



Memorandum

DATE: April 5, 2013
TO: Chairman and Members of the Board
FROM: Kevin H. Roche, General Manager
SUBJECT: Agenda for the Board of Directors Meeting

There is an **ecomaine Board Meeting** scheduled for **Thursday, April 11, 2013 at 4:00PM**. The agenda for this meeting is as follows:

1. Approval of the March 21, 2013 Board Meeting minutes (*Attachment A*)
2. Audit Committee Report – Gary Foster, Chair
3. Finance Committee Report – Troy Moon, Chair
 - Committee Recommendation to approve FY '14 Budget

- Approval of the FY '14 Budget
4. Recycling Committee Report – Susan McGinty, Chair
5. Strategic Review
6. Manager's Report
 - Statement of Revenue and Expenses (*Attachment B*)
 - Cash Flows (*Attachment C*)
 - Statistical Data (*Attachments D-1, D-2 & D-3*)
 - Operations & Electrical Generation (*Attachment E*)
 - Update on Outage
 - Legislative Update
 - Environmental Update
7. Other Items
8. Future Meetings:
 - Recycling Committee Meeting: April 25th (Thursday) @ 4:00PM.
 - Executive Committee Meeting: May 16th (Thursday) @ 4:00PM.
 - Finance Committee Meeting: May 21st (**Tuesday**) @ 4:00PM.
 - Recycling Committee Meeting: May 23rd (Thursday) @ 4:00PM.
 - Annual Meeting: June 13th (Thursday) @ **11:30AM**.

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



Owner Communities

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

Associate Members

Baldwin
Hiram
Naples
Parsonsfield
Porter
Saco
Standish

Contract Members

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

DATE: March 25, 2013
TO: Chair and Members of the Board
FROM: Kevin H. Roche, General Manager
SUBJECT: Minutes of 03/21/13 **ecomaine** Board Meeting

The **ecomaine** Board of Directors met on Thursday, March 21, 2013, at the Waste-to-Energy facility. The meeting was called to order at 4:00PM.

There were ten items on the Agenda:

1. Approval of the January 10, 2013 Board Meeting Minutes
2. Audit Committee Report
3. Finance Committee Report
4. Recycling Committee Report
5. FY '14 Budget Presentation
6. Manager's Report
7. Letter from Ogunquit
8. Executive Session: Discussion on Gorham Property
9. Other Items
10. Future Meetings

Item #1 – Approval of the January 10, 2013 Board Meeting Minutes

Mr. Brobst moved “to approve the minutes of the January 10, 2013 Board meeting.” The motion was seconded by Mr. Van Gaasbeek and passed unanimously.

Item #2 – Audit Committee Report – Gary Foster, Chair

Mr. Foster, Chair, noted that the Audit Committee last met on January 10, 2013, with a summary provided to the full Board that same day and reported out to the Executive Committee on February 21, 2013.

The Audit Committee will next meet on Thursday, April 11, 2013 at 3:00PM. The Committee's agenda will include: external auditor confirmation, audit scheduling and a review of the duties and responsibilities of the Audit Committee.

Item #3 - Finance Committee Report – Troy Moon, Chair

Mr. Moon, Chair, noted that since the last report to the full Board on January 10, 2013, the Finance Committee has met twice and reported out to the Executive Committee on Feb. 21, 2013.

The Finance Committee had voted to recommend to the Executive Committee to have staff move ahead with implementing a high deductible medical program for **ecomaine** employees along with an aggressive wellness program. The details of the program would be worked out by staff and they will report back to the Board on the progress from time to time. The Executive Committee approved implementation of this program at their meeting on Feb 21, 2013.

The next meeting of the Finance Committee will also be a Budget Workshop, scheduled for Thursday, March 28th at 4:00PM.

Board Chair, Mike McGovern, requested that the Board next move to Item #5.

Item #5 – FY '14 Budget Presentation

Mr. Roche gave the budget presentation, the details of which were previously sent to all Board Members.

Tipping fees for owner communities and commercial tons are proposed to be reduced on October 1, 2013 from \$88/ton to \$70.50/ton (the same as associate first year member rates). There was heavy feedback that the tipping fees change July 1, 2013.

