

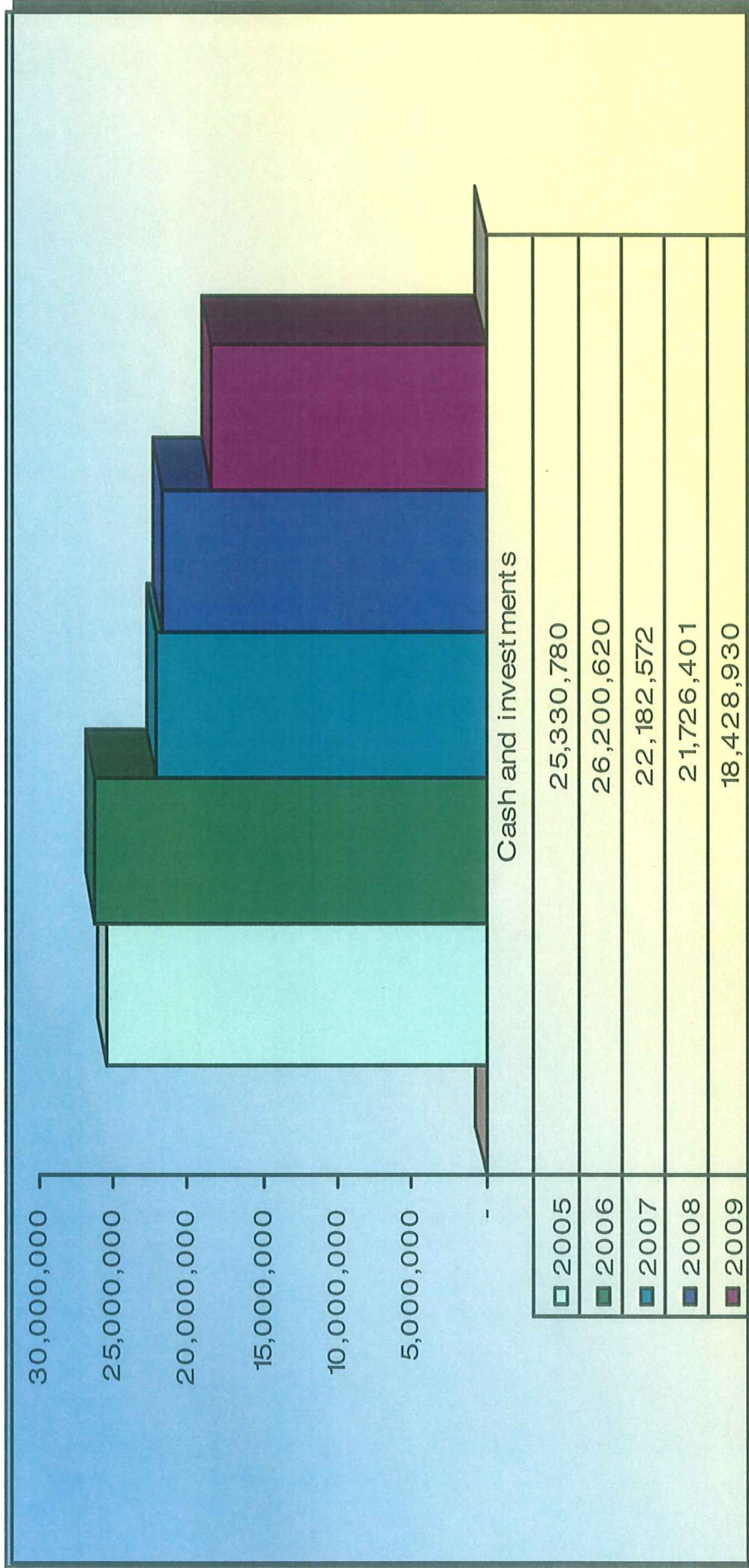
ecomaine

FINANCIAL STATEMENT PRESENTATION

June 30, 2009

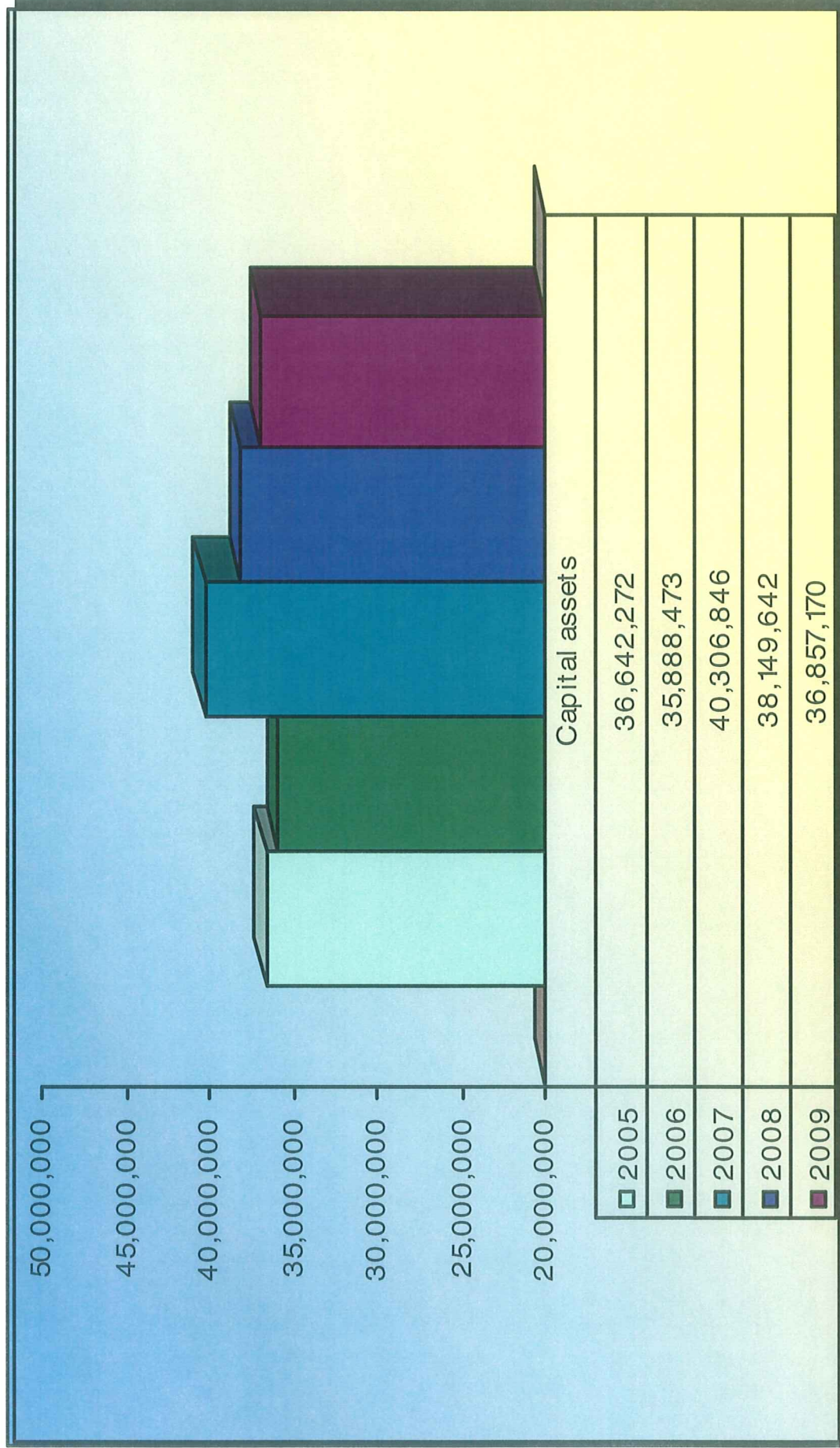
