

**MUNICIPAL REVIEW COMMITTEE, INC.**  
**FINANCIAL AND OPERATING REPORTS**  
**MARCH 31, 2018**



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**INDEPENDENT AUDITORS' REPORT**

Board of Directors  
Municipal Review Committee, Inc.  
Ellsworth, Maine

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and each major fund of Municipal Review Committee, Inc. (MRC), as of and for the fifteen-month period ended March 31, 2018, and the related notes to the financial statements, which collectively comprise MRC's basic financial statements as listed in the table of contents.

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

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

**Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Penobscot Energy Recovery Company (PERC) which represents 0% of the total assets and net position and 21.3% of the total additions of the fiduciary fund. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for PERC, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

## Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of Municipal Review Committee, Inc. as of March 31, 2018, and the respective changes in financial position for the fifteen-month period then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 18 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise MRC's basic financial statements. The Schedule of Equity Charter Member Net Position is presented for purposes for additional analysis and is not a required part of the basic financial statements.

The Schedule of Equity Charter Member Net Position 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. Such 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 Schedule of Equity Charter Member Net Position is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Haverlock, Estey + Curran*  
HAVERLOCK, ESTEY & CURRAN

August 22, 2018  
Hampden, Maine

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Fifteen Months Ended March 31, 2018**

This section represents management's analysis of the financial condition and activities of Municipal Review Committee, Inc. (MRC) and the Joint Venture of the Charter Municipalities of the Municipal Review Committee, Inc. (Joint Venture) for the fifteen-month period ended March 31, 2018. This information should be read in conjunction with the financial statements and associated notes.

**Financial Highlights**

The following are the key financial highlights:

**Municipal Review Committee, Inc.**

1. Received \$359,329 in total revenue through March 31, 2018, compared to \$290,373 in total revenue in 2016. Dues from members amounted to \$271,460 through March 31, 2018, compared to \$219,373 in 2016.
2. Total expenses through March 31, 2018 were \$521,507, compared to \$765,825 in 2016.

**Joint Venture**

1. Made regular quarterly cash distributions of \$3.001 million to Charter Municipalities, thereby achieving the target values for per-ton waste disposal costs of \$63 per ton in the first half of calendar year 2017 and \$67 per ton through March 31, 2018.
2. Received cash payments of \$4.158 million in Performance Credits and Net Cash Flow. These payments make a cumulative payment total of 5.4 million in the period from September 1, 2016 to March 31, 2018, thereby satisfying PERC's obligation to the Joint Venture.
3. Received from PERC the Consent Payment of \$600,000 upon its release from a third-party escrow account.
4. Maintained a balance of \$19.022 million in the Tip Fee Stabilization Fund as of March 31, 2018, and managed the investment of the fund balance. The share of the Tip Fee Stabilization Fund allocated to Departing Municipalities is \$10,812,901 effective as of March 31, 2018.
5. Maintained the balance in the MRC Operating Budget Stabilization Fund at \$298,917 as of March 31, 2018, and managed the investment of the fund balance. The share of the MRC Operating Budget Stabilization Fund allocated to Departing Municipalities is \$206,186 as of March 31, 2018.
6. Managed reserve funds to support MRC obligations under agreements related to the development of the Hampden Facility, including \$3.0 million in a Cash Collateral Account; \$3.773 million in a Supplemental Cash Collateral Account (which was returned to the Tip Fee Stabilization Fund early in 2018); and \$218,751 in a Maine DOT construction escrow account. The asset value of the investment, as well as the expenditures and transfers to reserve funds, were allocated among only those Equity Charter Municipalities that are Joining Members, with no impact on the positions of the Equity Charter Municipalities that are Departing Municipalities.
7. Managed the process under which \$1,333,333 in funds held by the Equity Charter Municipalities in the debt service reserve were released from reserve to the MRC, then distributed in their entirety to the Equity Charter Municipalities.



MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fifteen Months Ended March 31, 2018

8. Managed the process under which 85 of the 86 Equity Charter Municipalities (all but the Town of Hermon) exercised their Put Options and closed on the sale of their ownership interests in the PERC Partnership. The total value of \$1,475,816.35 of the 85 Put Options was paid by PERC to the MRC, then distributed to the Equity Charter Municipalities.
9. Held a total net position for the benefit of the Charter Municipalities of \$29.80 million, \$5.54 million for the Hampden site improvements valued at cost, and \$24.62 million in cash and investments, less \$546,173 in distributions payable to the Charter Municipalities as of March 31, 2018.

**Overview of Annual Financial Report**

**Municipal Review Committee, Inc.**

The financial statements present the following two different views of MRC:

**The Government Fund Balance Sheet / Statement of Net Position** (Balance Sheet) identifies and presents values for the General Fund assets and liabilities of MRC as of the end of the fifteen months ended March 31, 2018. The Balance Sheet also identifies and presents adjustments for long-term assets and fund balances that are not readily available for application to expenditures, and identifies and presents net position after application of the adjustments between the two formats.

The key General Fund assets shown on the Balance Sheet include the following:

- a. Cash, which is held in a checking account at Key Bank.
- b. Membership Fees Receivable, which refers to the dues members owe MRC based on tons of municipal solid waste delivered to PERC.
- c. Other Receivables from Emera, with which MRC has agreements with for providing various services.

The Balance Sheet presents prepaid insurance as it is an asset that is not currently available for use to meet expenditures.

The fund balance presented on the Balance Sheet is unassigned. It has not been restricted, committed, or assigned.

The net position presented on the Balance Sheet includes the value of prepaid insurance that is not currently available for use to meet expenditures, i.e., available within 60 days of year end.

**The Statement of Governmental Fund Revenue, Expenditures and Changes in Fund Balances / Statement of Activities** (Income Statement) identifies and presents revenues and expenditures over the course of fifteen months ended March 31, 2018. The Income Statement also identifies and presents the changes in the fund balance and net position over the fifteen months ended March 31, 2018.

The General Fund revenues shown on the Income Statement include the following:

- a. Membership Fees.
- b. Revenue from the PERC Monitoring Agreement.
- c. Reimbursements of expenses and interest income.

MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fifteen Months Ended March 31, 2018

The General Fund expenditures shown on the Income Statement include the following:

- a. Cash distributions to the Charter Municipalities paid quarterly.
- b. Transfers from the Operating Budget Stabilization Fund to the MRC operating fund used by the MRC for dues stabilization and for expenses associated with the wind-up of the Joint Ventures affairs related to termination of the PERC Agreements and related arrangements as of March 31, 2018. The MRC made such transfers in the Records Period in the amount of \$397,850.

The Income Statement presents as adjustments to expenditures the changes in prepaid insurance and accrued vacation for the fifteen-month period.

Joint Venture

**The Statement of Fiduciary Net Position** (Balance Sheet) identifies and presents values for the Fiduciary Fund assets and liabilities of the Joint Venture as of the end of the fifteen-month period.

The Fiduciary Fund assets shown on the Balance Sheet include the following:

- a. Cash and cash equivalents, which includes accounts held for in a Custody Account at Bangor Savings Bank, an escrow account at Katahdin Trust Company and a cash sweep account held at People's United Bank. The latter two are held solely for Joining Members.
- b. Financial investments, consisting of the Tip Fee Stabilization Fund and the MRC Operating Budget Stabilization Fund, which are invested in a set of federal agency bonds and certificates of deposit having varying maturity dates, and which are managed by an investment advisor, Peoples United Bank, in accordance with investment policies approved by the MRC Board. The MRC has had its investment advisor reduce the durations of these investments, and has allowed carrying of additional cash balances, to ensure that pay-outs to Departing Municipalities can be made as required in 2018.
- c. The value of improvements to the Hampden Site held for the benefit of the Equity Charter Municipalities that are Joining Members, which is valued based on costs incurred to date for investment in such improvements.

The key liability shown on the Balance Sheet is the distributions payable to the Charter Municipalities in the second quarter of 2018. The remaining assets are the net position, which is comprised of the value of the investment in the Hampden Site and the values of the various funds in excess of the distributions payable.

**The Statement of Changes in Fiduciary Net Position** (Income Statement) identifies and presents increases and decreases in fiduciary net position over the course of the fifteen months ended March 31, 2018.

The Fiduciary Fund additions shown on the Income Statement include the following:

- a) Performance Credits as a result of PERC operations that were distributed to MRC on behalf of the Charter Municipalities.

MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fifteen Months Ended March 31, 2018

- b) Net earnings from the PERC Partnership as a result of PERC operations, of which some were distributed to the MRC on behalf of the Equity Charter Municipalities that own limited partnership shares in the PERC partnership.
- c) Appreciation of investments, interest and dividend income and changes in investment fund values.

**Analysis of Overall Financial Position and Results of Operations**

*Municipal Review Committee, Inc.*

MRC's net position increased \$278,130 or 71.77% as of March 31, 2018. The following table summarizes this change from December 31, 2016 to March 31, 2018.

	<b><u>Governmental Activities</u></b>		<b><u>Total %</u></b>
	<b><u>2018</u></b>	<b><u>2016</u></b>	<b><u>Change</u></b>
Cash	\$ 859,998	\$ 854,969	0.59%
Membership fees receivable	54,047	54,859	(1.48)%
Options to purchase land	-	52,000	(100.00)%
Other assets	<u>23,513</u>	<u>30,746</u>	(23.53)%
Total Assets	937,558	992,574	(5.54)%
Accounts payable and accruals	68,284	605,076	(88.71)%
Due to Fiduciary Fund	<u>203,640</u>	-	na
Current Liabilities	<u>271,924</u>	<u>605,070</u>	(55.06)%
<b><i>Net Position:</i></b>			
Invested in capital assets	-	52,000	(100.00)%
Unrestricted	<u>665,634</u>	<u>335,504</u>	98.40%
Total Net Position	<u>\$ 665,634</u>	<u>\$ 387,504</u>	71.77%

MRC's changes in net position are summarized in the following table.

	<b><u>Governmental Activities</u></b>		<b><u>Total %</u></b>
	<b><u>2018</u></b>	<b><u>2016</u></b>	<b><u>Change</u></b>
Membership fees	\$ 271,460	\$ 219,373	23.74%
Other revenue	<u>87,869</u>	<u>71,000</u>	23.76%
Total Revenues	359,329	290,373	23.75%
Total Expenses	(521,507)	(765,825)	(31.90)%
Transfers from Fiduciary Fund	746,850	809,664	(7.76)%
Transfers to Fiduciary Fund	<u>(306,542)</u>	<u>(212,532)</u>	44.23%
Change in Net Position	278,130	121,680	128.57%
Beginning Net Position	<u>387,504</u>	<u>265,824</u>	
Ending Net Position	<u>\$ 665,634</u>	<u>\$ 387,504</u>	



**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the Fifteen Months Ended March 31, 2018

*Joint Venture*

The Joint Venture's net position decreased from \$31.42 million to \$29.80 million, or 5.15%, as of March 31, 2018. The following table summarizes these changes from December 31, 2016 to March 31, 2018.

	<u><b>Fiduciary Activities</b></u>		<u><b>Total %</b></u>
	<u><b>2018</b></u>	<u><b>2016</b></u>	<u><b>Change</b></u>
Cash and investments	\$24,595,965	\$26,808,030	(8.25)%
Consent payment	-	600,000	(100.00)%
Investment in PERC	-	2,833,333	(100.00)%
Due from MRC	203,640	100,660	102.30%
Investment in Hampden site	5,543,298	1,732,046	220.04%
Total Assets	30,342,903	32,074,069	(5.40)%
Tipping fee rebates payable	546,173	658,519	(17.06)%
Total Net Position	<u>\$29,796,730</u>	<u>\$31,415,550</u>	(5.15)%

The Joint Venture's changes in net position are summarized in the following table.

	<u><b>Fiduciary Activities</b></u>		<u><b>Total %</b></u>
	<u><b>2018</b></u>	<u><b>2016</b></u>	<u><b>Change</b></u>
PERC performance credits	\$ 3,442,297	\$ 3,139,125	9.66%
Consent payment	-	600,000	(100.00)%
Share of PERC's net income	1,076,060	481,432	123.51%
Transfer from MRC	306,542	212,532	44.23%
Investment income	221,705	257,907	(14.04)%
Total Additions	<u>5,046,604</u>	<u>4,690,996</u>	7.58%
Tipping fee rebates	2,888,863	2,729,985	5.82%
Discount in investment in PERC	196,378	6,516,514	(96.99)%
Transfers to MRC	746,850	809,664	(7.76)%
Distributions to members	2,833,333	-	na
Total Deductions	<u>6,665,424</u>	<u>10,056,163</u>	(33.72)%
Change in Net Position	(1,618,820)	(5,365,167)	69.83%
Beginning Net Position	<u>31,415,550</u>	<u>36,780,717</u>	
Ending Net Position	<u>\$29,796,730</u>	<u>\$31,415,550</u>	

The PERC Agreements terminated at the end of the Records Period. As noted above, the MRC is obligated to return funds to the Departing Municipalities, which are leaving the Joint Venture and stopped being MRC members after March 31, 2018. In this context, Table 1 presents the account balances of each of the Equity Charter Municipalities from funds to be distributed; presents the amount to be charged against the account balance of each Equity Charter Municipality for the cash distribution to be charged made in the second quarter of 2018; and presents a total overall fund position for each Equity Charter Municipality as of April 1, 2018, based on the above. Table 2 presents these same data for the Departing Municipalities only, along with the totals applicable to Departing Municipalities for each column. As of this writing, the total payments to the Departing Municipalities are as follows:

1. \$562,901.30 from the Custody Account (net of payment of the distribution for the first quarter of 2018).
2. \$10,812,901.25 from the Tip Fee Stabilization Account

MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fifteen Months Ended March 31, 2018

3. \$206,185.64 from the Operating Budget Stabilization Account

The values provided in Table 2 are subject to adjustment for (a) receipt or payment of any final reconciliation of tip fee payments to or from PERC for the first quarter of 2018; (b) interest earned on the funds from the time of escrow until release; and (c) applicable bank fees.