The budget proposal also adds one position to the payroll, Recycling Supervisor. This position was budgeted in years past but was not filled due to the recession. With increased tonnage, changes in the industry and safety, this position is considered essential as **ecomaine** continues to improve its recycling programs.

Cash generated by operations will total \$4.9 million, capital spending will total \$3.2 million and debt service will be nonexistent in FY 14. As a result, cash balances will increase to \$24 million by year end.

Staff was asked to provide the impact of the changes in assessments as approved by the Board last fall and the Tipping Fee reductions as proposed in the FY 14 budget.

Mr. Brobst made a motion to forward the FY 14 budget to the Finance Committee. The motion was seconded by Mr. Shaw and passed unanimously.

The Budget will be further discussed at the Finance Committee Meeting/Budget Workshop scheduled for March 28th at 4:00PM and will be voted on at the next Board Meeting on April 11, 2013.

Item #4 – Recycling Committee Report – Susan McGinty, Chair

Ms. McGinty, Chair, gave the Recycling Committee Report. The Committee last met on February 28, 2013.

This year's eco-excellence Awards were held on March 12th, with over 80 people attending.

The Grand Prize Award this year went to Tyler Kidder and Steve Sweeney of the University of Southern Maine (Gorham Campus). The Best Business Award went to Patriot Subaru in Saco, Maine.

Ms. McGinty thanked her fellow award judges: Sarah Bernier and Travis Wagner, members of **ecomaine's** Recycling Committee.

The Committee discussed promoting school recycling programs and decided to develop a grant program (in conjunction with promoting school recycling) that would promote and improve recycling programs and initiatives in the schools. **ecomaine** would fund the program for \$10,000 and grant(s) could be awarded up to that amount. The program would be announced at an educational session on improving recycling in schools, which is scheduled for May 14th at 3:30PM in **ecomaine's** Community Room.

Mr. Leo Maheu, **ecomaine's** Environmental Educator, briefed the Committee on his outreach activities to date.

The next meeting of the Recycling Committee is scheduled for Thursday, March 28, 2013 at 3:00PM (just prior to the Finance Committee/Budget Workshop at 4:00PM).

Mr. McGovern thanked Shelley Dunn, **ecomaine** Communications Specialist, for her work on the eco-excellence Awards event.

Item #7 – Letter from Ogunquit

After discussion, it was decided that an ecomaine sub-committee be convened to do a Strategic Review. All Board Members will be invited to be on this sub-committee, which will entail a substantial amount of work within a three month time period. (It was noted that the last Strategic Plan was done in 2008.)

Mr. Roche will send an e-mail shortly regarding the changes facing ecomaine's market and asking who would like to be on the sub-committee. Mr. McGovern will then appoint a chair.

Item #8 – Executive Session: Discussion of Gorham Property (under Section 405 of Title 1 of the Maine Revised Statutes)

At 6:00PM, Mr. Brobst made a motion to go into Executive Session. The motion was seconded by Mr. Van Gaasbeek and all were in favor. At 6:12PM, Ms. Boudreau made a motion to come out of Executive Session. The motion was seconded by Mr. Van Gaasbeek and all were in favor.

Item #6 – Manager's Report

Mr. Roche gave a brief review of Legislative Updates.

Item #10 – Future Meetings

- Recycling Committee Meeting: April 25th (Thursday) @ 4:00PM.
- Executive Committee Meeting: May 16th (Thursday) @ 4:00PM.
- Finance Committee Meeting: May 21st (**Tuesday**) @ 4:00PM.
- Recycling Committee Meeting: May 23rd (Thursday) @ 4:00PM.
- Annual Meeting: June 13th (Thursday) @ **11:30AM**.

Mr. Van Gaasbeek made a motion to adjourn the meeting. The motion was seconded by Ms. Boudreau and all were in favor. The meeting adjourned at 6:15PM.

