

RFP 2020-02 PROPOSAL COVER SHEET

Name of Bidding Organization:	EASTERN MAINE DEVELOPMENT CORPORATION		
Mailing Address:	40 Harlow Street		
	Bangor, Maine 04401		
Contact Person Name and Title:	Lee Umphrey, President & CEO		
Telephone:	207-942-6389	E-mail:	lumphrey@emdc.org

Total Amount of Funds Requested:	\$583,921
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Proposal Summary: *Please summarize your program proposal in a brief paragraph*

EMDC proposes to operate the WIOA Youth Services on behalf of the Central Western Maine Workforce Development Board for PY 2020. We are proposing a partnership model with Community Concepts, Inc. of Lewiston Maine. EMDC will subcontract with CCI to provide Youth services in Androscoggin, Oxford and Franklin counties. EMDC will provide direct Youth services in Somerset and Kennebec counties as well as provide management oversight of all program services, fiscal and contract management, participant eligibility, vendor and employer contracting, program performance management and reporting. Our plan is to serve a total of 180 youth participants - 40 in-school youth and 140 out-of-school youth with a combination of Youth program service elements. We plan to place 42 participants into employment or further education during PY 2020. The projected cost per youth participant for our proposal is \$3,244.

We plan to introduce several innovative program designs to CWMWDB including: EMDC's Young Mainers Workforce Academy, EMDC's Employer Response Team; EMDC's Human Centered Design process for customer service; and CCI's Whole Family Counseling model to help remediate participant barriers.

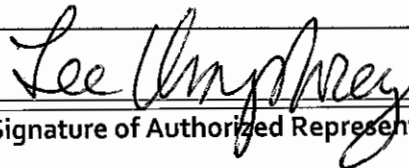
To the best of my knowledge and belief, all information in this proposal is true and correct, the document has been duly authorized by the governing body of the bidding organization.

Lee Umphrey

Name of Authorized Representative

President & CEO

Title of Authorized Representative



Signature of Authorized Representative

207-942-6389

Telephone Number

June 22, 2020

Date

STATEMENT OF COMPLIANCE FORM

As the authorized signatory official for: Eastern Maine Development Corporation
(Bidding Organization)

I hereby certify:

- That the above-named bidder is legally authorized to submit this proposal and funding request;
- That the above-named bidder agrees to execute all work related to this application in accordance with federal, state, and Central Western Maine Workforce Development Board (CWMWDB) policies and guidelines. The bidder shall notify the CWMWDB within 10 business days after issuance of any directives if it cannot comply;
- That the above-named bidder will ensure special efforts to prevent fraud and other program abuses, including but not limited to deceitful practices, intentional misconduct, willful misrepresentation and improper conduct which may or may not be fraudulent in nature;
- That the contents of the proposal are truthful and accurate, and the above-named bidder agrees to comply with the policies stated in this RFP;
- That this proposal represents an actual request subject only to mutually agreeable term negotiation outcomes and that the above-named bidder is in agreement that the CWMWDB reserves the right to accept or reject any proposal for funding;
- That the above-named bidder has not been debarred or suspended from receiving federal grants, contracts, or assistance; and
- That the above-named bidder waives any right to claims against the individual Board members and staff of The Central Western Maine Workforce Development Board.

Lee Umphrey

Name of Authorized Representative

President & CEO

Title of Authorized Representative



Signature of Authorized Representative

207-942-6389

Telephone Number

June 22, 2020

Date

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NARRATIVE COMPONENT

I. ORGANIZATIONAL BACKGROUND AND CAPACITY

A. Brief history of the organization(s)

Eastern Maine Development Corporation (EMDC), the lead organization in this proposal, and Community Concepts, Inc. (CCI), as a sub-contractor, are proposing a partnership to provide Workforce Innovation and Opportunity Act (WIOA) services for youth age 16-24 (Young Mainers) throughout the five-county region served by the Central Western Maine Workforce Development Board (CWMWDB).