**Significant Transactions**

The MRC managed the following transactions on a routine basis during the year:

- a) Receipt of Performance Credits from PERC on a monthly basis.
- b) Receipt of partnership distributions from PERC (Net Cash Flow) on a monthly basis.
- c) Distribution of cash to Charter Municipalities to achieve the target values on a quarterly basis.
- d) Transfer of funds to the MRC Operating Account to cover expenses associated with the Settlement Agreement, and to prepare for resolution of the wind-up of the Joint Ventures affairs related to termination of the PERC Agreements and related arrangements as of March 31, 2018, incurred on behalf of all Charter Municipalities.
- e) Transfer of funds to the MRC Operating Account, and to various reserve accounts, from the Tip Fee Stabilization Fund to cover expenses associated with the Hampden site improvements incurred only on behalf of Equity Charter Municipalities that are Joining Members, and allocated solely to Joining Members.

**Capital Assets and Debt Administration**

The MRC had no outstanding debt in the Records Period.

The value of the Hampden site, including improvements and capitalized value of services, was \$5,543,298 held jointly for the benefit of the Equity Charter Municipalities that are Joining Members at the end of the Records Period.

**Economic Factors and Significant Foreseeable Future Conditions**

As of March 31, 2018, the resources available to the MRC to meet its obligations can be summarized as follows:

	<u>Custody Account</u>	<u>Tip Fee Stabilization Fund</u>	<u>Operating Budget Stabilization Fund</u>
Opening balance	\$ 2,052,629.50	\$19,022,337.37	\$ 298,916.80
Cash distribution payable	546,172.77	-	-
Payable to Departing Municipalities	<u>562,901.30</u>	<u>10,812,901.25</u>	<u>206,185.64</u>
Remaining balance allocable to Joining Members	<u>\$ 943,555.43</u>	<u>\$ 8,209,436.12</u>	<u>\$ 92,731.16</u>

After March 31, 2018, the MRC will complete the process for returning assets and distributing cash to the Departing Municipalities in accordance with applicable agreements and the Joint Venture. After such process is complete, the MRC would have no further obligation to support solid waste management activities of the Departing Municipalities.

MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fifteen Months Ended March 31, 2018

Among the obligations of the MRC to the Joining Members are the satisfaction of the requirements of the Joining Members to maintain reserves and reserve funds. The following table compares the reserve fund requirements with available resources:

<u>Reserve fund requirement</u>	<u>Resources available to satisfy the requirement</u>
\$5.0 million for actual expenditures for acquisition of the site and development of related infrastructure	Satisfied by prior expenditures in 2016 and 2017
\$3.0 million for the Delivery Sufficiency Reserve Fund	Satisfied with a dedicated fund set up in 2017
\$1.0 million for Bridge Waste transportation costs	Balance in the Custody Account supplemented with \$56,444.57 available, if needed, from the Tip Fee Stabilization Fund
Up to \$7.0 million as the Building Reserve	Satisfied by the \$3.0 million in the Delivery Sufficiency Reserve Fund and a covenant to maintain a minimum balance of \$4.0 million in the Tip Fee Stabilization Fund. No additional reserve fund is required.
\$1.167 million as the Closure Reserve Fund	Funded by expenditures from the Operating Fund in previous quarters. Could be supplemented, if necessary (but not anticipated to be necessary), by funds in the Tip Fee Stabilization Fund
\$1.5 million in the Target Value Reserve Fund	More than satisfied by \$2.986 million in available funds in the Tip Fee Stabilization Fund that are in excess of (i) the \$4.0 minimum balance covenant; (ii) the allowance of \$56,444.57 for Bridge Waste transportation costs; and (iii) \$1.167 million for the Closure Reserve.

The MRC notes the following significant foreseeable future conditions with the potential for adverse impacts on the availability of resources to meet MRC obligations:

Hampden Facility schedule for accepting MSW. The Hampden Facility was not ready to accept MSW for processing as of April 1, 2018. During the period of delay, known in the Joinder Agreements as the Bridge Capacity Period, the MRC has agreed to reimburse Joining Members for increased costs of MSW transportation to and disposal at a back-up facility; has contracted with Waste Management Disposal Services of Maine, LLC (Waste Management) to use its Crossroads Landfill as the exclusive back-up facility for disposal of such MSW; and has reserved \$1.0 million for this purpose, which reserves might be supplemented by funds in the Target Value Reserve Fund if necessary. Nonetheless, there is no absolute assurance that the opening of the Hampden Facility will not be delayed for an extended period or precluded by unforeseen factors, or that the Hampden Facility will perform as required to accept and process incoming MSW on a sustainable long-term basis. If any such circumstance should occur, the increased costs of MSW transportation of Joining Member MSW to and disposal at a back-up facility for disposal might exceed the amount available to the MRC to reimburse Joining Members for their costs or to make alternative disposal arrangements.

MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fifteen Months Ended March 31, 2018

MSW diversion from the back-up facility. For some Joining Members, it is not feasible to have MSW delivered directly to the Crossroads Landfill without intermediate transportation arrangements. To address this situation, the MRC is working with Waste Management and the operator of the Juniper Ridge Landfill, NEWSME Landfill Operations, LLC (NEWSME), and an affiliated hauling company, Pine Tree Waste, Inc. (Pine Tree), to implement a waste swap agreement, pursuant to which (a) certain Joining Members deliver MSW to the Juniper Ridge Landfill; and (b) Pine Tree delivers a like amount of MSW to the Crossroads Landfill. The MRC is aware that there may be complexities in enforcing all of the delivery arrangements required to make the waste swap work for all parties. In the event all delivery arrangements associated with the waste swap are not honored or not enforced, the MRC might face claims for damages, or other consequences of unknown and unforeseeable cost, related to violation of the exclusive agreement for the Crossroads Landfill as the back-up facility until the Hampden Facility can accept all Joining Member MSW.

**Termination of the Waste Disposal Agreements; Related Business Arrangements**

The Joint Venture reached a significant milestone on March 31, 2018, with the termination of the waste disposal agreements (the PERC Agreements) between the Charter Municipalities and the Penobscot Energy Recovery Company, Limited Partnership (PERC or the PERC Partnership). Prior to that time, the Joint Venture had included 133 municipalities and other public entities that were MRC members and had signed the PERC Agreements. In anticipation of the expiration, the MRC had made arrangements for its members to have the opportunity to enter into long-term agreements (the Joinder Agreements) with the MRC for delivery of their waste to a waste processing facility being developed on land purchased and owned by the MRC in Hampden, Maine (the Hampden Facility), starting as of April 1, 2018. As of that date, the Charter Municipalities can be divided into the following two groups:

- a. Entities that elected to enter into Joinder Agreements and that will continue to be members of the MRC on and after April 1, 2018, known as Joining Members. The Joining Members include 55 individual municipalities that are Equity Charter Municipalities, 25 individual municipalities that are New Charter Municipalities, and seven public waste management districts or regional entities. Together, the Joining Members represent 115 Maine municipalities.
- b. Entities that elected not to enter into Joinder Agreements and that stopped being members of the MRC as of April 1, 2018, known as Departing Municipalities. The Departing Municipalities include 72 Maine municipalities.

In addition, in 2016, the MRC entered into a Settlement Agreement with the PERC Partnership and its private partners, USA Energy Group, LLC (USAE), and PERC Holdings, LLC. (PHI). The Settlement Agreement ended litigation that had been docketed as Civil Action Docket No. CV-2015-22; provided a guaranteed payment of a total amount of Performance Credits and Net Cash Flow over the remaining term of the waste disposal agreements; and provided a defined process and fixed price for PERC to repurchase the ownership interests held by the Equity Charter Municipalities in the PERC Partnership. The Settlement Agreement also provided for an amendment to the PERC Partnership Agreement to resolve the position of the public and private partners in PERC after the Waste Disposal Agreements terminate. In particular, the Settlement Agreement provided the following:

- a. PERC agreed to make payments to the MRC through Performance Credits and Net Cash Flow received for the benefit of the Charter Municipalities at a guaranteed amount of \$5.4 million beginning on September 1, 2016, and extending through March 31, 2018, to be paid as part of the monthly waterfall payments, with any remaining balance due to be paid no later than March 31, 2018.

MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fifteen Months Ended March 31, 2018

- b. The Equity Charter Municipalities each received an option (the Put Option) to sell their ownership interests back to PERC effective March 31, 2018, at a fixed price, the aggregate total of which was \$1.5 million for all of the Equity Charter Municipalities.
- c. PERC agreed to pay the MRC a Consent Payment of \$600,000 as part of the overall settlement, which included MRC consent to replace an existing purchase option with the Put Option and related business arrangements.

**Equity Charter Municipality Position as of December 31, 2017 and March 31, 2018**

The MRC appreciates that certain Equity Charter Municipalities have, in the past, incorporated into their own financial statements the value of their allocated share of the assets managed by the MRC for all of the Equity Charter Municipalities. In the past, such allocated shares have been reported in the form of a single value for each Equity Charter Municipality. At this time, the MRC is able to unbundle the value of each component of such allocated shares. To this end, Table 3 attached hereto sets forth, for each Equity Charter Municipality, the allocated shares of each of the reserve funds held on its behalf by the MRC as of December 31, 2017, and March 31, 2018. The allocation as of December 31, 2017, also includes the allocation to each Equity Charter Municipality of the value of the Put Option.

**Contact Information**

More information on MRC and the Joint Venture may be obtained at MRC's administrative office, 395 State Street, Ellsworth, ME 04605.



Table 1								
Equity Charter Member Account Balances as of March 31, 2018								
Joining Members and Departing Municipalities								
		Tip Fee	Operating Budget					
	Custody	Stabilization	Stabilization				Joining	Departing
	Account	Fund	Fund	Subtotal	2Q Distribution	Total	Members	Municipalities
Albion	10,156.42	72,185.57	451.21	82,793.20	(3,496.03)	79,297.17	79,297.17	-
Alton	3,935.19	27,512.80	340.06	31,788.05	(1,090.92)	30,697.13	30,697.13	-
Atkinson	1,797.55	9,780.30	43.79	11,621.64	(473.37)	11,148.27	11,148.27	-
Baileyville	19,991.04	289,588.15	4,539.48	314,118.67	(4,605.95)	309,512.72	-	309,512.72
Bangor	336,699.89	2,303,240.63	24,951.45	2,664,891.97	(98,571.45)	2,566,320.52	2,566,320.52	-
Bar Harbor	90,931.90	460,205.09	4,930.87	556,067.86	(15,188.72)	540,879.14	540,879.14	-
Blue Hill/Surry	55,026.12	323,844.90	2,201.07	381,072.09	(13,070.70)	368,001.39	368,001.39	-
Boothbay RRDD	72,359.50	411,060.08	4,329.08	487,748.66	(13,993.83)	473,754.83	473,754.83	-
Bradley	5,930.00	38,437.69	306.88	44,674.57	(1,639.49)	43,035.08	43,035.08	-
Brewer	72,862.44	580,675.82	11,204.02	664,742.28	(22,190.60)	642,551.68	642,551.68	-
Brooks	5,403.93	24,668.06	(175.90)	29,896.09	(1,654.75)	28,241.34	28,241.34	-
Brownville	8,203.65	56,826.79	865.71	65,896.15	(2,133.21)	63,762.94	63,762.94	-
Bucksport	18,107.21	167,524.10	4,427.89	190,059.20	(5,074.01)	184,985.19	184,985.19	-
Burnham	9,398.19	97,693.21	1,484.25	108,575.65	(2,143.13)	106,432.52	-	106,432.52
Carmel	14,028.34	82,939.19	305.32	97,272.85	(3,888.62)	93,384.23	93,384.23	-
Central Penobscot	30,939.70	166,642.43	(217.60)	197,364.53	(7,821.43)	189,543.10	189,543.10	-
China	18,442.89	142,512.38	2,486.90	163,442.17	(5,045.67)	158,396.50	158,396.50	-
Clifton	4,829.30	28,736.43	131.31	33,697.04	(1,387.88)	32,309.16	32,309.16	-
Clinton	20,174.50	370,293.53	8,747.26	399,215.29	(6,228.68)	392,986.61	-	392,986.61
Dedham	5,243.82	34,262.66	462.54	39,969.02	(1,343.63)	38,625.39	38,625.39	-
Dover-Foxcroft	31,540.65	173,429.91	854.11	205,824.67	(8,319.90)	197,504.77	197,504.77	-
Eddington	11,237.75	70,279.73	819.07	82,336.55	(3,399.87)	78,936.68	78,936.68	-
Enfield	8,482.58	126,715.93	2,535.76	137,734.27	(2,261.99)	135,472.28	-	135,472.28
Fairfield	44,268.15	525,424.74	7,361.37	577,054.26	(11,514.11)	565,540.15	-	565,540.15
Glenburn	31,472.10	314,177.58	4,269.70	349,919.38	(7,243.61)	342,675.77	-	342,675.77
Gouldsboro	6,978.61	128,232.00	2,977.38	138,187.99	(1,732.13)	136,455.86	-	136,455.86
Greenbush	7,731.86	92,063.29	1,555.21	101,350.36	(2,153.44)	99,196.92	-	99,196.92
Guilford	18,137.47	103,380.83	1,235.33	122,753.63	(4,827.21)	117,926.42	117,926.42	-
Hampden	43,069.61	279,366.80	2,513.25	324,949.66	(13,256.97)	311,692.69	311,692.69	-
Hancock	5,319.97	88,749.33	2,021.36	96,090.66	(1,436.55)	94,654.11	-	94,654.11
Hermon	47,054.38	515,557.93	6,981.77	569,594.08	(13,415.65)	556,178.43	-	556,178.43
Holden	13,391.89	76,581.32	517.19	90,490.40	(3,604.37)	86,886.03	86,886.03	-
Jackson	2,351.84	22,102.03	214.59	24,668.46	(666.55)	24,001.91	-	24,001.91
Lamoine	7,722.49	96,685.29	1,648.56	106,056.34	(1,832.86)	104,223.48	-	104,223.48
Lee	6,474.80	32,667.85	210.77	39,353.42	(1,502.18)	37,851.24	37,851.24	-
Levant	12,615.93	73,065.74	442.02	86,123.69	(3,680.45)	82,443.24	82,443.24	-
Lincoln	45,233.68	590,686.48	12,137.71	648,057.87	(11,732.03)	636,325.84	-	636,325.84
Lucerne	3,975.57	21,439.38	88.99	25,503.94	(972.85)	24,531.09	24,531.09	-
Mariaville	1,911.30	11,289.82	82.49	13,283.61	(436.45)	12,847.16	12,847.16	-
Mars Hill	9,863.47	154,159.39	3,110.48	167,133.34	(3,296.93)	163,836.41	-	163,836.41
Mattawamkeag	3,913.11	31,133.37	512.29	35,558.77	(1,154.27)	34,404.50	34,404.50	-