PRESENT:

D. Abbott
R. Ahlquist
M. Bobinsky
L. Boudreau
A. Bradstreet

ABSENT:

J. Anton
D. Cole
R. Fitzcharles
T. Fortier
M. Rees

R. Brobst
D. Doughty
G. Foster
M. Frank
J. Gailey
J. Jalbert
S. McGinty
M. McGovern
T. Moon
D. Morton
A. Plante
R. Regier
B. Rodden
W. Shane
M. Shaw
D. Sherman
M. St. Clair
E. Street
E. Suslovic
L. Van Gaasbeek

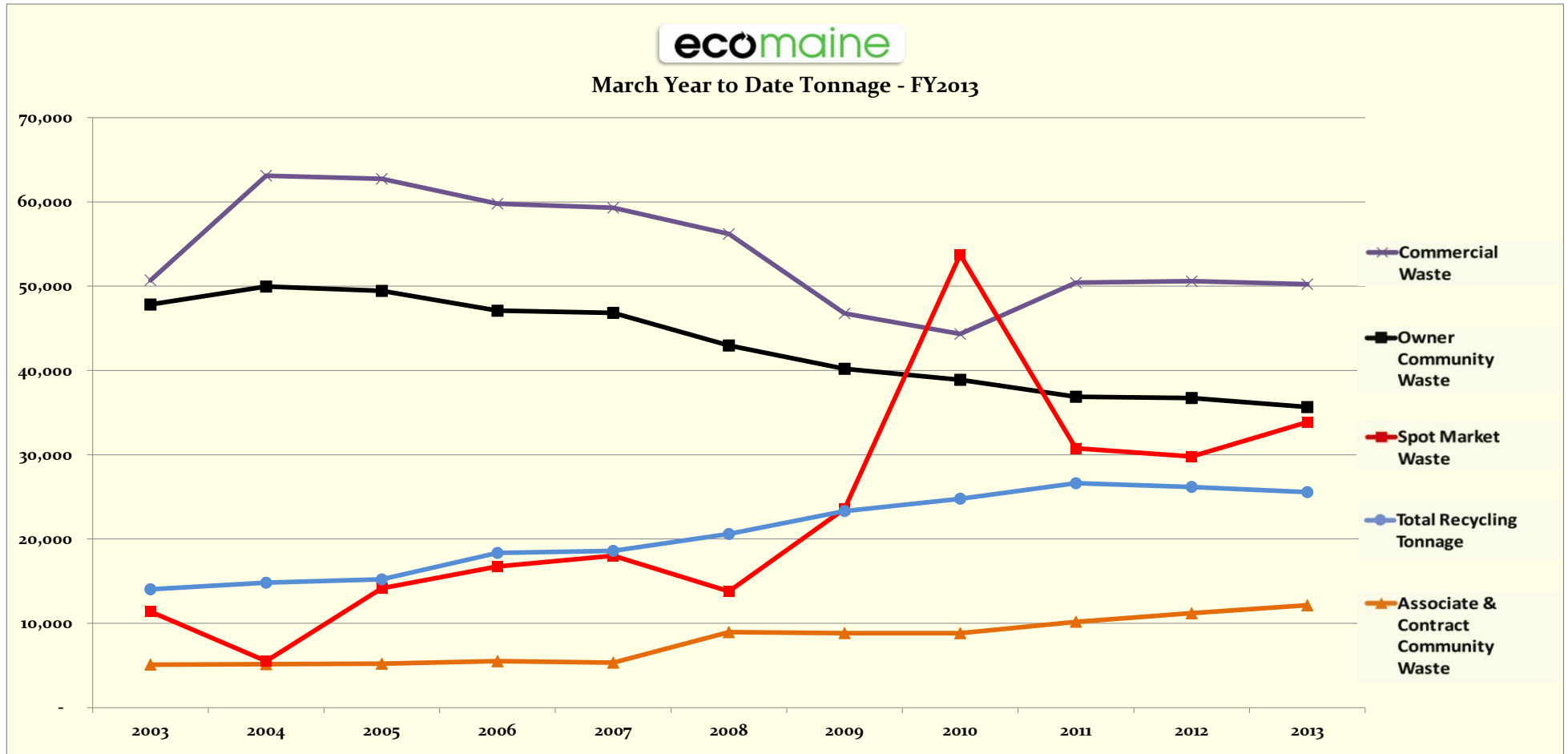
Staff: A. Birt, K. Roche, K. Trytek and L. Trufant.

