



## Memorandum

**DATE:** May 10, 2018  
**TO:** Chair and Members of the Board  
**FROM:** Kevin H. Roche, CEO  
**SUBJECT:** **Agenda for the Finance & Audit Committee Meeting**

There is a meeting of the **ecomaine Finance & Audit Committee** scheduled for **May 17, 2018 @ 3:00 PM at ecomaine**. The agenda for this meeting is as follows:

1. Approval of Minutes (**Attachment A**)
2. Cash Disbursements
3. Audit Engagement Letter
4. Presentation: RKO – Amy Chase - Discussion – FY 18 Audit Responsibilities
5. Review of Management Letter from FY 17 Audit (**Attachment B**)
6. Financial Statements **FY 18** (**Handout**)
  - Statement of Revenues and Expenses
  - Statistical Data
  - Balance Sheet
  - Statement of Cash Balances
  - Capital Expenditures
  - Status of Accounts Receivable

### **Future Meetings:**

Annual Board Meeting                  June 14, 2018 @ 11:30AM – Brick South @ Thompson's Point

**ecomaine**  
Memorandum

**DATE:** May 9, 2018  
**TO:** Chairman and Members of the Board  
**FROM:** Kevin H. Roche, CEO/General Manager  
**SUBJECT:** Finance & Audit Committee Minutes – March 22, 2018

There was a **Finance & Audit Committee Meeting** held on the date noted above. The meeting was called to order by Mike Shaw, Chair.

**Item #1:** Approval of the Minutes

Troy Moon motioned to accept the minutes as written. The motion was seconded by Matthew Frank. All in favor.

**Item #2:** Cash Disbursements – Mike Shaw, Chair

The cash disbursements were reviewed and found no issues.

**Item # 3:** Review Proposed Budget FY 19

Kevin Roche presented an overview of the proposed FY 19 budget. Arthur Birt presented a summary of the FY 19 budget. A discussion and Question & Answer followed.

Len Van Gaasbeek motioned to approve the budget as proposed. The motion was seconded by Bill Shane. All in favor.

Len Van Gaasbeek motioned to adjourn. The motion was seconded by Mike Shaw. All in favor.

**Present:**

Alan Bradstreet, Christopher Branch, Matthew Frank, Caleb Hemphill, Troy Moon, Tony Plante, Bill Shane, Mike Shaw & Len Van Gaasbeek

**Staff:**

Arthur Birt, Melissa Labbe, Wei Huang & Kevin Roche

To the management of  
**ecomaine**

In planning and performing our audit of the financial statements of **ecomaine** as of and for the year ended June 30, 2017, in accordance with auditing standards generally accepted in the United States of America, we considered **ecomaine's** internal control over financial reporting (internal control) as a basis for designing auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of **ecomaine's** internal control. Accordingly, we do not express an opinion on the effectiveness of **ecomaine's** internal control.

However, during our audit, we noted two matters that may represent an opportunity for strengthening internal controls and operating efficiency, which we have reported as "Other Matters" in the attached schedule of comments. **ecomaine's** responses to these recommendations are also described in the accompanying schedule; we did not audit such responses and, accordingly, we express no opinion on them. This letter does not affect our report dated September 26, 2017 on the financial statements of **ecomaine**.

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

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.

*Runyon Kersteen Ouellette*

September 26, 2017  
Runyon Kersteen Ouellette

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ecomaine  
Schedule of Comments

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**OTHER MATTERS**

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**Capital Expenditures in the Fixed Assets Subsidiary Ledger**

While performing our audit procedures of capital assets, we noted several instances where the capital assets recorded in the general ledger did not agree to what was recorded in the subsidiary ledger. This was a result of the subsidiary ledger, not synchronizing well with the general ledger, due to limited functionality. It was also difficult to obtain updated depreciation reports within the live subsidiary ledger after the close of the fiscal year. Such reports needed to be obtained in the "test company", which was closed on June 30, 2017. This becomes a cumbersome process and therefore, we recommend that management discuss with its software vendor, better options available to integrate fixed assets into the general ledger. This will enable the assets to be easily tracked while potentially eliminating the cumbersome reconciliation process that takes place at each audit period.

*Management's Response: Management agrees that, at the current time, there is limited functionality with the fixed asset sub-ledger. We will work with Tidestone (software vendor) to determine what, if anything, can be done to resolve these issues.*

**Routine General Ledger Review**

To ensure the accuracy of recorded transactions, periodic reviews and/or reconciliations of general ledger balances must be performed. Such procedures were not routinely performed during the year. We believe that the following procedures should be performed on a monthly basis.

- Reconciliation of bank statements and general ledger.
- Analysis of balances of the various accrued expense accounts.
- Analytical review of each revenue account to identify misclassifications or errors.
- Analytical review of expenditures to identify misclassifications or errors.

A monthly check off sheet controlled by the finance manager would be a good means of ensuring that each of these procedures is performed on schedule each month.

*Management's Response: We understand and agree with the comments relating to the General Ledger review. We have started putting in place some of the recommendations (monthly check off sheet for tracking account reconciliations) and are developing a plan involving operations to get a better picture of accrued expenses and proper expenditure classifications.*