Table 1								
Equity Charter Member Account Balances as of March 31, 2018								
Joining Members and Departing Municipalities								
	Custody	Tip Fee	Operating Budget					
	Account	Stabilization	Stabilization	Subtotal	2Q Distribution	Total	Joining	Departing
		Fund	Fund				Members	Municipalities
Midcoast SWD	93,472.94	1,214,690.49	24,309.03	1,332,472.46	(23,531.01)	1,308,941.45	-	1,308,941.45
Mid-Maine SWD	61,024.39	346,216.93	4,398.21	411,639.53	(16,292.51)	395,347.02	395,347.02	-
Milford	12,367.17	177,162.74	3,700.98	193,230.89	(3,529.54)	189,701.35	-	189,701.35
Millinocket	34,563.68	233,967.11	3,268.55	271,799.34	(8,462.29)	263,337.05	263,337.05	-
Milo	18,133.50	107,069.92	859.60	126,063.02	(4,794.78)	121,268.24	121,268.24	-
Monson	3,026.37	18,834.48	199.86	22,060.71	(588.64)	21,472.07	21,472.07	-
Mt. Desert area ADD	93,735.55	559,608.78	6,077.51	659,421.84	(18,843.20)	640,578.64	640,578.64	-
Newburg	6,154.50	89,083.77	1,716.08	96,954.35	(1,870.84)	95,083.51	-	95,083.51
Old Town	40,073.36	699,338.91	16,882.32	756,294.59	(13,166.16)	743,128.43	-	743,128.43
Orland	3,962.91	56,724.49	1,687.32	62,374.72	(1,166.69)	61,208.03	-	61,208.03
Orono	52,508.82	331,504.26	3,511.44	387,524.52	(15,992.81)	371,531.71	371,531.71	-
Otis	3,046.79	15,655.67	210.65	18,913.11	(771.74)	18,141.37	18,141.37	-
Palmyra	10,939.12	58,758.51	161.98	69,859.61	(2,867.59)	66,992.02	66,992.02	-
Parkman	2,940.78	16,037.84	54.91	19,033.53	(706.56)	18,326.97	18,326.97	-
Penobscot Co.	10,058.41	138,993.22	2,665.42	151,717.05	(2,896.88)	148,820.17	-	148,820.17
Pleasant River SWD	7,872.09	93,314.90	2,465.00	103,651.99	(2,252.23)	101,399.76	101,399.76	-
Plymouth	6,725.11	82,227.74	1,515.02	90,467.87	(1,882.89)	88,584.98	-	88,584.98
Reed Plt	1,216.82	15,356.38	277.38	16,850.58	(300.66)	16,549.92	-	16,549.92
Rockland	72,290.86	888,769.11	17,059.14	978,119.11	(19,082.50)	959,036.61	-	959,036.61
Sangerville	8,415.66	44,960.09	95.62	53,471.37	(2,193.58)	51,277.79	51,277.79	-
Searsport	15,093.34	184,086.25	3,708.02	202,887.61	(4,086.29)	198,801.32	-	198,801.32
Stetson	6,717.71	79,817.63	1,186.01	87,721.35	(1,745.81)	85,975.54	-	85,975.54
Steuben	7,874.16	46,653.80	175.07	54,703.03	(2,046.42)	52,656.61	52,656.61	-
Stonington	16,244.58	169,625.05	2,307.74	188,177.37	(3,404.10)	184,773.27	-	184,773.27
Thomaston Group	47,911.81	632,881.43	11,256.45	692,049.69	(11,608.59)	680,441.10	-	680,441.10
Thorndike	2,104.52	22,633.69	492.48	25,230.69	(643.92)	24,586.77	24,586.77	-
Troy	2,106.40	16,333.72	276.32	18,716.44	(636.29)	18,080.15	18,080.15	-
Union River SWD	4,901.61	28,492.21	187.36	33,581.18	(1,312.26)	32,268.92	32,268.92	-
Unity	11,511.64	68,136.74	398.23	80,046.61	(3,111.79)	76,934.82	76,934.82	-
Vassalboro	16,722.80	116,372.11	1,540.26	134,635.17	(4,900.21)	129,734.96	129,734.96	-
Veazie	8,622.56	118,851.99	2,300.01	129,774.56	(2,305.73)	127,468.83	-	127,468.83
Verona	3,693.82	23,703.76	232.73	27,630.31	(1,123.48)	26,506.83	26,506.83	-
Waldoboro Group	33,506.27	257,491.93	3,805.27	294,803.47	(9,479.34)	285,324.13	285,324.13	-
Waterville	78,166.46	1,623,270.46	33,863.48	1,735,300.40	(24,830.53)	1,710,469.87	-	1,710,469.87
Winslow	41,669.77	556,169.24	9,000.16	606,839.17	(12,014.43)	594,824.74	-	594,824.74
West Gardiner	12,963.35	186,360.04	3,857.46	203,180.85	(3,356.60)	199,824.25	-	199,824.25
Winthrop	33,081.08	487,363.43	9,308.74	529,753.25	(8,891.44)	520,861.81	-	520,861.81
Total	2,052,629.50	19,022,337.37	298,916.80	21,373,883.67	(546,172.77)	20,827,710.90	9,245,722.71	11,581,988.19

**Table 2**  
**Equity Charter Member Account Balances as of March 31, 2018**  
**Transfers to Escrow Account**

	Custody	Tip Fee	Operating Budget			
	Account	Stabilization	Stabilization			
	Account	Fund	Fund	Subtotal	2Q Distribution	Total
Baileyville	19,991.04	289,588.15	4,539.48	314,118.67	(4,605.95)	309,512.72
Burnham	9,398.19	97,693.21	1,484.25	108,575.65	(2,143.13)	106,432.52
Clinton	20,174.50	370,293.53	8,747.26	399,215.29	(6,228.68)	392,986.61
Enfield	8,482.58	126,715.93	2,535.76	137,734.27	(2,261.99)	135,472.28
Fairfield	44,268.15	525,424.74	7,361.37	577,054.26	(11,514.11)	565,540.15
Glenburn	31,472.10	314,177.58	4,269.70	349,919.38	(7,243.61)	342,675.77
Gouldsboro	6,978.61	128,232.00	2,977.38	138,187.99	(1,732.13)	136,455.86
Greenbush	7,731.86	92,063.29	1,555.21	101,350.36	(2,153.44)	99,196.92
Hancock	5,319.97	88,749.33	2,021.36	96,090.66	(1,436.55)	94,654.11
Hermon	47,054.38	515,557.93	6,981.77	569,594.08	(13,415.65)	556,178.43
Jackson	2,351.84	22,102.03	214.59	24,668.46	(666.55)	24,001.91
Lamoine	7,722.49	96,685.29	1,648.56	106,056.34	(1,832.86)	104,223.48
Lincoln	45,233.68	590,686.48	12,137.71	648,057.87	(11,732.03)	636,325.84
Mars Hill	9,863.47	154,159.39	3,110.48	167,133.34	(3,296.93)	163,836.41
Midcoast SWD	93,472.94	1,214,690.49	24,309.03	1,332,472.46	(23,531.01)	1,308,941.45
Milford	12,367.17	177,162.74	3,700.98	193,230.89	(3,529.54)	189,701.35
Newburg	6,154.50	89,083.77	1,716.08	96,954.35	(1,870.84)	95,083.51
Old Town	40,073.36	699,338.91	16,882.32	756,294.59	(13,166.16)	743,128.43
Orland	3,962.91	56,724.49	1,687.32	62,374.72	(1,166.69)	61,208.03
Penobscot Co.	10,058.41	138,993.22	2,665.42	151,717.05	(2,896.88)	148,820.17
Plymouth	6,725.11	82,227.74	1,515.02	90,467.87	(1,882.89)	88,584.98
Reed Plt	1,216.82	15,356.38	277.38	16,850.58	(300.66)	16,549.92
Rockland	72,290.86	888,769.11	17,059.14	978,119.11	(19,082.50)	959,036.61
Searsport	15,093.34	184,086.25	3,708.02	202,887.61	(4,086.29)	198,801.32
Stetson	6,717.71	79,817.63	1,186.01	87,721.35	(1,745.81)	85,975.54
Stonington	16,244.58	169,625.05	2,307.74	188,177.37	(3,404.10)	184,773.27
Thomaston Group	47,911.81	632,881.43	11,256.45	692,049.69	(11,608.59)	680,441.10
Veazie	8,622.56	118,851.99	2,300.01	129,774.56	(2,305.73)	127,468.83
Waterville	78,166.46	1,623,270.46	33,863.48	1,735,300.40	(24,830.53)	1,710,469.87
Winslow	41,669.77	556,169.24	9,000.16	606,839.17	(12,014.43)	594,824.74
West Gardiner	12,963.35	186,360.04	3,857.46	203,180.85	(3,356.60)	199,824.25
Winthrop	33,081.08	487,363.43	9,308.74	529,753.25	(8,891.44)	520,861.81
<b>Total</b>	<b>772,835.60</b>	<b>10,812,901.25</b>	<b>206,185.64</b>	<b>11,791,922.49</b>	<b>(209,934.30)</b>	<b>11,581,988.19</b>