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Statement of Revenue and Expenses - March 2013 (FY 2013)
\$000's

	Month			Year To Date			Last Year - YTD	
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Variance
Operating revenues								
Municipal assessments	\$ 287	\$ 287	\$ 0	\$ 2,582	\$ 2,582	\$ 0	\$ 3,332	\$ (750)
Owners tipping fees	305	356	(51)	3,108	3,203	(95)	3,189	(80)
Contract & Assoc tipping fees	89	92	(3)	858	826	31	801	57
Commercial tipping fees	426	481	(55)	4,248	4,333	(84)	4,237	11
Spot market tipping fees	145	159	(14)	1,839	1,433	406	1,607	232
Electrical generating revenues	287	209	78	2,790	2,507	283	3,030	(240)
Sales of recycled goods	248	244	5	2,076	2,192	(116)	2,912	(836)
Recycling tipping fees	3	3	(0)	51	27	24	32	19
Gorham property assessments	13	14	(0)	131	123	7	98	33
Other operating income	33	7	26	91	63	27	64	26
Total operating revenues	1,836	1,851	(15)	17,772	17,289	484	19,301	(1,529)
Operating expenses								
Administrative expenses	186	196	10	1,758	1,842	84	1,808	49
Waste-to-energy operating expenses	1,056	647	(409)	6,340	5,817	(524)	5,837	(504)
Recycling operating expenses	128	142	13	1,144	1,306	162	1,174	30
Landfill/ashfill operating expenses	128	125	(3)	1,138	1,222	84	1,174	36
Contingency	-	21	21	-	187	187	-	-
Landfill closure and postclosure care costs	23	23	0	208	209	1	209	1
Post-retirement benefit- Health Care	-	8	8	-	70	70	57	57
Depreciation & amortization	325	350	25	3,087	3,150	63	3,075	(12)
Total operating expenses	1,847	1,512	(335)	13,676	13,804	128	13,334	(342)
Net operating income	(11)	339	(351)	4,096	3,484	612	5,968	(1,871)
Non-operating income (expense)								
Interest income	5	3	2	54	26	28	45	9
Interest expense	-	(1)	1	(1)	(7)	6	(84)	83
Other Expense	0	-	(0)	47	-	47	3	45
Net non-operating	5	2	2	101	19	82	(36)	137
Total Revenue Less Expenses	\$ (6)	\$ 341	\$ (348)	\$ 4,197	\$ 3,504	\$ 694	\$ 5,931	\$ (1,734)

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Statement of Cash Balances - March 2013 (FY 2013)

	\$000's				
	Act FY 12 @ 6/30/12	Bud FY 2013 @ 6/30/13	Act FY 13 @ 03/31/2013		
Cash flows from operating activities:					
Net operating income	\$ 6,761	\$ 3,079	\$ 4,096		
Add back: depreciation	3,808	4,200	3,087		
Add back: landfill closure costs	277	278	208		
Add back: Post Retirement Benefit	-	93	-		
Other working capital changes	384	-	486		
Net cash provided by operating activities	<u>11,230</u>	<u>7,650</u>	<u>7,878</u>		
Cash flows from capital and related financing activities:					
Bank loan	-	-	-		
Payment of interest	(113)	(9)	(1)		
Repayment of long-term debt	(6,630)	(3,975)	(4,560)		
Repayment of capital leases	-	-	-		
Net cash used in capital and related financing	<u>(6,743)</u>	<u>(3,984)</u>	<u>(4,561)</u>		
Cash flows from investing activities:					
Receipts of interest	59	35	54		
Capital expenditures	(2,587)	(5,509)	(3,574)		
Net cash used in investing activities	<u>(2,528)</u>	<u>(5,474)</u>	<u>(3,520)</u>		
Net increase (decrease) in cash	1,959	(1,808)	(203)		
Cash, beginning of period	21,968	22,808	23,927		
Cash, end of period	<u>23,927</u>	<u>21,000</u>	<u>23,724</u>		
Detail				Reserves	
				as per policy	Target
Operating Cash Reserve	7,500	7,500	7,500	7,500	7,500
Short Term Capital Reserve	3,251	3,250	3,253	3,250	3,250
Long Term Capital Reserve	4,001	4,000	4,004	4,000	4,000
Landfill Closure reserve	850	1,700	1,701	1,700	22,217
Bond Payment Reserves	2,947	285	-	-	-
Debt Service Reserves	1,800	-	-	-	-
Balance Operating Cash	3,580	4,265	7,266	-	-
Total	<u>\$ 23,929</u>	<u>\$ 21,000</u>	<u>\$ 23,724</u>	<u>\$ 16,450</u>	<u>\$ 36,967</u>
Check	(2)	-	0		