KEY PERFORMANCE INDICATORS

CASH AND INVESTMENTS



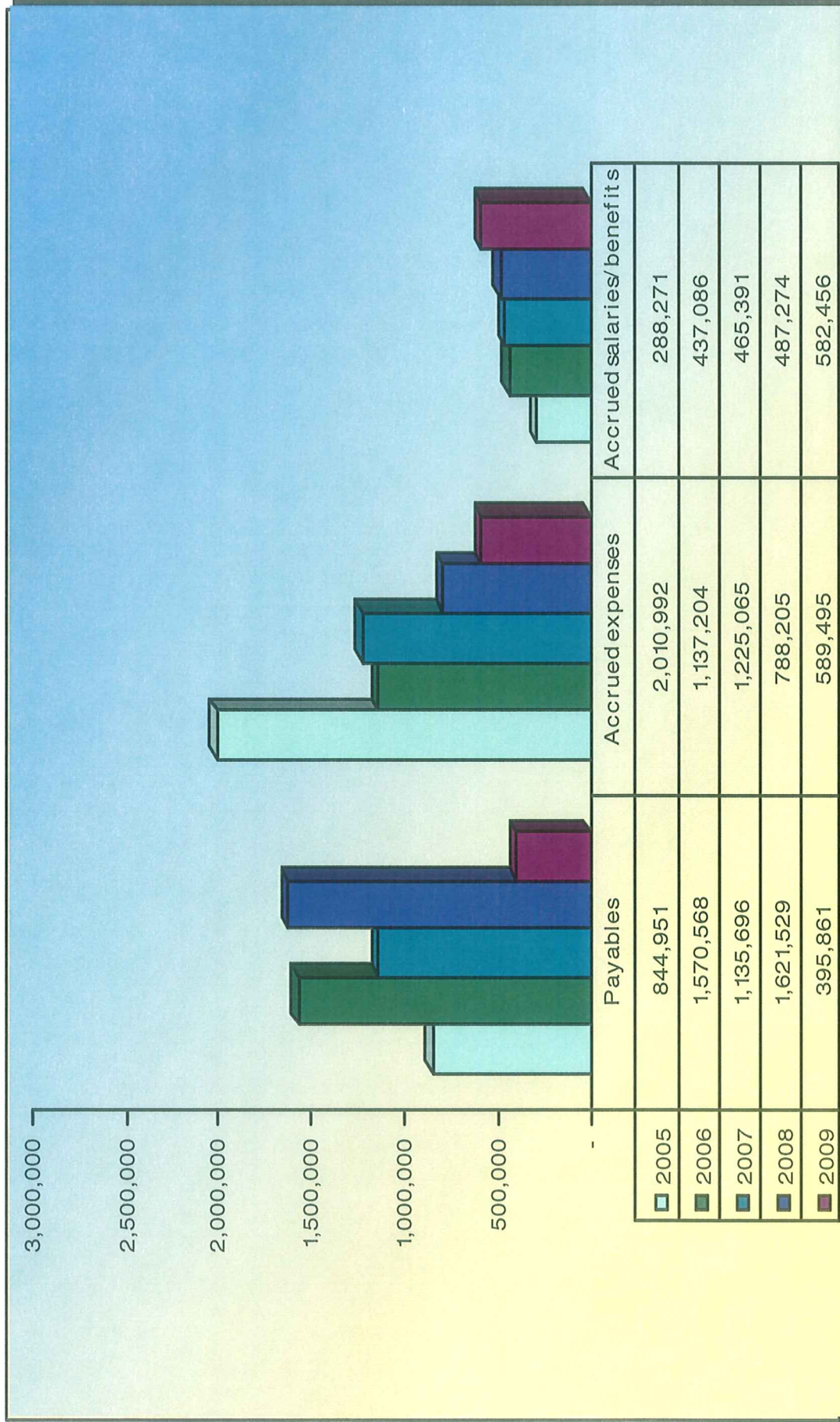
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CAPITAL ASSETS