Table 3 Equity Charter Member Net Position as of December 31, 2017 Joining Members and Departing Municipalities																
	Custody Account	Net Cash Flow Receivable	Tie Fee Stabilization Fund	Operating Budget Stabilization Fund	Cash Collateral Account	Supplemental Cash Collateral Account	Cash Sweep Account	Maine DOT escrow account	Advance to General Fund	Investment in the Hampden Site	Put Option Value	Subtotal	10 Distribution	Total	Joining Members	Departing Municipalities
Albion	12,284.98	361.89	39,125.28	(219.63)	26,400.27	33,188.00	8.87	1,922.32	1,791.24	48,831.27	6,770.79	170,465.28	(3,136.23)	167,329.05	167,329.05	-
Alton	4,765.54	168.93	14,906.38	(71.79)	10,058.27	12,644.33	3.38	732.39	682.45	18,563.91	3,160.70	65,614.49	(1,160.05)	64,454.44	64,454.44	-
Atkinson	2,130.97	52.47	5,304.58	(43.95)	3,579.33	4,499.59	1.20	260.62	242.86	6,602.88	981.76	23,612.31	(430.92)	23,181.39	23,181.39	-
Baldwin	406,927.70	591.07	289,282.08	3,231.77	842,170.31	1,058,698.85	282.67	61,322.11	57,140.78	1,557,110.32	11,050.60	327,614.08	(4,046.67)	323,569.41	323,569.41	-
Bar Harbor	13,583.94	1,248,098.21	1,248,098.21	(6,215.45)	168,241.11	211,497.19	56.47	12,250.37	11,415.06	309,682.61	49,880.61	5,493,268.80	(96,254.33)	5,397,014.47	5,397,014.47	-
Blue Hill/Surry	2,666.05	249,333.68	249,333.68	(1,321.81)	118,433.64	148,871.29	39.74	8,622.95	8,034.98	218,151.25	31,000.57	1,116,244.31	(17,214.98)	1,099,029.33	1,099,029.33	-
Boothbay RRDD	64,531.76	1,656.94	175,504.10	(1,057.93)	118,433.64	148,871.29	39.74	8,622.95	8,034.98	218,151.25	31,000.57	1,116,244.31	(17,214.98)	1,099,029.33	1,099,029.33	-
Bradley	82,350.89	2,268.90	222,660.64	(982.16)	150,248.52	188,878.59	50.42	10,940.26	10,194.28	277,021.06	42,450.02	986,089.42	(12,360.85)	971,728.57	971,728.57	-
Brewer	7,254.47	214.50	20,835.78	(129.53)	14,059.22	17,673.93	4.71	1,023.71	953.91	25,970.10	4,013.22	91,874.02	(14,910.07)	971,179.35	971,179.35	-
Brownville	87,742.12	4,040.78	314,368.51	(620.63)	212,124.19	266,662.97	71.20	15,445.70	14,392.51	392,291.98	75,601.20	1,382,120.53	(23,308.73)	1,358,811.80	1,358,811.80	-
Brooks	6,545.03	113.00	13,404.79	(193.01)	9,045.05	11,370.61	3.04	658.61	613.70	16,679.71	2,114.17	60,354.70	(1,261.07)	59,093.63	59,093.63	-
Buckport	9,724.71	361.96	30,777.56	(92.71)	20,767.56	26,107.06	6.97	1,512.18	1,409.07	38,453.55	6,772.14	135,800.05	(2,293.20)	133,506.85	133,506.85	-
Burnham	21,377.73	1,276.98	90,608.35	136.11	61,139.14	76,858.50	20.53	4,451.81	4,148.26	113,311.60	23,891.71	397,220.72	(6,177.90)	391,042.82	391,042.82	-
Carmel	10,974.25	260.10	97,685.31	1,044.52	30,351.29	38,154.83	10.19	2,210.01	2,059.32	56,040.93	4,866.93	114,830.51	(2,137.69)	112,692.82	112,692.82	-
Central Penobscot	16,952.74	420.48	44,980.67	(353.82)	30,351.29	38,154.83	10.19	2,210.01	2,059.32	56,040.93	4,866.93	114,830.51	(2,137.69)	112,692.82	112,692.82	-
China	36,446.24	702.39	90,402.22	(825.51)	61,000.06	76,683.63	20.48	4,441.68	4,138.82	112,446.31	13,141.32	398,597.64	(7,096.17)	391,501.47	391,501.47	-
Clifton	21,711.35	917.50	77,152.92	(114.17)	52,059.92	65,444.93	17.47	3,790.71	3,532.24	96,491.32	17,165.95	338,170.14	(5,426.42)	332,743.72	332,743.72	-
Clinton	5,812.22	149.14	15,583.76	(115.96)	10,515.35	13,218.92	3.52	765.67	713.46	19,437.59	2,790.36	68,874.03	(1,221.13)	67,652.90	67,652.90	-
Dedham	24,334.76	1,228.73	369,842.32	4,967.25	12,521.29	15,740.60	4.20	911.73	849.56	23,140.07	3,859.72	423,362.06	(6,703.02)	416,659.04	416,659.04	-
Dover-Foxcroft	6,073.49	205.23	18,556.58	(62.60)	12,521.29	15,740.60	4.20	911.73	849.56	23,140.07	3,859.72	423,362.06	(6,703.02)	416,659.04	416,659.04	-
Eddington	37,302.41	931.43	94,054.95	(748.16)	63,464.79	79,782.08	21.31	4,621.15	4,306.05	117,095.58	17,426.73	418,258.32	(7,604.40)	410,653.92	410,653.92	-
Enfield	13,293.65	436.71	38,088.76	(198.96)	25,700.90	32,308.78	8.63	1,871.39	1,743.79	47,559.99	8,170.61	168,984.25	(3,149.49)	165,834.76	165,834.76	-
Fairfield	10,190.07	366.80	126,600.29	1,565.85	-	-	-	-	-	-	-	-	-	-	-	-
Glenburn	51,303.45	1,283.42	525,321.44	5,312.19	-	-	-	-	-	-	-	-	-	-	-	-
Gouldsboro	36,052.09	785.48	314,200.90	3,194.39	-	-	-	-	-	-	-	-	-	-	-	-
Greenbush	8,250.40	391.85	128,054.93	1,752.13	-	-	-	-	-	-	-	-	-	-	-	-
Guilford	9,220.71	253.99	92,038.04	1,057.18	-	-	-	-	-	-	-	-	-	-	-	-
Hampden	21,285.47	664.72	56,033.70	(327.42)	37,809.46	47,530.57	12.68	2,753.08	2,565.35	69,861.39	12,436.56	250,625.56	(4,551.54)	246,074.02	246,074.02	-
Hancock	15,889.80	1,594.84	151,412.73	(916.45)	102,167.69	128,435.80	34.29	7,439.28	6,932.02	188,436.48	29,838.67	667,265.15	(12,174.98)	655,090.17	655,090.17	-
Hampden	6,277.00	283.45	88,640.82	1,159.97	-	-	-	-	-	-	-	-	-	-	-	-
Heron	56,047.08	1,292.58	515,584.65	5,171.87	-	-	-	-	-	-	-	-	-	-	-	-
Holden	15,837.38	432.07	41,524.01	(313.82)	28,018.86	35,222.74	9.41	2,040.17	1,901.06	51,646.26	8,083.92	101,664.44	(11,403.90)	90,262.56	90,262.56	-
Jackson	2,840.42	50.85	22,120.89	202.56	-	-	-	-	-	-	-	-	-	-	-	-
Lamoine	9,081.20	260.79	96,635.33	1,088.21	-	-	-	-	-	-	-	-	-	-	-	-
Lee	7,577.10	190.09	17,717.67	(145.75)	11,955.22	15,029.00	4.01	870.51	811.16	22,051.02	3,556.55	79,616.58	(1,509.26)	78,107.32	78,107.32	-
Levant	15,132.97	408.52	39,622.82	(310.97)	26,736.00	33,610.05	8.98	1,946.77	1,814.02	49,308.91	7,643.23	175,921.30	(3,403.15)	172,518.15	172,518.15	-
Lincoln	53,337.67	1,883.42	590,319.83	7,355.80	-	-	-	-	-	-	-	-	-	-	-	-
Lucerne	4,593.74	105.02	11,624.17	(81.45)	7,843.57	9,860.20	2.64	571.13	532.18	14,482.98	1,964.82	51,499.00	(853.10)	50,645.90	50,645.90	-
Mariaville	2,307.65	60.18	6,119.39	(36.21)	4,129.14	5,190.78	1.38	300.66	280.16	7,629.99	1,125.88	27,108.99	(435.43)	26,673.56	26,673.56	-
Mars Hill	12,046.50	474.64	154,063.76	1,932.28	-	-	-	-	-	-	-	-	-	-	-	-
Mattawamkeag	4,773.18	200.07	16,857.45	(41.93)	11,374.77	14,299.32	3.81	828.25	771.77	21,038.58	3,743.15	73,838.42	(1,235.38)	72,603.04	72,603.04	-

Table 3 Equity Charter Member Net Position as of December 31, 2017 Joining Members and Departing Municipalities														Joining Members		Departing Municipalities	
	Custody Account	Net Cash Flow Receivable	Tie Fee Stabilization Fund	Operating Budget Stabilization Fund	Cash Collateral Account	Supplemental Cash Collateral Account	Cash Sweep Account	Maine DOT escrow account	Advance to General Fund	Investment in the Hamden Site	Put Option Value	Subtotal	1Q Distribution	Total			
Midcoast SWD	109,458.00	3,871.99	1,213,768.13	14,037.16	-	-	-	-	-	-	-	1,413,578.43	(23,965.95)	1,389,612.48	-	1,389,612.48	-
Mid-Maine SWD	71,626.62	2,290.96	187,653.62	(1,103.94)	126,621.70	159,177.12	42.50	9,219.88	8,591.21	233,911.03	42,862.85	840,893.55	(15,453.35)	825,440.20	825,440.20	-	-
Milford	14,771.23	562.24	177,031.29	2,221.01	-	-	-	-	-	-	10,519.17	205,104.94	(3,633.95)	201,470.99	-	201,470.99	-
Millbrook	40,548.39	1,464.25	126,729.87	(508.91)	85,512.61	107,498.55	28.70	6,226.55	5,801.98	157,802.61	-	558,500.02	(9,689.93)	548,810.09	548,810.09	-	-
Milw	21,574.21	617.84	58,046.73	(402.07)	39,167.77	49,238.12	13.15	2,851.98	2,657.51	72,248.72	11,559.48	257,573.44	(4,566.32)	253,007.12	253,007.12	-	-
Monson	3,500.70	102.05	10,201.20	(42.07)	6,883.40	8,653.16	2.31	501.22	467.03	12,683.45	1,909.28	44,861.73	(684.58)	44,177.15	44,177.15	-	-
Mt. Desert area ADD	107,352.72	3,016.59	303,079.72	(1,132.55)	204,506.94	257,087.27	68.64	14,891.05	13,875.68	377,205.32	56,439.05	1,336,390.43	(19,473.81)	1,316,916.62	1,316,916.62	-	-
Newburg	7,528.82	252.35	89,032.72	1,136.68	-	-	-	-	-	-	4,721.33	102,671.90	(1,785.00)	100,886.90	100,886.90	-	-
Old Town	48,969.62	2,427.10	698,632.93	9,689.62	-	-	-	-	-	-	45,409.95	805,129.22	(14,219.26)	790,909.96	790,909.96	-	-
Orland	4,752.36	249.72	56,664.91	879.88	-	-	-	-	-	-	4,672.14	67,219.01	(1,295.71)	65,923.30	65,923.30	-	-
Orono	62,844.30	2,080.18	179,701.51	(1,180.49)	121,255.91	152,431.73	40.70	8,829.18	8,227.15	223,677.92	38,919.28	796,877.37	(15,205.54)	781,671.83	781,671.83	-	-
Otis	3,460.60	104.83	8,485.04	(45.75)	5,725.38	7,197.44	1.92	416.89	388.46	10,592.15	1,961.41	38,288.37	(662.97)	37,625.40	37,625.40	-	-
Palmyra	13,020.98	300.50	31,874.95	(275.42)	21,508.03	27,037.92	7.22	1,566.09	1,459.31	39,722.27	5,622.22	141,844.07	(2,682.73)	139,161.34	139,161.34	-	-
Parkman	3,452.08	80.76	8,697.62	(71.38)	5,868.83	7,377.78	1.96	427.34	398.20	10,813.83	1,511.03	38,558.05	(690.57)	37,867.48	37,867.48	-	-
Pembacot Co.	12,112.11	417.59	138,901.35	1,631.02	-	-	-	-	-	-	7,812.97	160,875.04	(2,788.82)	158,086.22	158,086.22	-	-
Pleasant River SWD	9,362.20	632.85	50,440.80	250.23	34,035.57	42,786.39	11.42	2,478.27	2,309.29	63,558.47	11,840.36	217,705.85	(2,881.55)	214,824.30	214,824.30	-	-
Plymouth	8,034.09	239.13	82,197.39	998.97	-	-	-	-	-	-	4,474.01	95,944.39	(1,747.20)	94,197.19	94,197.19	-	-
Reed Pit	1,451.09	45.71	15,348.79	171.63	-	-	-	-	-	-	855.22	17,872.44	(327.61)	17,544.83	17,544.83	-	-
Rockland	85,070.61	2,671.91	888,302.72	10,756.88	-	-	-	-	-	-	49,980.22	1,036,752.34	(18,236.82)	1,018,555.52	1,018,555.52	-	-
Saugerville	9,971.64	222.08	24,388.66	(211.57)	16,456.56	20,687.68	5.52	1,198.28	1,116.57	30,368.37	4,155.04	108,358.83	(1,957.28)	106,401.55	106,401.55	-	-
Seaport	17,513.28	651.97	183,988.14	1,992.82	-	-	-	-	-	-	12,198.12	216,344.33	(4,197.27)	212,147.06	212,147.06	-	-
Stetson	7,955.47	171.48	79,796.67	957.44	-	-	-	-	-	-	3,208.25	92,089.31	(1,547.95)	90,541.36	90,541.36	-	-
Stetson	9,525.71	240.40	25,302.51	(208.68)	-	-	-	-	-	-	4,497.81	111,778.13	(2,005.49)	109,772.64	109,772.64	-	-
Stonington	19,161.31	406.17	169,584.29	1,660.33	-	-	-	-	-	-	7,599.27	198,411.37	(3,392.15)	195,019.22	195,019.22	-	-
Thomaston Group	57,621.25	1,730.80	632,521.34	7,403.35	-	-	-	-	-	-	33,382.47	731,659.21	(12,094.43)	719,564.78	719,564.78	-	-
Thordike	2,523.73	136.07	12,236.44	36.57	8,256.70	10,379.55	2.77	601.21	560.21	15,308.65	2,545.81	52,587.71	(673.42)	51,914.29	51,914.29	-	-
Troy	2,536.51	105.93	8,844.31	(17.11)	5,967.81	7,502.18	2.00	434.54	404.91	11,067.91	1,981.87	38,830.86	(654.32)	38,176.54	38,176.54	-	-
Union River SWD	5,809.09	153.63	15,446.97	(102.78)	10,423.05	13,102.88	3.51	758.99	707.20	19,256.76	2,874.35	68,433.61	(1,239.87)	67,193.74	67,193.74	-	-
Unity	13,587.17	355.41	36,939.12	(25.13)	24,925.16	31,333.60	8.36	1,814.90	1,691.16	45,997.36	6,649.48	163,050.59	(2,889.53)	160,161.06	160,161.06	-	-
Vassalboro	19,935.18	722.31	63,044.37	(262.10)	42,540.00	53,477.34	14.27	3,097.53	2,886.31	78,654.17	13,514.13	277,623.51	(4,858.45)	272,765.06	272,765.06	-	-
Veazie	10,277.51	365.00	118,783.51	1,409.43	-	-	-	-	-	-	6,829.03	137,664.48	(2,710.81)	134,953.67	134,953.67	-	-
Verona	4,444.78	140.00	12,847.72	(74.51)	8,669.16	10,898.08	2.92	631.24	588.20	16,021.41	2,619.39	56,788.39	(997.39)	55,791.00	55,791.00	-	-
Waldoboro Group	39,555.06	1,480.31	139,380.38	(259.71)	94,048.69	118,229.36	31.56	6,848.10	6,381.15	173,603.36	27,695.99	606,994.25	(9,073.57)	597,920.68	597,920.68	-	-
Waterville	94,534.47	4,764.23	1,620,979.45	19,034.65	-	-	-	-	-	-	89,136.67	1,828,449.47	(25,663.34)	1,802,786.13	1,802,786.13	-	-
Winslow	49,819.93	1,474.64	555,916.67	5,974.34	-	-	-	-	-	-	27,589.79	640,775.37	(11,110.76)	629,664.61	629,664.61	-	-
West Gardiner	15,192.26	583.85	186,196.17	2,264.42	-	-	-	-	-	-	10,923.66	215,160.36	(3,606.47)	211,553.89	211,553.89	-	-
Winthrop	40,164.18	1,448.23	486,973.93	5,570.23	-	-	-	-	-	-	27,095.79	561,252.36	(9,327.13)	551,925.23	551,925.23	-	-
Total	2,432,394.48	86,172.86	15,253,026.16	105,556.79	3,001,351.38	3,773,022.14	1,007.36	218,541.60	203,640.00	5,543,288.41	1,500,000.00	32,112,066.31	(543,818.49)	31,568,247.82	31,568,247.82	12,285,847.81	12,285,847.81