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Owner Community Waste	47,820	49,954	49,438	47,086	46,831	42,961	40,193	38,888	36,880	36,727	35,650
Associate & Contract Waste	5,097	5,138	5,202	5,495	5,325	8,945	8,832	8,822	10,178	11,184	12,127
Commercial Waste	50,703	63,117	62,740	59,782	59,301	56,195	46,758	44,318	50,404	50,587	50,227
Spot Market Waste	11,379	5,508	14,141	16,721	18,004	13,799	23,570	53,719	30,760	29,792	33,851
Total Waste	114,998	123,717	131,521	129,084	129,461	121,900	119,354	145,746	128,222	128,290	131,855
Recycling	14,031	14,812	15,208	18,346	18,592	20,591	23,320	24,782	26,612	26,177	25,562

Statistical Data - March 2013 (FY 2013)

	Month Actual Vs Budget				Year to Date Actual Vs Budget				Year to Date Vs Last Year		
	Actual	Budget	Var - Fav / (Unfav)		Actual	Budget	Var - Fav / (Unfav)		Prior Year Actual	Var - Fav / (Unfav)	
			Units	%			Units	%		Units	%
Inbound Tons											
Owner	3,473	4,079	(606)	-14.9%	35,650	36,709	(1,059)	-2.9%	36,727	(1,077)	-2.9%
Assoc & Contract	1,211	1,247	(36)	-2.9%	12,127	11,219	908	8.1%	11,184	943	8.4%
Commercial	4,975	5,649	(674)	-11.9%	50,227	50,843	(616)	-1.2%	50,587	(360)	-0.7%
Spot	2,844	2,827	17	0.6%	33,851	25,446	8,405	33.0%	29,792	4,059	13.6%
Total MSW	12,503	13,802	(1,299)	-9.4%	131,855	124,218	7,637	6.1%	128,290	3,565	2.8%
Recycling - Inbound	2,477	2,966	(489)	-16.5%	25,562	26,690	(1,128)	-4.2%	26,177	(615)	-2.3%
Total All	14,980	16,767	(1,787)	-10.7%	157,417	150,907	6,510	4.3%	154,467	2,950	1.9%

Revenue \$ /Ton												
Owner	\$ 87.73	\$ 87.25	\$ 0.48	0.6%	\$ 87.19	\$ 87.25	\$ (0.06)	-0.1%	\$ 86.82	\$ 0.37	0.4%	
Assoc & Contract	73.46	73.66	(0.20)	-0.3%	70.72	73.66	(2.94)	-4.0%	71.63	(0.91)	-1.3%	
Commercial	85.72	85.21	0.50	0.6%	84.58	85.21	(0.63)	-0.7%	83.76	0.82	1.0%	
Spot	51.09	56.30	(5.21)	-9.3%	54.31	56.30	(1.99)	-3.5%	53.94	0.37	0.7%	
Recycling	101.38	83.13	18.24	21.9%	83.20	83.13	0.06	0.1%	112.45	(29.26)	-26.0%	