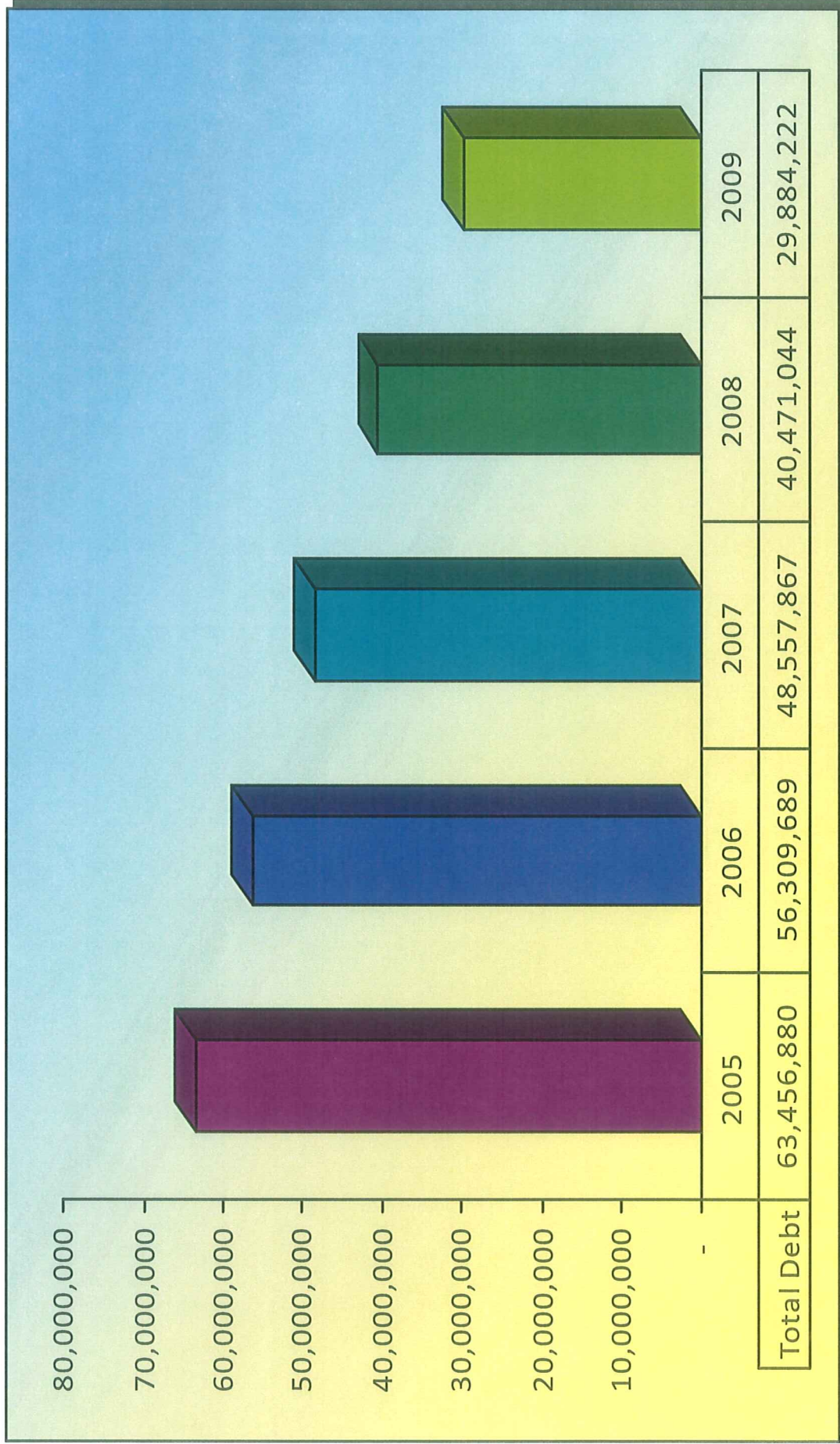
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LIABILITIES



