was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

|  |   |
|--|---|
| Inflation                                    | 2.38% per year  |
| Salary increases                             | 2.75% per year  |
| Discount rate                                | 3.26%   |
| Healthcare cost trend rates                  | 7.72% Non-Medicare and 10.77% Medicare, decreasing to 3.81% by 2044 |
| Retirees' share of the benefit related costs | 100% of projected health insurance premiums                         |

**Discount Rate** - The rate used to measure the total OPEB liability for the Health Plan was 3.26% per annum. The discount rate was based upon high quality AA/Aa or higher bond yields in effect for 20 years, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index.

Mortality rates were based on the 2010 Public Plan General Benefits-Weighted Employee Mortality Table, for males and females.

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

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**OTHER POSTEMPLOYMENT BENEFITS (OPEB), CONTINUED**

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The actuarial assumptions used in the January 1, 2024 valuation were based on the results of an actuarial experience study for the period from June 30, 2016 through June 30, 2020.

***Changes in the Total OPEB Liability***

|  |    | <b>Total OPEB<br/>Liability</b> |
|--|----|---------------------------------|
| Balance at June 30, 2023                           | \$ | 744,142                         |
| Changes for the year:                              |    |                                 |
| Service cost                                       |    | 34,566                          |
| Interest   |    | 28,661                          |
| Changes in benefit terms                           |    | -                               |
| Differences between expected and actual experience |    | (44,154)                        |
| Changes in assumptions or other inputs             |    | 131,920                         |
| Benefit payments                                   |    | (16,664)                        |
| Net changes  |    | <u>134,329</u>                  |
| Balance at June 30, 2024                           | \$ | <u>878,471</u>                  |

Change in assumptions reflects a change in the discount rate from 3.72% to 3.26% and a change in the mortality rate table used.

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate** - The following presents ecomaine's total OPEB liability calculated using the discount rate of 3.26%, as well as what ecomaine's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point higher or lower than the current rate:

|                      |    | <b>1%<br/>Decrease<br/>(2.26%)</b> | <b>Discount<br/>Rate<br/>(3.26%)</b> | <b>1%<br/>Increase<br/>(4.26%)</b> |
|----------------------|----|------------------------------------|--------------------------------------|------------------------------------|
| Total OPEB liability | \$ | <u>1,018,581</u>                   | <u>878,471</u>                       | <u>763,374</u>                     |

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates** - The following presents ecomaine's total OPEB liability calculated using the healthcare cost trend rates as well as what ecomaine's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point higher or lower than the current healthcare cost trend rates:

|                      |    | <b>1% Decrease</b> | <b>Healthcare Cost<br/>Trend Rate</b> | <b>1% Increase</b> |
|----------------------|----|--------------------|---------------------------------------|--------------------|
| Total OPEB liability | \$ | <u>751,730</u>     | <u>878,471</u>                        | <u>1,037,993</u>   |

***OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

For the year ended June 30, 2024, ecomaine recognized OPEB expense of \$22,361. At June 30, 2024, ecomaine reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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

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**OTHER POSTEMPLOYMENT BENEFITS (OPEB), CONTINUED**

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|  | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> |
|--|---|--|
| Differences between expected and actual experience | \$ -  | 180,662                                      |
| Changes of assumption or other inputs              | 51,604  | -  |
| Total  | \$ 51,604                                     | 180,662                                      |

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| <b>Year ended June 30:</b> |    |          |
|----------------------------|----|----------|
| 2025                       | \$ | (23,124) |
| 2026                       |    | (13,323) |
| 2027                       |    | (29,342) |
| 2028                       |    | (37,326) |
| 2029                       |    | (37,325) |
| Thereafter                 |    | 11,382   |

ecomaine  
Required Supplementary Information

**Schedule of Changes in ecomaine's Total Health Plan OPEB Liability and Related Ratios  
Last 10 Fiscal Years\***

|   | <u>2024</u>              | <u>2023</u>           | <u>2022</u>           | <u>2021</u>             | <u>2020</u>           | <u>2019</u>           | <u>2018</u>           |
|---|--------------------------|-----------------------|-----------------------|-------------------------|-----------------------|-----------------------|-----------------------|
| <b>Total OPEB Liability</b>                                   |                          |                       |                       |                         |                       |                       |                       |
| Service cost  | \$ 34,566                | 41,626                | 51,159                | 44,523                  | 37,573                | 41,526                | 37,707                |
| Interest  | 28,661                   | 16,849                | 22,693                | 26,151                  | 32,849                | 28,070                | 28,877                |
| Changes of benefit terms                                      |                          | -                     | -                     | -                       | (21,832)              | -                     | -                     |
| Differences between expected and actual experience            | (44,154)                 | -                     | (257,966)             | -                       | 67,201                | -                     | (5,591)               |
| Changes of assumptions or other inputs                        | 131,920                  | (84,443)              | (43,969)              | 55,876                  | 44,958                | (68,612)              | (1,977)               |
| Benefit payments  | <u>(16,664)</u>          | <u>(12,246)</u>       | <u>(17,525)</u>       | <u>(16,851)</u>         | <u>(12,084)</u>       | <u>(11,619)</u>       | <u>(9,928)</u>        |
| Net change in total OPEB Liability                            | 134,329                  | (38,214)              | (245,608)             | 109,699                 | 148,665               | (10,635)              | 49,088                |
| Total OPEB liability - beginning                              | <u>744,142</u>           | <u>782,356</u>        | <u>1,027,964</u>      | <u>918,265</u>          | <u>769,600</u>        | <u>780,235</u>        | <u>731,147</u>        |
| <b>Total OPEB liability - ending</b>                          | <b>\$ <u>878,471</u></b> | <b><u>744,142</u></b> | <b><u>782,356</u></b> | <b><u>1,027,964</u></b> | <b><u>918,265</u></b> | <b><u>769,600</u></b> | <b><u>780,235</u></b> |
| Covered-employee payroll                                      | \$ 5,905,189             | 4,493,575             | 4,493,575             | 4,472,943               | 4,472,943             | 4,476,452             | 5,229,408             |
| Total OPEB liability as a percent of covered-employee payroll | 14.88%                   | 16.56%                | 17.41%                | 22.98%                  | 20.53%                | 17.19%                | 14.92%                |

\*Only seven years of information available.