Energy												
MWH's Sold	6,367	5,891	476	8.1%	68,368	62,830	5,538	8.8%	64,689	3,679	5.7%	
\$/MWH	\$ 45.01	\$ 35.49	\$ 9.52	26.8%	\$ 40.81	\$ 39.90	\$ 0.90	2.3%	\$ 46.83	\$ (6.03)	-12.9%	

	Fiscal Year To Date										
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Year to Date Tons											
Owner	47,820	49,954	49,438	47,086	46,831	42,961	40,193	38,888	36,880	36,727	35,650
Assoc & Contract	5,097	5,138	5,202	5,495	5,325	8,945	8,832	8,822	10,178	11,184	12,127
Commercial	50,703	63,117	62,740	59,782	59,301	56,195	46,758	44,318	50,404	50,587	50,227
Spot	11,379	5,508	14,141	16,721	18,004	13,799	23,570	53,719	30,760	29,792	33,851
Total MSW	114,998	123,717	131,521	129,084	129,461	121,900	119,354	145,746	128,222	128,290	131,855
Recycling	14,031	14,812	15,208	18,346	18,592	20,591	23,320	24,782	26,612	26,177	25,562

Summary Analysis of All Tons July 1, 2012 to March 31, 2013

Community	Waste			Recycle		
	FY12	FY13	over/(under)	FY12	FY13	over/(under)
BRIDGTON	1,728	1,587	(142)	448	447	(1)
CAPE ELIZABETH	1,956	1,898	(58)	861	846	(14)
CASCO	688	657	(31)	320	309	(11)
CUMBERLAND	1,082	1,055	(27)	611	606	(5)
FALMOUTH	1,578	1,530	(48)	1101	1052	(49)
FREEPORT	1,196	1,184	(13)	437	428	(9)
GORHAM	1,609	1,678	69	984	944	(41)
GRAY	1,917	1,845	(72)	-	-	-
HARRISON	687	665	(22)	149	138	(11)
HOLLIS	720	730	9	230	228	(3)
LIMINGTON	1,156	1,079	(77)	82	76	(6)
LYMAN	841	800	(40)	186	183	(3)
NORTH YARMOUTH	436	428	(7)	300	302	1
OGUNQUIT	559	455	(104)	230	187	(43)
PORTLAND	7,053	6,997	(56)	4273	4103	(169)
POWNALE	134	133	(1)	108	108	-
SCARBOROUGH	4,007	3,956	(51)	1910	1809	(100)
SOUTH PORTLAND	4,661	4,368	(293)	1697	1690	(6)
WATERBORO	1,429	1,373	(56)	335	319	(16)
WINDHAM	1,581	1,548	(33)	1111	1096	(15)
YARMOUTH	1,706	1,686	(20)	740	736	(4)
Owner Member Total	36,727	35,650	(1,077)	16,114	15,608	(506)
BALDWIN	388	373	(15)	-	-	-
HIRAM	388	373	(15)	-	-	-
NAPLES	835	818	(17)	-	-	-
PARSONFIELD	548	557	9	57	56	(1)
PORTER	388	373	(15)	-	-	-
SACO	3,699	3,468	(231)	1,283	1,254	(29)
STANDISH	2,302	2,109	(193)	421	410	(11)
TRI-TOWN	-	-	-	92	105	13
Associate Member Total	8,549	8,071	(478)	1,853	1,825	(28)
ANDOVER	-	-	-	34	37	3
CORNISH	-	-	-	44	35	(9)
ELIOT	861	794	(67)	-	-	-
GREENLAND, NH	-	-	-	79	302	223
HARPSWELL	802	588	(213)	-	-	-
JAY	-	-	-	262	248	(13)
KITTERY	-	1,756	1,756	-	-	-
LIMERICK	-	-	-	-	14	14
LIVERMORE FALLS	526	481	(45)	125	117	(8)
MANCHESTER	-	-	-	94	86	(8)
MONMOUTH	-	-	-	234	240	6
NEWINGTON	-	-	-	56	56	-
NORTH HAVEN	158	150	(8)	-	51	51
OLD ORCHARD	-	-	-	442	448	5
POLAND	-	-	-	288	288	-
READFIELD/WAYN	-	-	-	238	217	(21)
SANFORD	288	287	(1)	1,244	1,138	(106)
STOCKTON SPRINGS	-	-	-	-	39	39
Contract Member Total	2,635	4,056	1,421	3,141	3,318	176
Commercial Total	50,587	50,227	(360)	5,069	4,810	(259)
Spot Market Total	29,792	33,851	4,059	-	-	-
Grand Totals	128,290	131,855	3,565	26,177	25,562	(615)