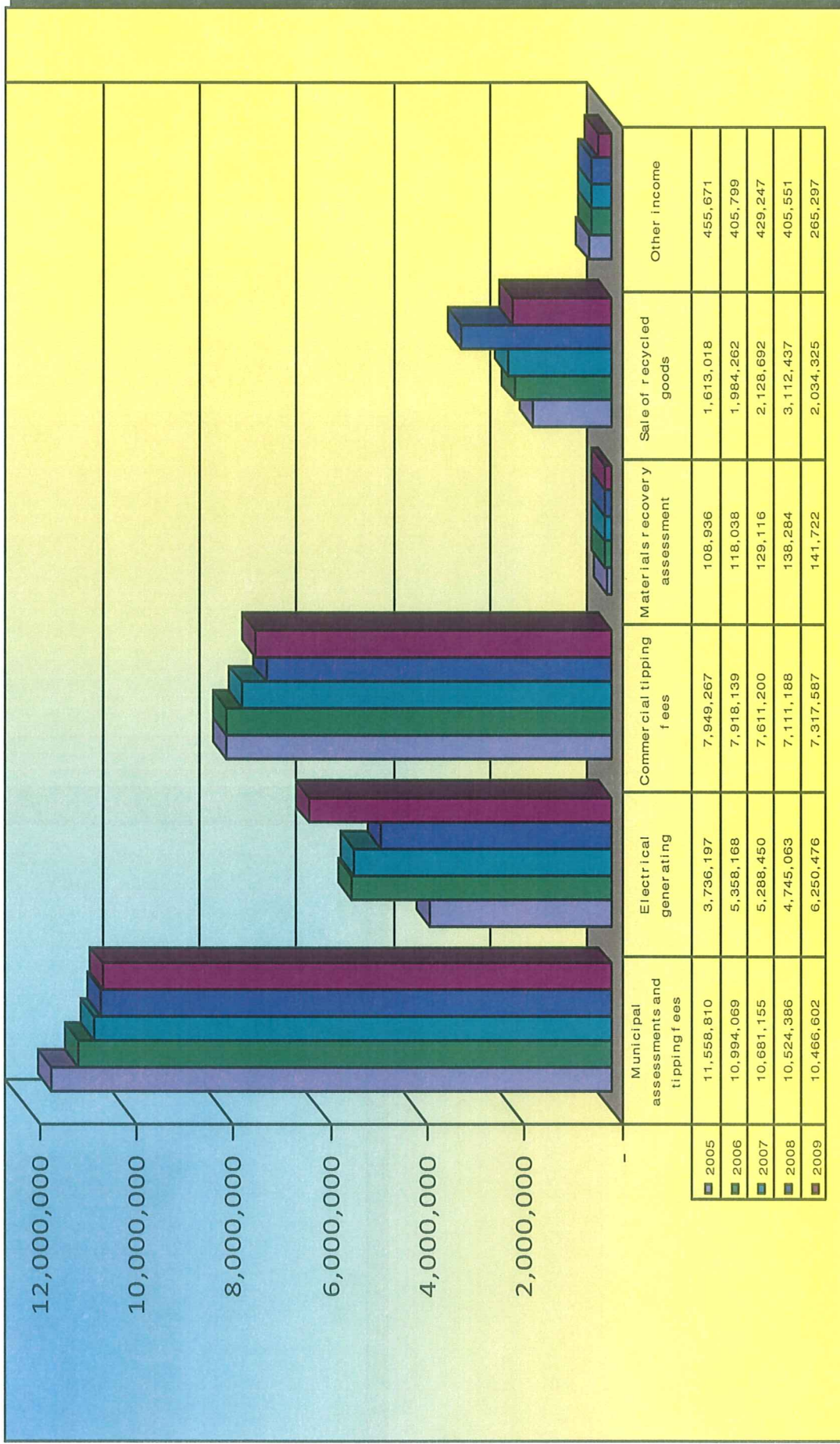
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TOTAL OUTSTANDING DEBT