	Custody Account	Tip Fee Stabilization Fund	Operating Budget Stabilization Fund	Cash Collateral Account	Cash Sweep Account	Maine DOT escrow account	Advance to General Fund	Investment in the Hampden Site	Subtotal	2Q Distribution	Total	Joining Members	Departing Municipalities
Albion	10,156.42	72,185.57	451.21	26,413.55	4.12	1,924.16	1,791.24	48,831.27	161,757.54	(3,496.03)	158,261.51	158,261.51	-
Allon	3,935.19	27,512.80	340.06	10,063.33	1.57	733.09	682.45	18,563.91	61,832.40	(1,090.92)	60,741.48	60,741.48	-
Atkinson	1,797.55	9,780.30	43.79	3,581.13	0.56	260.87	242.86	6,602.88	22,309.94	(473.37)	21,836.57	21,836.57	-
Baileville	19,991.04	289,588.15	4,539.48	-	-	-	-	-	314,118.67	(4,605.95)	309,512.72	-	309,512.72
Bangor	336,699.89	2,303,240.63	24,951.45	842,593.81	131.64	61,380.91	57,140.78	1,557,110.32	5,183,249.43	(98,571.45)	5,084,677.98	5,084,677.98	-
Bar Harbor	90,931.90	460,205.09	4,930.87	168,325.71	26.30	12,262.12	11,415.06	309,682.61	1,057,779.66	(15,188.72)	1,042,590.94	1,042,590.94	-
Blue Hill/Surry	55,026.12	323,844.90	2,201.07	118,483.19	18.52	8,631.22	8,034.98	218,151.25	734,391.25	(13,070.70)	721,320.55	721,320.55	-
Boothbay RRDD	72,359.50	411,060.08	4,329.08	150,324.08	23.49	10,950.75	10,194.28	277,021.06	936,262.32	(13,993.83)	922,268.49	922,268.49	-
Bradley	5,930.00	38,437.69	306.88	14,066.29	2.20	1,024.69	953.91	25,970.10	86,691.76	(1,639.49)	85,052.27	85,052.27	-
Brewer	72,862.44	580,675.82	11,204.02	212,230.86	33.15	15,460.51	14,392.51	392,291.98	1,299,151.29	(22,190.60)	1,276,960.69	1,276,960.69	-
Brooks	5,403.93	24,668.06	(175.90)	9,049.60	1.41	659.24	613.70	16,679.71	56,899.75	(1,654.75)	55,245.00	55,245.00	-
Brownville	8,203.65	56,826.79	865.71	20,778.00	3.25	1,513.63	1,409.07	38,453.55	128,053.65	(2,133.21)	125,920.44	125,920.44	-
Bucksport	18,107.21	167,524.10	4,427.89	61,169.89	9.51	4,456.08	4,148.26	113,311.60	373,154.58	(5,074.01)	368,080.57	368,080.57	-
Burnham	9,398.19	97,693.21	1,484.25	-	-	-	-	-	108,575.65	(2,143.13)	106,432.52	-	106,432.52
Carmel	14,028.34	82,939.19	305.32	30,366.55	4.74	2,212.13	2,059.32	56,040.93	187,956.52	(3,888.62)	184,067.90	184,067.90	-
Central Penobscot	30,939.70	166,642.43	(217.60)	51,030.74	9.52	4,445.94	4,138.82	112,446.31	379,435.87	(7,821.43)	371,614.44	371,614.44	-
China	18,442.89	142,512.38	2,486.90	52,086.10	8.14	3,794.35	3,532.24	96,491.32	319,354.32	(5,045.67)	314,308.65	314,308.65	-
Clifton	4,829.30	28,736.43	131.31	10,520.64	1.65	766.40	713.46	19,437.59	65,136.78	(1,387.88)	63,748.90	63,748.90	-
Clinton	20,174.50	370,293.53	8,747.26	-	-	-	-	-	399,215.29	(6,228.68)	392,986.61	-	392,986.61
Dedham	5,243.82	34,262.66	462.54	12,527.59	1.96	912.60	849.56	23,140.07	77,400.80	(1,343.63)	76,057.17	76,057.17	-
Dover-Foxcroft	31,540.65	173,429.91	854.11	63,496.70	9.93	4,625.58	4,306.05	117,095.58	395,358.51	(8,319.90)	387,038.61	387,038.61	-
Eddington	11,237.75	70,279.73	819.07	25,713.82	4.02	1,873.18	1,743.79	47,559.99	159,231.35	(3,399.87)	155,831.48	155,831.48	-
Enfield	8,482.58	126,715.93	2,535.76	-	-	-	-	-	137,734.27	(2,261.99)	135,472.28	-	135,472.28
Fairfield	44,268.15	525,424.74	7,361.37	-	-	-	-	-	577,054.26	(11,514.11)	565,540.15	565,540.15	-
Glenburn	31,472.10	314,177.58	4,269.70	-	-	-	-	-	349,919.38	(7,243.61)	342,675.77	-	342,675.77
Gouldsboro	6,978.61	128,232.00	2,977.38	-	-	-	-	-	138,187.99	(1,732.13)	136,455.86	-	136,455.86
Greenbush	7,731.86	92,063.29	1,555.21	-	-	-	-	-	101,350.36	(2,153.44)	99,196.92	-	99,196.92
Guilford	18,137.47	103,380.83	1,235.33	37,828.47	5.91	2,755.72	2,565.35	69,861.39	235,770.47	(4,827.21)	230,943.26	230,943.26	-
Hampden	43,069.61	279,366.80	2,513.25	102,219.07	15.97	7,446.41	6,932.02	188,436.48	629,999.61	(13,256.97)	616,742.64	616,742.64	-
Hancock	5,319.97	88,749.33	2,021.36	-	-	-	-	-	96,090.66	(1,436.55)	94,654.11	-	94,654.11
Heron	47,054.38	515,557.93	6,981.77	-	-	-	-	-	569,594.08	(13,415.65)	556,178.43	-	556,178.43
Holden	13,391.89	76,581.32	517.19	28,032.95	4.38	2,042.13	1,901.06	51,646.26	174,117.18	(3,604.37)	170,512.81	170,512.81	-
Jackson	2,351.84	22,102.03	214.59	-	-	-	-	-	24,668.46	(666.55)	24,001.91	-	24,001.91
Lamoine	7,722.49	96,685.29	1,648.56	-	-	-	-	-	106,056.34	(1,832.86)	104,223.48	-	104,223.48
Lee	6,474.80	32,667.85	210.77	11,961.23	1.87	871.34	811.16	22,051.02	75,050.04	(1,502.18)	73,547.86	73,547.86	-
Levant	12,615.93	73,065.74	442.02	26,749.44	4.17	1,948.64	1,814.02	49,308.91	165,948.87	(3,680.45)	162,268.42	162,268.42	-
Lincoln	45,233.68	590,686.48	12,137.71	-	-	-	-	-	648,057.87	(11,732.03)	636,325.84	-	636,325.84
Lucerne	3,975.57	21,439.38	88.99	7,847.51	1.23	571.68	532.18	14,482.98	48,939.52	(972.85)	47,966.67	47,966.67	-
Marionville	1,911.30	11,289.82	82.49	4,131.22	0.65	300.95	280.16	7,629.98	25,626.57	(436.45)	25,190.12	25,190.12	-
Mars Hill	9,863.47	154,159.39	3,110.48	-	-	-	-	-	167,133.34	(3,296.93)	163,836.41	-	163,836.41
Mattawankeag	3,913.11	31,133.37	512.29	11,380.49	1.78	829.04	771.77	21,028.58	69,570.43	(1,154.27)	68,416.16	68,416.16	-