Month / Year	Facility Availability	On Peak KWHs	Off Peak KWHs	Total KWHs	On Peak Rate	Off Peak Rate	Electricity Revenues	ISONE Market Value
Mar-11	98%	3,444,203	3,492,190	6,936,393	\$0.04334	\$0.04334	\$343,359	\$362,553
Apr-11	66%	1,762,990	2,177,127	3,940,170	\$0.04334	\$0.04334	\$212,191	\$206,087
May-11	87%	3,096,218	3,803,942	6,900,160	\$0.04334	\$0.04334	\$341,900	\$322,749
Jun-11	98%	3,649,570	3,994,354	7,643,924	\$0.04334	\$0.04334	\$363,139	\$352,301
Jul-11	99%	3,553,158	4,635,406	8,188,564	\$0.04334	\$0.04334	\$387,688	\$464,659
Aug-11	96%	3,793,874	3,860,020	7,653,894	\$0.04334	\$0.04334	\$365,783	\$359,176
Sep-11	100%	3,716,566	4,016,809	7,733,375	\$0.04334	\$0.04334	\$371,100	\$338,995
Oct-11	91%	3,150,283	4,079,819	7,230,102	\$0.04334	\$0.04334	\$350,098	\$326,227
Nov-11	98%	3,741,801	4,074,766	7,816,567	\$0.04334	\$0.04334	\$375,565	\$315,501
Dec-11	99%	3,257,803	3,616,743	6,874,546	\$0.04334	\$0.04334	\$334,360	\$276,125
Jan-12	93%	2,959,673	3,329,413	6,289,086	\$0.04334	\$0.04334	\$308,705	\$288,959
Feb-12	94%	3,413,300	3,228,454	6,641,754	\$0.04495	\$0.03630	\$306,063	\$238,095
Mar-12	85%	3,092,263	3,168,997	6,261,260	\$0.03511	\$0.02790	\$232,293	\$210,526
Apr-12	58%	2,101,538	1,972,052	4,073,590	\$0.03134	\$0.02603	\$151,738	\$139,129
May-12	98%	3,911,338	4,286,760	8,198,098	\$0.03149	\$0.02541	\$266,940	\$258,097
Jun-12	99%	3,539,110	4,261,600	7,800,710	\$0.03433	\$0.02547	\$259,129	\$278,911
Jul-12	99%	3,737,231	4,375,583	8,112,814	\$0.04081	\$0.02813	\$302,538	\$354,548
Aug-12	97%	3,631,328	4,119,267	7,750,595	\$0.04082	\$0.02816	\$293,300	\$319,764
Sep-12	97%	3,571,052	4,087,035	7,658,087	\$0.03415	\$0.02579	\$256,395	\$288,068
Oct-12	97%	3,844,692	3,898,933	7,743,625	\$0.03390	\$0.02715	\$265,260	\$298,565
Nov-12	100%	3,981,419	4,634,865	8,616,284	\$0.03588	\$0.02829	\$302,502	\$321,764
Dec-12	99%	3,401,045	4,626,631	8,027,676	\$0.04831	\$0.04038	\$379,450	\$394,790
Jan-13	99%	3,729,745	4,101,737	7,831,482	\$0.05690	\$0.04449	\$422,963	\$695,155
Feb-13	93%	2,875,953	3,384,163	6,260,116	\$0.04090	\$0.04090	\$282,168	\$770,404
Mar-13	83%	2,966,451	3,400,989	6,367,440	\$0.04090	\$0.04090	\$286,557	\$357,468
Apr-13					\$0.04090	\$0.04090		
Totals for Contract period							\$568,725	\$1,127,872