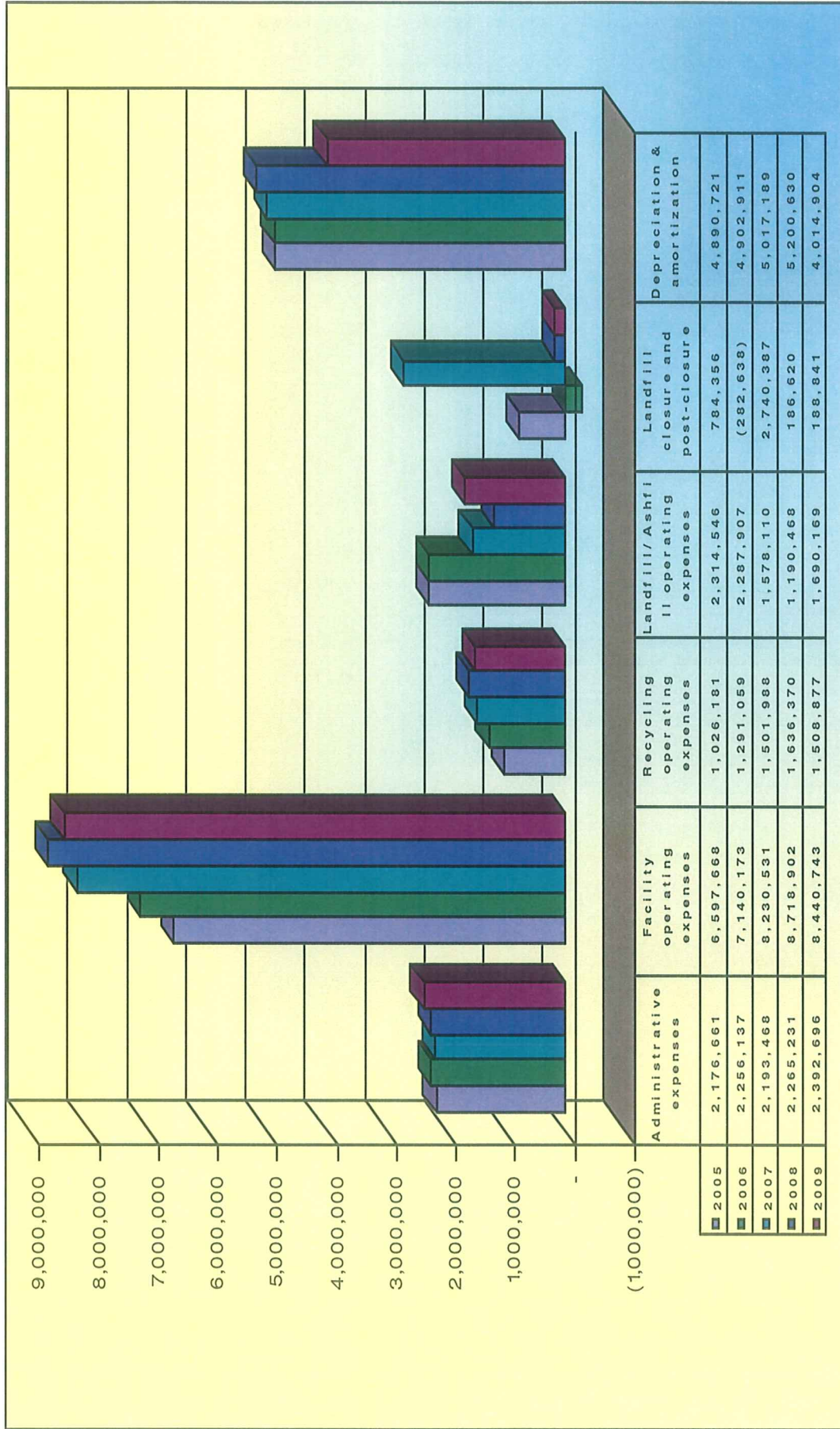
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OPERATING REVENUES