	Custody Account	Tip Fee Stabilization Fund	Operating Budget Stabilization Fund	Cash Collateral Account	Cash Sweep Account	Maine DOT escrow account	Advance to General Fund	Investment in the Hampden Site	Subtotal	2Q Distribution	Total	Joining Members	Departing Municipalities
Midcoast SWD	93,472.94	1,214,690.49	24,309.03	-	-	-	-	-	1,332,472.46	(23,531.01)	1,308,941.45	-	1,308,941.45
Mid-Maine SWD	61,024.39	346,216.93	4,398.21	126,685.37	-	9,228.72	8,591.21	233,911.03	790,075.65	(16,292.51)	773,783.14	773,783.14	-
Millford	12,367.17	177,162.74	3,700.98	-	-	-	-	-	193,230.89	(3,529.54)	189,701.35	-	189,701.35
Millinocket	34,563.68	233,967.11	3,268.55	85,555.61	13.37	6,232.52	5,801.98	157,802.61	527,205.43	(8,462.29)	518,743.14	518,743.14	-
Milo	18,133.50	107,069.92	859.60	39,187.47	6.12	2,854.72	2,657.51	72,248.72	243,017.56	(4,794.78)	238,222.78	238,222.78	-
Monson	3,026.37	18,834.48	199.86	6,886.86	1.08	501.70	467.03	12,683.45	42,600.83	(588.64)	42,012.19	42,012.19	-
Mt. Desert area ADD	93,735.55	559,608.78	6,077.51	204,609.78	31.96	14,905.33	13,875.68	377,205.32	1,270,049.91	(18,843.20)	1,251,206.71	1,251,206.71	-
Newburg	6,154.50	89,083.77	1,716.08	-	-	-	-	-	96,954.35	(1,870.84)	95,083.51	-	95,083.51
Old Town	40,073.36	699,338.91	16,882.32	-	-	-	-	-	756,294.59	(13,166.16)	743,128.43	-	743,128.43
Orland	3,962.91	56,724.49	1,687.32	-	-	-	-	-	62,374.72	(1,166.69)	61,208.03	-	61,208.03
Orono	52,508.82	331,504.26	3,511.44	121,316.89	18.96	8,837.65	8,227.15	223,677.92	749,603.09	(15,992.81)	733,610.28	733,610.28	-
Otis	3,046.79	15,655.67	210.65	5,728.26	0.89	417.29	388.46	10,592.15	36,040.16	(771.74)	35,268.42	35,268.42	-
Palmyra	10,939.12	58,758.51	161.98	21,518.85	3.36	1,567.59	1,459.31	39,722.27	134,130.99	(2,867.59)	131,263.40	131,263.40	-
Parkman	2,940.78	16,037.84	54.91	5,871.78	0.92	427.75	398.20	10,813.83	36,546.01	(706.56)	35,839.45	35,839.45	-
Penobscot Co.	10,058.41	138,993.22	2,665.42	-	-	-	-	-	151,717.05	(2,896.88)	148,820.17	-	148,820.17
Pleasant River SWD	7,872.09	93,314.90	2,465.00	34,052.69	5.32	2,480.65	2,309.29	63,558.47	206,058.41	(2,252.23)	203,806.18	203,806.18	-
Plymouth	6,725.11	82,227.74	1,515.02	-	-	-	-	-	90,467.87	(1,882.89)	88,584.98	-	88,584.98
Reed Pit	1,216.82	15,356.38	277.38	-	-	-	-	-	16,850.58	(300.66)	16,549.92	-	16,549.92
Rockland	72,290.86	888,769.11	17,059.14	-	-	-	-	-	978,119.11	(19,082.50)	959,036.61	-	959,036.61
Sangerville	8,415.66	44,960.09	95.62	16,464.84	-	-	-	-	102,623.15	(2,193.58)	100,429.57	-	100,429.57
Searsport	15,093.34	184,086.25	3,708.02	-	-	-	-	-	202,887.61	(4,086.29)	198,801.32	-	198,801.32
Stetson	6,717.71	79,817.63	1,186.01	-	-	-	-	-	87,721.35	(1,745.81)	85,975.54	-	85,975.54
Steuben	7,874.16	46,653.80	175.07	17,081.78	2.66	1,244.37	1,158.41	31,477.02	105,667.27	(2,046.42)	103,620.85	103,620.85	-
Stonington	16,244.58	169,625.05	2,307.74	-	-	-	-	-	188,177.37	(3,404.10)	184,773.27	-	184,773.27
Thomaston Group	47,911.81	632,881.43	11,256.45	-	-	-	-	-	692,049.69	(11,608.59)	680,441.10	-	680,441.10
Thordike	2,104.52	22,633.69	492.48	8,260.85	-	-	-	-	49,963.48	(643.92)	49,319.56	49,319.56	-
Troy	2,106.40	16,333.72	276.32	5,970.81	0.94	434.96	404.91	11,067.91	36,595.97	(636.29)	35,959.68	35,959.68	-
Union River SWD	4,901.61	28,492.21	187.36	10,428.29	1.63	759.68	707.20	19,256.76	64,734.74	(1,312.26)	63,422.48	63,422.48	-
Unity	11,511.64	68,136.74	398.23	24,937.69	3.89	1,816.64	1,691.16	45,997.36	154,493.35	(3,111.79)	151,381.56	151,381.56	-
Vassalboro	16,722.80	116,372.11	1,540.26	42,561.39	6.65	3,100.50	2,886.31	78,654.17	261,844.19	(4,900.21)	256,943.98	256,943.98	-
Veazie	8,622.56	118,851.99	2,300.01	-	-	-	-	-	129,774.56	(2,305.73)	127,468.83	-	127,468.83
Verona	3,693.82	23,703.76	232.73	8,673.52	1.35	631.85	588.20	16,021.41	53,546.64	(1,123.48)	52,423.16	52,423.16	-
Waldoboro Group	33,506.27	257,491.93	3,805.27	94,095.98	14.71	6,854.67	6,381.15	173,603.36	575,753.34	(9,479.34)	566,274.00	566,274.00	-
Waterville	78,166.46	1,623,270.46	33,863.48	-	-	-	-	-	1,735,300.40	(24,830.53)	1,710,469.87	-	1,710,469.87
Winslow	41,669.77	556,169.24	9,000.16	-	-	-	-	-	606,839.17	(12,014.43)	594,824.74	-	594,824.74
West Gardiner	12,963.35	186,360.04	3,857.46	-	-	-	-	-	203,180.85	(3,356.60)	199,824.25	-	199,824.25
Winthrop	33,081.08	487,363.43	9,308.74	-	-	-	-	-	529,753.25	(8,891.44)	520,861.81	-	520,861.81
Total	2,052,629.50	19,022,337.37	298,918.80	3,002,860.87	469.10	218,751.17	203,640.00	5,543,298.41	30,342,903.07	(546,172.77)	29,796,730.30	18,214,742.11	11,581,988.19



MUNICIPAL REVIEW COMMITTEE, INC.  
 Governmental Fund Balance Sheet / Statement of Net Position  
March 31, 2018

Assets

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
<u>Assets</u>			
Cash	\$ 859,998	\$ -	\$ 859,998
Membership fees receivable	54,047	-	54,047
Accounts receivable - Emera	15,056	-	15,056
Prepaid expenses	-	8,457	8,457
Total Assets	<u>\$ 929,101</u>	<u>8,457</u>	<u>937,558</u>

Liabilities and Net Position

<u>Liabilities</u>			
Accounts payable	\$ 56,644	-	56,644
Accrued payroll	1,927	-	1,927
Accrued vacation	-	9,713	9,713
Due to fiduciary fund	203,640	-	203,640
Total Liabilities	<u>262,211</u>	<u>9,713</u>	<u>271,924</u>
<u>Fund Balances / Net Position</u>			
Fund Balances:			
Unassigned	666,890	(666,890)	
Total Liabilities and Fund Balances	<u>\$ 929,101</u>		
Net Position:			
Unrestricted		<u>\$ 665,634</u>	<u>\$ 665,634</u>

MUNICIPAL REVIEW COMMITTEE, INC.  
Statement of Governmental Fund Revenues, Expenditures and  
Changes in Fund Balance / Statement of Activities  
For the Fifteen Months Ended March 31, 2018

	<u>2018</u>		Statement of
	<u>General Fund</u>	<u>Adjustments</u>	<u>Activities</u>
<u>Revenues</u>			
Membership fees	\$ 271,460	\$ -	\$ 271,460
PERC monitoring agreement	74,778	-	74,778
Reimbursements for PERC Oversight Committee expenses	10,530	-	10,530
Interest income	2,561	-	2,561
Total Revenues	<u>359,329</u>	<u>-</u>	<u>359,329</u>
<u>Expenditures / Expenses</u>			
Salaries and wages	203,717	1,115	204,832
Consulting - resource management	83,144	-	83,144
Legal fees	48,435	-	48,435
Joint legislative advocacy and communications	79,220	-	79,220
Administrative and miscellaneous	13,250	-	13,250
Insurance	10,676	4,634	15,310
Professional fees	6,148	-	6,148
Occupancy	6,300	-	6,300
Fiberight Project and Post-2018 Planning:			
Legal fees	64,868	-	64,868
Total Expenditures / Expenses	<u>515,758</u>	<u>5,749</u>	<u>521,507</u>
Excess (Deficiency) of Revenue Over Expenditures Before			
Other Financing Sources and Uses	<u>(156,429)</u>	<u>156,429</u>	<u>-</u>
<u>Other Financing Sources and (Uses)</u>			
Transfers from the MRC operating budget stabilization fund of the			-
Joint Venture of the Charter Municipalities of MRC	397,850	(397,850)	-
Transfers from the tip fee stabilization fund of the Joint Venture			-
of the charter municipalities of MRC	349,000	(349,000)	-
Transfers to the fiduciary fund	<u>(254,542)</u>	<u>254,542</u>	<u>-</u>
Total Other Financing Sources	<u>492,308</u>	<u>(492,308)</u>	<u>-</u>
<u>Excess (Deficiency) of Revenue Over Expenditures</u>	<u>335,879</u>	<u>(335,879)</u>	<u>-</u>
<u>Operating Transfers</u>			
Transfers from fiduciary fund		746,850	746,850
Transfers to fiduciary fund		<u>(306,542)</u>	<u>(306,542)</u>
Total Operating Transfers		<u>440,308</u>	<u>440,308</u>
Change in Net Position		<u>\$ 278,130</u>	278,130
Fund Balance / Net Position - Beginning of Period	<u>331,011</u>		<u>387,504</u>
Fund Balance / Net Position - End of Period - Exhibit A	<u>\$ 666,890</u>		<u>\$ 665,634</u>

MUNICIPAL REVIEW COMMITTEE, INC.  
Statement of Fiduciary Net Position  
Joint Venture of the Charter Municipalities  
of Municipal Review Committee, Inc.  
March 31, 2018

	<u>Fiduciary Fund</u>	
<u>Assets</u>		
Cash accounts:		
Cash sweep	\$ 469	
Cash Collateral	<u>3,002,861</u>	
Total cash accounts		3,003,330
Custody Account:		
Government obligations money market fund		2,052,630
Tip Fee Stabilization Fund:		
Certificates of deposit	4,064,562	
Government obligations money market fund	5,380,091	
U.S. Treasury bills	3,955,640	
U.S. Government agency bonds	4,566,302	
U.S. Treasury note	998,580	
Accrued investment income	<u>57,162</u>	
Total Tip Fee Stabilization Fund		19,022,337
MRC Operating Budget Stabilization Fund:		
Government obligations money market fund		298,917
Receivable from Maine DOT escrow		218,751
Due from general fund		203,640
Investment in Hampden site		<u>5,543,298</u>
<u>Total Assets</u>		30,342,903
<u>Liabilities</u>		
Tipping fee rebates payable		<u>546,173</u>
<u>Net Position</u>		
Held for the benefit of the Equity Charter Municipalities of Municipal Review Committee, Inc.		<u>\$29,796,730</u>



MUNICIPAL REVIEW COMMITTEE, INC.  
Statement of Changes in Fiduciary Net Position  
Joint Venture of the Charter Municipalities  
of Municipal Review Committee, Inc.  
For the Fifteen Months Ended March 31, 2018

	<u>Fiduciary Fund</u>
<u>Additions</u>	
PERC Performance Credits	\$ 3,442,297
Interest and dividend income	304,475
Net Earnings from investment in PERC	1,076,060
Transfer of Hampden site costs from General Fund	306,542
Appreciation (depreciation) of investments	<u>(82,770)</u>
Total Additions	<u>5,046,604</u>
<u>Deductions</u>	
Valuation discount of investment in PERC	196,378
Rebates of tipping fees	2,888,863
MRC Operating Budget Stabilization Fund transfer to General Fund	397,850
MRC Tip Fee Stabilization Fund transfer to General Fund	349,000
Distributions to members	<u>2,833,333</u>
Total Deductions	<u>6,665,424</u>
Change in Net Position	(1,618,820)
Net Position - Beginning of Period	<u>31,415,550</u>
Net Position - End of Period - Exhibit C	<u>\$29,796,730</u>

MUNICIPAL REVIEW COMMITTEE, INC.  
Notes to Financial Statements  
March 31, 2018

1. Summary of Significant Accounting Policies

Nature of the Entity

The Municipal Review Committee, Inc. (MRC), was organized as a nonprofit corporation in 1991 to better ensure the continuing ability to its members of long-term, reliable, safe and environmentally sound methods of solid waste disposal at a stable cost. It was formed by municipalities with waste disposal agreements with Penobscot Energy Recovery Company Limited Partnership (PERC). Its members (also known as Charter Municipalities) include counties, refuse disposal districts, public waste disposal corporations, municipalities, and other quasi-municipal entities. Only municipalities within the State of Maine may be eligible for membership upon execution of a waste-disposal agreement with MRC.

MRC's Board of Directors is elected by the Charter Municipalities, and must be persons who, at the time of their elections, are either elected or appointed officials, employees or legal residents of the Charter Municipalities. MRC's membership was made up of 86 "Equity" Charter Municipalities and 47 "New" Charter Municipalities. After March 31, 2018, MRC's membership will be made up of 55 "Equity" Charter Municipalities, 25 "New" Charter Municipalities, and 3 other entities.

MRC's financial statements are prepared in accordance with generally accepted account principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for governmental nonprofit entities through its pronouncements (Statements and Interpretations). The more significant accounting policies, established in GAAP and used by the Reporting Entity, are discussed below.

Financial Reporting Entity

The financial reporting entity is comprised of the following:

Primary Government	Municipal Review Committee, Inc.
Fiduciary Component Unit	Joint Venture of the Charter Municipalities of Municipal Review Committee, Inc.

These financial statements present the activities of MRC (the primary government) and its component unit. As defined by GASB Statement No. 14, component units are legally separate entities that are included in the primary government's reporting entity because of the significance of their operating or financial relationships with the primary government. However, as the relationship between MRC and its component unit is fiduciary in nature, the component unit's activities are reported in a fiduciary fund and are not blended with the activities of the primary government.

*Municipal Review Committee, Inc.*

MRC acted as a liaison for and as a representative of its members with PERC and Emera Maine, f.k.a. Bangor Hydro-Electric Company (Bangor Hydro). In performing this function, MRC:

- Reviewed PERC's monthly and annual financial performance and operating reports.
- Reviewed PERC's quarterly tipping fee adjustments.