**ecomaine**  
**Notes to Required Supplementary Information**

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**Total OPEB Liability**

Changes of Benefit Terms - None

Changes of Assumptions - The following are changes in actuarial assumptions used in the most recent valuations:

| Fiscal Year   | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|---------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Discount rate | 3.26%       | 3.72%       | 2.06%       | 2.12%       | 2.74%       | 4.10%       | 3.44%       |

Additionally, the valuation method was changed from the Projected Unit Credit funding to the Entry Age Normal Funding method in 2018.

Mortality rates:

|                        |   |
|------------------------|---|
| 2017-2021              | RP2014 Total Dataset Healthy Annuitant Mortality Table.                     |
| 2022 and going forward | 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table. |

\* These schedules are intended to show information for ten years, but only the years in which changes occurred have been displayed. Additional years' information will be displayed as it becomes available.

**ecomaine**  
**Budget to Actual**  
**For the Years Ended on June 30, 2024**

|  | Actual              | Budget<br>Original | Variance         | %              |
|--|---------------------|--------------------|------------------|----------------|
| Operating revenues:  |                     |                    |                  |                |
| Owners tipping fees  | \$ 5,088,564        | 5,051,340          | 37,224           | 0.7%           |
| Associate and contract tipping fees  | 3,496,819           | 3,570,186          | (73,367)         | -2.1%          |
| Commercial tipping fees  | 9,675,596           | 9,789,016          | (113,420)        | -1.2%          |
| Spot market tipping fees   | 523,775             | 449,408            | 74,367           | 16.5%          |
| Electrical generating revenues   | 4,578,128           | 4,426,796          | 151,332          | 3.4%           |
| Sales of recycled goods  | 2,697,045           | 2,143,841          | 553,204          | 25.8%          |
| Recycling tipping fees   | 1,115,168           | 736,025            | 379,143          | 51.5%          |
| Recycling owner tipping fees   | 791,673             | 850,796            | (59,123)         | -6.9%          |
| Other operating income   | 161,391             | 120,516            | 40,875           | 33.9%          |
| <b>Total operating revenues</b>  | <b>28,128,159</b>   | <b>27,137,924</b>  | <b>990,235</b>   | <b>3.6%</b>    |
| Operating expenses:  |                     |                    |                  |                |
| Administrative expenses  | 3,799,660           | 3,803,494          | 3,834            | 0.1%           |
| Waste-to-energy operating expenses   | 13,040,461          | 14,091,351         | 1,050,890        | 7.5%           |
| Recycling operating expenses   | 3,251,749           | 3,230,983          | (20,766)         | -0.6%          |
| Transportation operating expenses  | 676,484             | 684,819            | 8,335            | 1.2%           |
| Landfill/ashfill operating expenses  | 1,984,084           | 1,767,229          | (216,855)        | -12.3%         |
| Contingency  | 7,736               | 250,000            | 242,264          | 96.9%          |
| Landfill closure and postclosure care costs                                    | 496,903             | 452,178            | (44,725)         | -9.9%          |
| Post-retirement benefit  | 22,361              | 31,707             | 9,346            | 29.5%          |
| <b>Total operating expenses</b>  | <b>23,279,438</b>   | <b>24,311,761</b>  | <b>1,032,323</b> | <b>4.2%</b>    |
| <b>Net operating income (loss) before depreciation</b>                         | <b>4,848,721</b>    | <b>2,826,163</b>   | <b>2,022,558</b> | <b>71.6%</b>   |
| Depreciation   | 3,665,603           | 3,926,233          | 260,630          | 6.6%           |
| <b>Net operating income (loss)</b>   | <b>1,183,118</b>    | <b>(1,100,070)</b> | <b>2,283,188</b> | <b>-207.5%</b> |
| Non-operating revenues (expenses):   |                     |                    |                  |                |
| Interest income  | 552,155             | 196,565            | 355,590          | 180.9%         |
| Interest expense   | (170,238)           | (248,268)          | 78,030           | -31.4%         |
| Miscellaneous receipts   | 20,329              | 30,000             | (9,671)          | -32.2%         |
| Gain (loss) on investments   | 2,487,057           | 330,000            | 2,157,057        | 653.7%         |
| Gain (loss) on disposition of assets   | 11,909              | -                  | 11,909           | n/a            |
| <b>Net non-operating revenues (expenses)</b>                                   | <b>2,901,212</b>    | <b>308,297</b>     | <b>2,592,915</b> | <b>841.0%</b>  |
| <b>Net income (budgetary basis)</b>  | <b>4,084,330</b>    | <b>(791,773)</b>   | <b>4,876,103</b> | <b>n/a</b>     |
| Reconciliation to Statement of Revenues, Expenses and Changes in Net Position: |                     |                    |                  |                |
| Difference in revenue recognition Lessor                                       | 15,108              |                    |                  |                |
| Difference in expense recognition Lessee                                       | (223,362)           |                    |                  |                |
| <b>Change in net position</b>  | <b>\$ 3,876,076</b> |                    |                  |                |