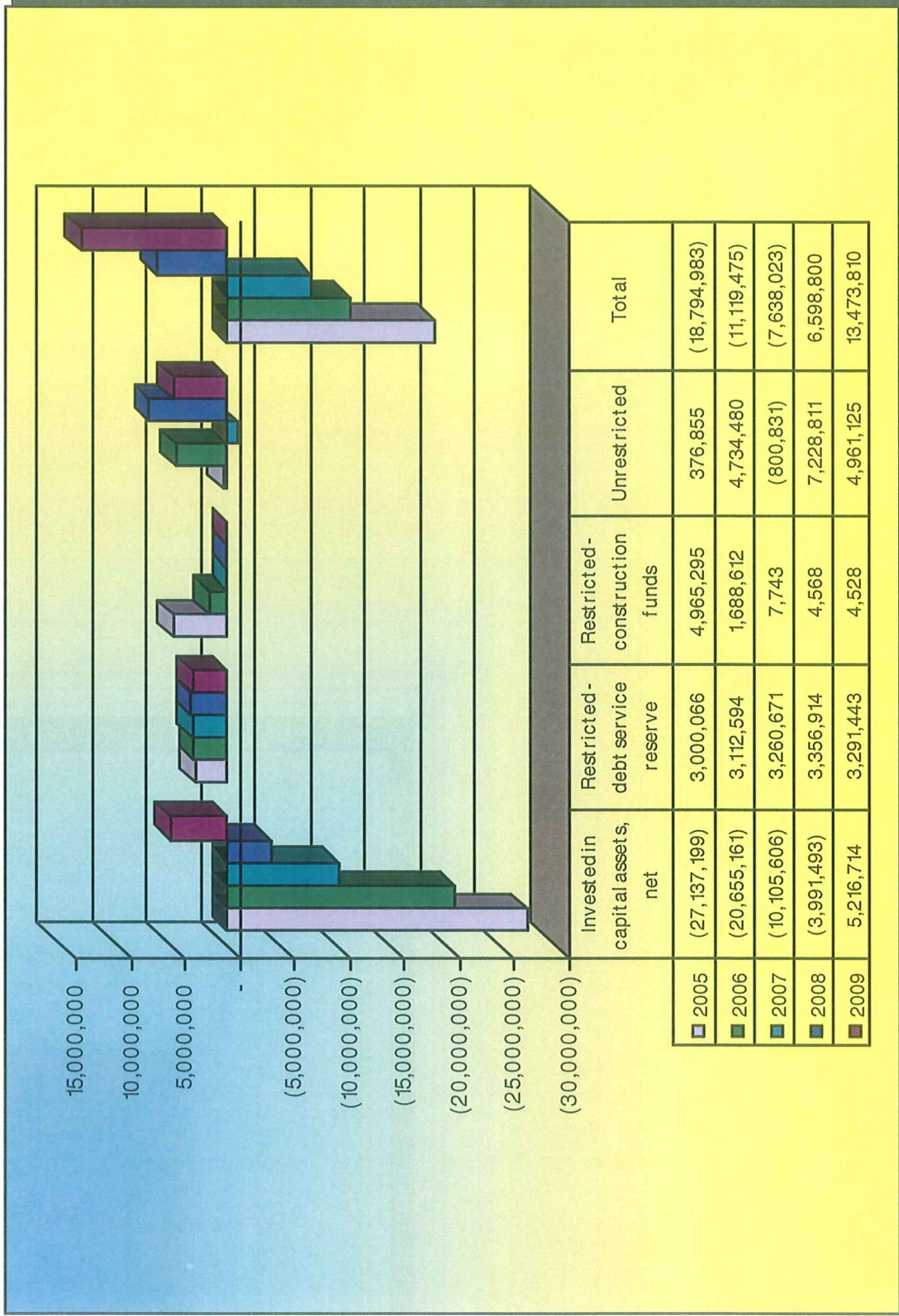
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OPERATING EXPENSES