MUNICIPAL REVIEW COMMITTEE, INC.  
Notes to Financial Statements  
March 31, 2018

1. Summary of Significant Accounting Policies - continued

- Reviewed and oversaw the projected and documented utilization of the Capital Maintenance and Reserve Account (CRMA) monies.
- Reviewed and verified PERC's calculation of cash and performance credits to be provided to MRC's members and PERC.
- Reviewed PERC's compliance with performance standards.
- Participated in the Oversight Committee of the PERC Partnership.
- For members who elected as of September 30, 1998, to become "Equity" Charter Municipalities:
  1. Purchased and sold limited partnership interests in PERC on behalf of those members, as well as the Net Cash Flow from the ownership of PERC; and
  2. Received and sold warrants for one million shares of common stock of Bangor Hydro.

*Joint Venture of the Charter Municipalities of Municipal Review Committee, Inc.*

The Joint Venture of the Charter Municipalities of Municipal Review Committee, Inc. (Joint Venture) is an organization that resulted from a contractual arrangement among certain members of MRC (known as Equity Charter Municipalities), PERC, and Bangor Hydro. It was formed to pool resources of the Equity Charter Municipalities for the long-term goal of handling the disposal of their present and projected volumes of nonhazardous municipal solid waste at a stable and reasonable cost. Those resources are administered by MRC. New members (known as New Charter Municipalities) did not have an ongoing financial interest in the Joint Venture and did not participate in the purchase of a limited partnership interest in PERC.

In 1998, the waste disposal agreements of the Equity Charter Municipalities were amended and restated, and extended to 2018, as part of a settlement that involved the refinancing of PERC's outstanding debt and the renegotiation of a power purchase agreement between PERC and Bangor Hydro, which purchases the electrical output of PERC's waste-to-energy facility ("Facility.") In exchange for certain guarantees, the Equity Charter Municipalities negotiated to receive the following:

Performance Credits from Facility operations. The Charter Municipalities received one-third of the Net Distributable Cash generated from the operation of the Facility, which is known as Performance Credits. Through September 2000, 15% of the Performance Credits were required to be deposited into a restricted cash account, which could only be used for acquisitions of PERC. The Performance Credits after that date were being directed to the Joint Venture without any requirement for deposit into a restricted account.

Warrants to purchase 1,000,000 shares of Bangor Hydro. The Equity Charter Municipalities received warrants to purchase Bangor Hydro common stock at a price of \$7.00 per share. During the year ended December 31, 2001, the then remaining unexercised 700,900 warrants were exchanged for a \$13,667,550 promissory note from Bangor Hydro.

Bangor Hydro \$2,000,000 reserve. The Equity Charter Municipalities received \$2,000,000 from Bangor Hydro over a four-year period. This cash was deposited into a restricted cash account, which could only be used for acquisitions of PERC.

MUNICIPAL REVIEW COMMITTEE, INC.  
Notes to Financial Statements  
March 31, 2018

1. Summary of Significant Accounting Policies - continued

One-third of \$10,000,000 in reserves. The Charter Municipalities received one-third of three reserves upon PERC's repayment of its outstanding debt. These reserves were held as collateral for the bondholders. The debt was refinanced during the year ended December 31, 2012, and the requirement for PERC to maintain \$10,000,000 in the reserve accounts was reduced to \$2,000,000. One-third of the \$8,000,000 was then released. During 2017, the remaining funds were released.

The waste disposal agreements of the Equity Charter Municipalities provided that the interests acquired in PERC be allocated among themselves based on their respective shares of cumulative Performance Credits and other cash flows and reserves. To facilitate this allocation, MRC allocated resources among the municipalities on the basis of actual tons of acceptable waste delivered to PERC each quarter.

In an effort to stabilize the net cost of the disposal of the Charter Municipalities' solid waste, rebates of tipping fees are paid to the Charter Municipalities on a system-wide average basis to offset the difference between the tipping fee paid and the applicable target price.

Use of Estimates

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions by management regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Basis of Presentation

*Government-Wide Financial Statements*

The government-wide financial statements (i.e., statement of net position and the statement of activities) display information about the reporting entity as a whole. They include all funds of the reporting entity except fiduciary funds. The governmental activities are financed by administrative fees paid by members and operating transfers from the Joint Venture.

*Fund Financial Statements*

The fund financial statements of the reporting entity are organized into funds, each of which is considered a separate accounting entity. Each fund is accounted for with a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. The funds have been organized into two categories: governmental and fiduciary.

Governmental. The General Fund is the Entity's only governmental fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.



MUNICIPAL REVIEW COMMITTEE, INC.  
Notes to Financial Statements  
March 31, 2018

1. Summary of Significant Accounting Policies - continued

Fiduciary. Fiduciary funds are used to account for assets held for the benefit of other parties that generally cannot be used to finance the governmental entity's own operations.

Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The accounting objective is the determination of operating income, changes in net position, and financial position. All assets and liabilities (whether current or noncurrent) are reported.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are generally recorded as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Entity considers revenues to be available if they are to be collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting.

The accounting objective of governmental funds is the presentation of the sources, uses, and balances of the Entity's expendable financial resources and related liabilities. The revenues associated with the current fiscal period and susceptible to accrual are the membership fees, PERC monitoring agreement, and reimbursements. All other governmental fund revenues are considered measurable and available only when the Entity receives cash.

The fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The accounting objective is the measurement of the changes in net position and financial position. All assets and liabilities (whether current or noncurrent) are reported.

Membership Fees Receivable. Annually, the Board of Directors determines an administrative fee necessary to support the Organization's oversight duties. Each member pays its proportionate share based upon waste tonnage delivered to PERC. Membership Fees Receivable represents uncollateralized amounts due from members for the administrative fees.

Accounts Receivable – Emera. During the year ended December 31, 1998, MRC completed negotiations to restructure the contractual relationships among MRC, its members, Bangor Hydro, and PERC through March 31, 2018. The agreement required Bangor Hydro to pay MRC \$10,000 each calendar quarter to cover costs associated with monitoring PERC's operations. This amount was adjusted once each year to reflect changes in the Consumer Price Index.



MUNICIPAL REVIEW COMMITTEE, INC.  
Notes to Financial Statements  
March 31, 2018

1. Summary of Significant Accounting Policies – continued

Capital Assets. Capital assets purchased or acquired with an original cost of \$2,500 or more are reported at historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation is calculated on the straight-line basis over the estimated useful lives.

The Entity has also incurred costs for site development that have not yet been placed in service. These capital assets are not being depreciated.

Due to/from Other Funds. This is an asset or liability account that is used to record loans between funds within the same reporting entity.

Custody Account. The Custody Account is the operating cash account of the Joint Venture. All deposits made to and held in this account are invested in a Government Obligations Money Market Fund.

Cash Collateral Account. The Cash Collateral Account is for the purpose of providing collateral security for certain obligations under the site lease agreement with Fibrigh. The minimum balance is to be no less than \$3 million.

Tip Fee Stabilization Fund. In 2001, the Board of MRC voted to set aside a portion of the Performance Credits received each quarter into an investment account for future distributions to Charter Municipalities. In 2003, the Board voted to temporarily suspend additional purchases of PERC and to transfer to this Fund amounts in the Custody Account when they exceed a certain minimum balance. The investments in this account are carried at fair value based on quoted market prices.

MRC Operating Budget Stabilization Fund. In 2004, the Board of MRC voted to establish this investment account from certain funds that the Joint Venture had received from the general partner of PERC. These investments may be used to provide MRC with funds each year through March 31, 2018, for balancing its annual operating budget in the event of contingencies. The investments in this account are carried at fair value based on quoted market prices.

Net Position. Equity in government-wide financial statements is classified as net position. Net position is further classified as invested in capital assets, restricted, and unrestricted. Capital assets are assets that are associated with governmental activities and arise from expenditures of governmental fund resources. Restricted net position consists of net assets with constraints placed upon their use either by (1) external groups such as creditors or the laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.

Equity in fiduciary fund financial statements is also classified as net position. This net position is not divided into the three categories used in government-wide financial statements. It simply reports the difference between the fund's assets and liabilities, and are shown as "net position held for the benefit of the Equity Charter Municipalities of Municipal Review Committee, Inc."

MUNICIPAL REVIEW COMMITTEE, INC.  
Notes to Financial Statements  
March 31, 2018

1. Summary of Significant Accounting Policies - continued

Fund Balance. Governmental fund equity is classified as fund balance. The fund balance is further classified as restricted, committed, assigned, or unassigned. Restricted funds consist of amounts that are legally restricted by external parties or laws for a specific purpose. Committed funds consist of amounts that can only be used for a specific purpose pursuant to constraints imposed by the Board. Assigned funds represent tentative plans for future use.

2. Deposits and Investments

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Entity does not have a deposit policy for custodial credit risk. As of March 31, 2018, \$3,414,758 of the Entity's deposits of \$7,979,242 held in banks was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	<u>\$3,414,758</u>
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The Entity has not experienced any losses in the past. Management believes it is not exposed to any significant risk on its uninsured and uncollateralized cash deposits.

The following schedule summarizes the Fiduciary Fund's investments at March 31, 2018:

	Market Value	Investment Maturities (in Years)			Weighted Average Maturity
		Less Than 1	1-5	6-10	
U.S. Treasury notes and bill	\$ 4,954,220	\$ 4,954,220	\$ -	-	0.32 years
U.S. Government agency bonds:					
Federal Home Loan Bank	4,067,257	4,067,257	-	-	0.25 years
Federal Farm Credit Bank	499,045	499,045	-	-	0.32 years
Total bonds	4,566,302	4,566,302	-	-	0.26 years
Mutual funds:					
Government Obligations					
Tax-Managed Fund	2,052,630	2,052,630	-	-	23 days
Government Cash					
Management Fund	5,679,008	5,679,008	-	-	17 days
Total mutual funds	7,731,638	7,731,638	-	-	
Totals	<u>\$17,252,160</u>	<u>\$17,252,160</u>	<u>\$ -</u>	<u>\$ -</u>	

MUNICIPAL REVIEW COMMITTEE, INC.  
Notes to Financial Statements  
March 31, 2018

2. Deposits and Investments – continued

Credit Risk, Concentration of Credit Risk, and Interest Rate Risk- Investments

Maine statutes authorize the Entity to invest its municipal revenues in all obligations of the U.S. government and its instrumentalities, in U.S. agencies within the three highest ratings issued by nationally recognized statistical rating organizations, in repurchase agreements secured by U.S. obligations, and in shares of registered mutual fund companies that invest in U.S. obligations. The Entity invests only in instruments allowed under Maine Law; however, it does not invest in any subordinated debt.

*Credit Risk.* Credit risk exists when there is a possibility the issuer or other counterparty to an investment may be unable to fulfill its obligations. The Entity's investments in the bonds of U.S. Agencies were all rated Aaa, AAA, and AAA by Moody's Investors Service, Standard & Poor's, and Fitch Ratings, respectively. The money market mutual fund was rated Aaa-mf and AAAM by Moody's Investors Service and Standard & Poor's, respectively.

*Concentration of Credit Risk.* Concentration of credit risk exists when the investments in any one issuer exceed 5% of total investments. However, no concentration of credit is deemed to exist for investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds. MRC does not have a policy for managing its concentration of credit risk. The investment in bonds issued by Federal Home Loan Bank amount to 23.58% of total investments.

*Interest Rate Risk.* Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment's fair value. In accordance with its investment policy, until recently, the Entity has limited the weighted average maturity of its investment portfolio to within two years of the duration of a benchmark based on blended values of the Barclay's Agency 1-3 Year Index and the Barclay's U.S. Government Intermediate Bond Index.

3. Investment in PERC

The Entity has accounted for its investment in PERC under the equity method, that is, at cost adjusted periodically by the Entity's share of PERC's earnings or losses as reported in its audited financial statements, and increased by contributions made and decreased by the distributions received. During the fifteen-month period ended March 31, 2018, the Entity received distributions totaling \$879,682 and no contributions were made.

However, during December 2016, MRC and the private partners of the PERC partnership entered into a settlement agreement to, among other provisions, require PERC to purchase the Equity Charter Members' investment in PERC at an aggregate price of \$1,500,000 for each member that exercises an option to sell. This price was in addition to the \$1,333,333 of debt reserve funds that were to be distributed from PERC to MRC during 2017. Thus, the difference between the value of the investment in PERC under the equity method of accounting and the value of the investment in PERC based on this agreement is accounted for as a discount in valuation, and is reported as a deduction in the statement of changes in fiduciary net position.