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NET ASSETS



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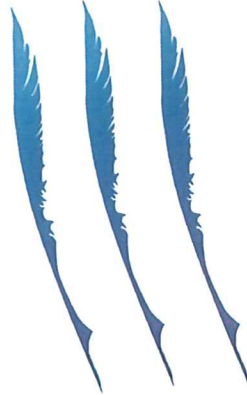
FINAL WORDS

This presentation is intended as a tool to assist the members of the Board of Directors, Finance and Audit Committee, and management of ecomaine in understanding its financial operating results.

The information contained in this publication should be read in conjunction with the audited financial statements and related disclosures and should not be used for any other purposes without the expressed consent of

RUNYON KERSTEEN OUELLETTE

Please contact us at 207-773-2986 or 1-800-486-1784
20 Long Creek Drive, South Portland, ME 04106



*Runyon
Kersteen
Ouellette*

October 8, 2009

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To the Audit Committee
ecomaine

We have audited the financial statements of ecomaine for the year ended June 30, 2009, and have issued our report thereon dated October 8, 2009. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 8, 2009 as well as during our meeting with you held on May 29, 2009. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by ecomaine are described in the notes to the financial statements. As disclosed in the footnotes to the financial statements, during the year ended June 30, 2009 the Organization adopted the provisions of Governmental Accounting Standards Board (GASB) Statement 45. No other new accounting policies were adopted and the application of existing policies was not otherwise changed during 2009. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Landfill closure and postclosure care costs, and the related accrued landfill closure and postclosure care liability, which was based on the capacity of the ashfill/balefill and the related cost of closure and maintenance.

Depreciation expense and accumulated depreciation, which was based on historical costs and estimated useful lives.

Post-retirement benefit expense and related post-retirement benefit liability, which was based on an actuarial valuation.

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We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of Post-retirement benefits in the notes to the financial statements, which was based on an actuarial analysis contracted on behalf of the Maine Municipal Employees Health Trust.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Attached is a schedule summarizing material misstatements, all of which have been corrected by management. Management had been aware that these entries were necessary, and they were recorded during the audit either as a matter of convenience or due to the timing of receipt of the relevant information. A second attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 8, 2009. A copy of this letter is attached.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Audit Committee and management of ecomaine and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Client: *ecomaine - ecomaine*
 Engagement: *2009 AU - ecomaine*
 Period Ending: *6/30/2009*
 Trial Balance: *TB*
 Workpaper: *02b - Adjusting Journal Entries Report*

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1				
Proposed by client during field work -- to reconcile cash rollforward		ZZ00.1		
00-00-3001	CHARGES TO RETAINED EARNINGS		2,025.73	
00-00-4065	RECYCLING MATERIAL RECOVERY			2,025.73
Total			<u>2,025.73</u>	<u>2,025.73</u>
Adjusting Journal Entries JE # 3				
To bring Designated Capital Reserve to correct June 30 '09 balance.		ZZ01		
00-00-3003	CAPITAL RESERVE		3,730,009.78	
00-00-3020	FUND BALANCE (RET EARNINGS)			3,730,009.78
Total			<u>3,730,009.78</u>	<u>3,730,009.78</u>
Adjusting Journal Entries JE # 5				
To amortize fiscal '09 unamortized bond premium		CC6		
00-00-2714	SERIES T & U PREMIUM/DISCOUNT		297,022.19	
00-00-1767	ACCUM AMORT. DEBT ISSUE COSTS			21,338.17
00-00-2716	DEFERRED AMOUNT ON REFUNDING			125,200.00
00-00-7002	AMORTIZATION EXPENSE			150,484.02
Total			<u>297,022.19</u>	<u>297,022.19</u>
Adjusting Journal Entries JE # 6				
To record entry for additional accrued expenses at end of year (proposed by client during field work)		per client...AA3.1		
30-00-6109	RECYCLING-RETIREMENT		1,547.96	
30-00-6110	RECYCLING-TEMPORARY HELP		2,355.47	
30-00-6110	RECYCLING-TEMPORARY HELP		2,885.93	
30-00-6112	RECYCLING-UNIFORMS		1,932.72	
30-00-6229	RECYCLING-BALING WIRE		18,360.95	
40-00-6109	LANDFILL-RETIREMENT		1,116.14	
60-00-6110	ADMIN-TEMPORARY HELP		5,348.07	
70-00-6109	OPS-RETIREMENT		8,371.23	
70-00-6112	OPS-UNIFORMS		2,182.70	
70-00-6221	OPS-CHEMICALS		7,740.00	
70-00-6221	OPS-CHEMICALS		16,628.34	
70-00-6227	OPS-REPLACEMENT SPARE PARTS		2,550.00	
70-00-6312	OPS-DEP ASH FEE		10,885.54	
70-00-6324	OPS-OUTSIDE SERVICES		2,435.13	
70-00-6325	OPS-CEM MTNC CONTRACT		3,062.50	
00-00-2100	ACCOUNTS PAYABLE			87,402.68
Total			<u>87,402.68</u>	<u>87,402.68</u>
Adjusting Journal Entries JE # 8				
To recognize Post Retirement Benefit per GASB 45		BB5		
00-00-7013RKO	POST RETIREMENT BENEFIT - MAINE MUNI HEALTH TRUST		92,220.00	
00-00-2228RKO	POST-RETIREMENT BENEFIT ACCRUAL (MAINE MUNI HEALTH TR)			92,220.00
Total			<u>92,220.00</u>	<u>92,220.00</u>
Adjusting Journal Entries JE # 9				
Per client analysis: To adjust accrual for landfill liability based on fiscal 2009 activity.		BB4.1		
00-00-7040	LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS		188,841.00	
00-00-2901	ACCRUED CLOSURE-BALEFILL			188,841.00
Total			<u>188,841.00</u>	<u>188,841.00</u>

Client: *ecomaine - ecomaine*
 Engagement: *2009 AU - ecomaine*
 Period Ending: *6/30/2009*
 Trial Balance: *TB*
 Workpaper: *02c - Proposed JE Report*

Account	Description	W/P Ref	Debit	Credit
Proposed JE # 2		02c.1	DRAFT	
Payroll taxes for January '09 that were not paid until subsequent to June 30 (due to miscommunication resulting from software conversion)				
10-60-00-1010	SALARIES		18,737.81	
10-60-00-1020	SOCIAL SECURITY		6,996.59	
00-00-2223	ACCRUED SALARIES			25,734.40
Total			25,734.40	25,734.40
 Proposed JE # 4		 G 01		
To adjust amortization expense on bond costs				
00-00-7002	AMORTIZATION EXPENSE		15,356.91	
00-00-1767	ACCUM AMORT. DEBT ISSUE COSTS			15,356.91
Total			15,356.91	15,356.91

October 8, 2009

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To the management of
ecomaine

In planning and performing our audit of the financial statements of ecomaine for the year ended June 30, 2009, we considered ecomaine's internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

However, during our audit, we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. This letter does not affect our report dated October 8, 2009, on the financial statements of ecomaine.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with management, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

* * * * *

Segregation of Duties

Creating a division of significant accounting processes between several individuals serves to minimize the potential for fraud or other irregularity, and is thus a key component of internal control.

During the course of our audit we noted that the Director of Finance and Administration has access to the General Ledger, in addition to his role as ecomaine's primary check signer. The ability for such an individual to post entries in conjunction with check signatory responsibility creates a certain lack of segregation of roles and responsibilities. Although such lack of segregation is somewhat mitigated by the responsibility for reconciling the bank statements being placed on another employee, in our judgment, separation of duties would be enhanced by allowing the Director of Finance and Administration to write-up/propose journal entries, but restricting this individual's access to the General Ledger.

Check Signing

During our meeting with the audit committee in May of 2009, we became aware that the Director of Finance and Administration was the only authorized check signer. In this employee's absence, a stamp with his signature was available for use by the Office Manager. The stamp was maintained in an office safe, to which only the Director of Finance and Administration and the Office Manager had access.

Per a discussion with the Director of Finance and Administration during field work, it is our understanding that the General Manager has been added as a second authorized signer. The stamp is still maintained in the safe, but has been used very infrequently – due to coordination of disbursements between the Director of Finance and Administration and the Office Manager. However, its existence and availability continue to create a potential risk. We would thus recommend that consideration be given to eliminating or further restricting access to the stamp.

This report is intended solely for the information and use of management and others within the Organization, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,