MUNICIPAL REVIEW COMMITTEE, INC.  
Notes to Financial Statements  
March 31, 2018

3. Investment in PERC - continued

Summarized financial information of PERC at December 31, 2017, and for the year then ended, is as follows:

**ASSETS**

Cash and cash equivalents	\$ 8,800,848
Accounts receivable, prepaid expenses, and other assets	4,180,723
Restricted funds	997,286
Property, plant, and equipment, net of accumulated depreciation	<u>22,517,518</u>
Total assets	<u>\$36,496,375</u>

**LIABILITIES AND PARTNERS' CAPITAL**

Accounts payable, accrued expenses, and other liabilities	\$ 3,354,704
Partners' capital	<u>33,141,671</u>
Total liabilities and partners' capital	<u>\$36,496,375</u>

**STATEMENT OF INCOME**

Revenues	\$41,489,667
Operating expenses	<u>36,708,226</u>
Operating income before interest and other financing costs	4,781,441
Interest and other financing costs	<u>96,658</u>
Net income	<u>\$ 4,684,783</u>

4. Options to Purchase Land

As part of its post-2018 planning initiative, the Entity acquired options to purchase tracts of land in Hampden, Maine. The options allowed the Entity to purchase land at predetermined amounts during two or three successive one-year terms, provided that additional option consideration is paid. The option price and any additional consideration may be applied toward the purchase price.

Final approval was received for the Hampden site, and those options were exercised in the fifteen-month period ended March 31, 2018.

MUNICIPAL REVIEW COMMITTEE, INC.  
Notes to Financial Statements  
March 31, 2018

5. Reconciliation of Government-Wide and Fund Financial Statements

Explanation of the differences between the governmental fund balance sheet and the statement of net position—governmental activities:

Fund Balance—Governmental Fund	\$666,890
Amounts reported for <i>governmental activities</i> in the statement of net position are different because:	
Some assets, including prepaid expenses in the governmental activities, are not financial resources and therefore are not reported in the fund financial statements.	8,457
Some liabilities, including accrued vacation, are not payable in the current period and therefore are not reported in the fund financial statements.	<u>(9,713)</u>
Net Position of Governmental Activities	<u>\$665,634</u>

Explanation of the differences between the statement of revenues, expenditures, and changes in fund balances—governmental fund and the government-wide statement of activities

Net Change in Fund Balance—Governmental Fund	\$ 335,879
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is transferred to another fund. This is the amount by which transfers (\$52,000) exceeds capital outlays (\$0).	(52,000)
Governmental funds report the payment of insurance the earlier of when expended or when the current financial resources are available and payments are due. However, in the statement of activities, these payments are reported as expense in the period to which they relate.	(4,634)
Some expenses, such as accrued vacation, reported in the statement of activities, do not require the use of current financial resources and therefore are not reported in the fund financial statements.	<u>(1,115)</u>
Change in Net Position of Governmental Activities	<u>\$ 278,130</u>



MUNICIPAL REVIEW COMMITTEE, INC.  
Notes to Financial Statements  
March 31, 2018

6. Capital Assets

A summary of changes in capital assets follows:

	Balance <u>01/01/17</u>	<u>Additions</u>	(Retirements)	Balance <u>03/31/18</u>
<b>Fiduciary Activities</b>				
Property and Equipment not being depreciated:				
Options to Purchase Land	\$ 52,000	\$ -	\$ (52,000)	\$ -
Land	-	472,667	-	472,667
Infrastructure and Project Costs	<u>1,732,046</u>	<u>3,338,585</u>	-	<u>5,070,631</u>
Total Property and Equipment not being depreciated	<u>\$1,784,046</u>	<u>\$3,811,252</u>	<u>\$ (52,000)</u>	<u>\$5,543,298</u>

7. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of March 31, 2018, is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Fiduciary	General	<u>\$203,640</u>

The balance due to the fiduciary fund resulted from funds advanced to the general fund to be expended for Improvements to the Hampden Site.

Interfund Transfers:

	<u>General</u>	<u>Fiduciary</u>
Transfers to:		
General		<u>\$746,850</u>
Fiduciary	<u>\$306,542</u>	

Transfers are used to (1) to move funds the Board has voted on to support the operations of another fund and (2) to move funds expended for capital assets on behalf of another fund.

8. Schedule of Equity Charter Member Net Position

A considerable portion of the Joint Venture's cash inflows have been allocated among the Equity Charter Municipalities on the basis of actual tons of acceptable waste delivered to PERC each quarter. Each individual acquisition of PERC has been allocated among the Equity Charter Municipalities based on the allocation for the calendar quarter each purchase was made. The distributions of PERC's earnings are allocated among the municipalities based on each municipality's respective ownership of PERC at the time of the distributions.

MUNICIPAL REVIEW COMMITTEE, INC.  
Notes to Financial Statements  
March 31, 2018

8. Schedule of Equity Charter Member Net Position – continued

Most of the Joint Venture's assets have been allocated among the Equity Charter Municipalities in the calendar quarter that they were converted to cash. However, in the case of the Debt Service Reserve Fund that was held by PERC, these funds were allocated based on the total tons delivered by each Equity Charter Municipality from July 1, 1998, through September 30, 2017.

9. Post-2018 Planning Initiative

During the year ended December 31, 2015, MRC entered into a development agreement with Fiberight, LLC, to consider a venture whereby Fiberight would develop a solid waste processing facility to handle the waste disposal needs of the Charter Municipalities. The objective of this plan was to replace the PERC facility by April 1, 2018, when the current waste disposal agreements with PERC expire. MRC would choose a site and develop the infrastructure for the facility. The site would then be leased to Fiberight, and Fiberight would build and operate its facility.

During the year ended December 31, 2016, 115 municipalities (known as Joining Members), of the total 187 Maine municipalities that make up the Charter Municipalities, entered into long-term agreements (known as Joinder Agreements) to deliver municipal solid waste to a waste processing facility using Fiberight's proprietary technology in Hampden, Maine. The Joining Members would use their share of the fiduciary fund's net position to finance the development of the Hampden site, at a cost of about \$5,000,000, and to fund reserves for various purposes.

The 72 Departing Municipalities will receive their share of the fiduciary fund's net position in accordance with applicable agreements. They will no longer participate in the Joint Venture or the solid waste managing activities of MRC.

10. Settlement Agreement

In December 2016, the Entity entered into an agreement with the private partners of PERC to settle some issues related to the existing waste disposal agreements expiring on March 31, 2018. The parties reached an agreement on the following provisions:

Performance Credits and Net Cash Flow. The Joint Venture would receive a minimum of \$5.4 million in total Performance Credits and Net Cash Flow from PERC from September 1, 2016, through March 31, 2018. As of March 31, 2018, \$5.4 million had been collected.

Consent Payment. The Entity received \$600,000 for the removal of its option to acquire further interests in PERC in 2018.

Option to sell partnership interests. The Equity Charter Municipalities would each have the option to require PERC to purchase their limited partnership interests at a pro rata share of \$1.5 million. For those Equity Charter Municipalities that do not elect to exercise their options, PERC may buy back their interests at an agreed-upon price or at fair market value based on an appraisal process.

MUNICIPAL REVIEW COMMITTEE, INC.  
Notes to Financial Statements  
March 31, 2018

11. Site Lease Agreement

During 2017, MRC entered into an agreement to lease the Hampden Site for a 15-year period beginning with the Tenant's commercial operation date. The Tenant has the right to extend the lease term for up to five consecutive periods of five years each, provided that MRC's member municipalities continue to supply the Tenant with acceptable waste. The Tenant shall pay MRC rent at a rate of \$125,000 per year, payable monthly, subject to adjustments to reflect increases in the Consumer Price Index. As of the date of these financial statements, the Tenant had not completed its facility nor had commenced commercial operations.

12. Income Taxes

MRC is tax-exempt under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3), and is classified by the Internal Revenue Service (IRS) as other than a private foundation. However, the Internal Revenue Code may subject an organization to tax on unrelated business taxable income. It is Management's opinion that the Organization had no unrelated business taxable income during the year ended March 31, 2018. The Organization is required to file Form 990 (Return of Organization Exempt from Income Tax), which is generally subject to examination by the IRS and state authorities up to three years from the due date. Forms 990 for 2014 through 2016 were open to examination as of March 31, 2018.

13. Retirement Plan

MRC has sponsored a SIMPLE IRA plan for its employee and matches 100% of the employee's deferred compensation up to 3% of the employee's compensation. The expense for the year ended March 31, 2018 was \$3,544.

14. Insurance

The Organization is exposed to a variety of risks in the ordinary course of its daily activities. Some of these risks include workers' compensation, legal, and fiduciary liabilities. MRC has purchased commercial insurance policies to cover potential claims.

15. Subsequent Event

As of the date of these financial statements, the solid waste processing facility at the Hampden site has not begun commercial operations. Until operations begin, MRC has entered into temporary waste disposal agreements with two area landfills.

MUNICIPAL REVIEW COMMITTEE, INC.  
Schedule of Equity Charter Member Net Position  
Joint Venture of the Charter Municipalities  
of Municipal Review Committee, Inc.  
March 31, 2018

	Marketable Investments Less Tipping Fee <u>Rebates Payable</u>	Project Cash and Investment in <u>Hampden Site</u>	Net Position Held for the Departing <u>Members</u>	Net Position Held for the Joining <u>Members</u>
Albion	\$ 79,297	\$ 78,965	\$ -	\$ 158,262
Alton	30,697	30,044	-	60,741
Atkinson	11,148	10,689	-	21,837
Baileyville	309,513	-	309,513	-
Bangor	2,566,321	2,518,357	-	5,084,678
Bar Harbor	540,879	501,712	-	1,042,591
Blue Hill/Surry	368,001	353,320	-	721,321
Boothbay RRDD	473,755	448,513	-	922,268
Bradley	43,035	42,017	-	85,052
Brewer	642,552	634,409	-	1,276,961
Brooks	28,241	27,004	-	55,245
Brownville	63,763	62,157	-	125,920
Bucksport	184,985	183,096	-	368,081
Burnham	106,433	-	106,433	-
Carmel	93,384	90,684	-	184,068
Central Penobscot	189,543	182,071	-	371,614
China	158,397	155,912	-	314,309
Clifton	32,309	31,440	-	63,749
Clinton	392,987	-	392,987	-
Dedham	38,625	37,432	-	76,057
Dover-Foxcroft	197,505	189,534	-	387,039
Eddington	78,937	76,894	-	155,831
Enfield	135,472	-	135,472	-
Fairfield	565,540	-	565,540	-
Glenburn	342,676	-	342,676	-
Gouldsboro	136,456	-	136,456	-
Greenbush	99,197	-	99,197	-
Guilford	117,926	113,017	-	230,943
Hampden	311,693	305,050	-	616,743
Hancock	94,654	-	94,654	-
Hermon	556,178	-	556,178	-
Holden	86,886	83,627	-	170,513
Jackson	24,002	-	24,002	-
Lamoine	104,223	-	104,223	-
Lee	37,851	35,697	-	73,548
Levant	82,443	79,825	-	162,268
Lincoln	636,326	-	636,326	-
Lucerne	24,531	23,436	-	47,967
Mariaville	12,847	12,343	-	25,190
Mars Hill	163,836	-	163,836	-



MUNICIPAL REVIEW COMMITTEE, INC.  
 Schedule of Equity Charter Member Net Position  
 Joint Venture of the Charter Municipalities  
 of Municipal Review Committee, Inc.  
March 31, 2018

	Marketable Investments Less Tipping Fee Rebates Payable	Project Cash and Investment in Hampden Site	Net Position Held for the Departing Members	Net Position Held for the Joining Members
Mattawamkeag	\$ 34,405	\$ 34,011	\$ -	\$ 68,416
Midcoast SWD	1,308,941	-	1,308,941	-
Mid-Maine SWD	395,347	378,436	-	773,783
Milford	189,701	-	189,701	-
Millinocket	263,337	255,406	-	518,743
Milo	121,268	116,955	-	238,223
Monson	21,472	20,540	-	42,012
Mt. Desert area ADD	640,579	610,628	-	1,251,207
Newburg	95,084	-	95,084	-
Old Town	743,128	-	743,128	-
Orland	61,208	-	61,208	-
Orono	371,532	362,078	-	733,610
Otis	18,141	17,127	-	35,268
Palmyra	66,992	64,271	-	131,263
Parkman	18,327	17,512	-	35,839
Penobscot Co.	148,820	-	148,820	-
Pleasant River SWD	101,400	102,406	-	203,806
Plymouth	88,585	-	88,585	-
Reed Plt	16,550	-	16,550	-
Rockland	959,037	-	959,037	-
Sangerville	51,278	49,152	-	100,430
Searsport	198,801	-	198,801	-
Stetson	85,976	-	85,976	-
Steuben	52,657	50,964	-	103,621
Stonington	184,773	-	184,773	-
Thomaston Group	680,441	-	680,441	-
Thorndike	24,587	24,733	-	49,320
Troy	18,080	17,880	-	35,960
Union River SWD	32,269	31,153	-	63,422
Unity	76,935	74,447	-	151,382
Vassalboro	129,735	127,209	-	256,944
Veazie	127,469	-	127,469	-
Verona	26,507	25,916	-	52,423
Waldoboro Group	285,324	280,950	-	566,274
Waterville	1,710,470	-	1,710,470	-
Winslow	594,825	-	594,825	-
West Gardiner	199,824	-	199,824	-
Winthrop	520,862	-	520,862	-
Total	<u>\$ 20,827,711</u>	<u>\$ 8,969,019</u>	<u>\$ 11,581,988</u>	<u>\$ 18,214,742</u>