EMDC is a 501(c)(3) non-profit, organization established in 1967, based in Bangor, Maine, delivering economic, community, business and workforce development services to municipalities, employers, and individuals throughout the Northeastern Maine region. In our multi-faceted roles as a workforce development provider and as the Economic Development District (EDD) for Eastern Maine, EMDC has been deeply involved in all aspects of our region's strategic development. Our overall service delivery model integrates workforce services with economic development, business lending and technical assistance, and community development and planning under one organizational umbrella. This integrated model is unique among Maine's economic and workforce service providers in Maine. EMDC's mission is supported by numerous resources including federal and state grants and contracts, county dues, foundation grants, and fee-for-service funds. The breadth of resources and program delivery represented by our portfolio complements WIOA Title 1B programs, particularly our active engagement with employers, and gives EMDC a deep capacity to deliver services in an integrated fashion.

Our partner in this proposal, Community Concepts, Inc. (CCI), headquartered in Lewiston Maine, was incorporated in 1965 by local community members seeking to reduce poverty in

Western and Central Maine. CCI is a Community Action Agency for Oxford and Androscoggin counties and a Maine 501(c)(3) organization that has helped thousands of low to middle income level residents receive the support they need. CCI supports residents in Androscoggin, Oxford and Franklin counties with a dynamic range of programs: children and family services, transportation, heating and utility assistance, affordable housing and home improvement services, home ownership support and financing for housing and businesses and workforce development services such as career counseling, skills assessment, and job preparedness skills to people of low to moderate income in the Lewiston-Auburn area. CCI also provides services and programs to support the well-being of children, teens and families. These include Head Start and childcare services, parenting support, school-based counseling for teens, child abuse and neglect prevention, a childcare home nutritious food program and family support programs. Additionally, CCI has services and programs to provide income eligible residents with energy assistance as well as safe and energy-efficient housing services.

The combination of history, experience, breadth of services, understanding of WIOA and other workforce resources and programs, and community-based programs that support workers, families and employers that our two organizations bring to this work will provide CWMWDB with a comprehensive and highly effective Service Provider and One Stop Operator capability.

B. Description of the organization's qualifications as related to the delivery of the required service components

EMDC's current workforce program services include roles as the WIOA Service Provider (since 2009) for the Northeastern Workforce Development Board serving Penobscot, Hancock, Piscataquis and Washington counties. We are also the statewide Grantee for the National Farmworker Jobs Program (NFJP), the contracted service provider for the youth focused Tech Hire

program in the 5-counties of the Northeastern workforce region and operator of the “Connecting with Opportunities” National Demonstration Grant serving individuals affected by the Opioid crisis. We serve approximately 500 work force program participants each year of which nearly 40% are between the ages of 16-24. Our workforce programs are based on a combination of practical experience and best practices including: comprehensive outreach and recruitment approaches that make maximal use of data analysis (LMI) and social media tools and applications to promote services; extensive service partnerships and co-investing arrangements to expand services and leverage resources (training and support services) for WIOA youth participants; knowledge and use of assessment and case management techniques and tools to provide effective career services and case management services; delivery of all required youth service elements either directly or through arrangement with partners and other program providers; use of Youth Peer Navigators (where possible) and approaches to client engagement that ensure that our services are customer-centered; and working directly with employers in a systematic way through our Employer Response Team approach to develop customized workforce services (OJT, Work Experience, pre-apprenticeships, apprenticeships and cohort trainings, etc.) that meet youth and employer needs.

EMDC’s and CCI’s workforce, community and business services gives our partnership a unique capability to better connect workforce programs (and young workers) to opportunities for employment and career advancement. For example, both EMDC and CCI deliver capital lending programs to small businesses providing them loans to grow their businesses and create new jobs. We routinely then connect those small businesses to workforce services to fill those new jobs. We have designed and delivered services for all segments of the workforce including economically disadvantaged populations, dislocated workers, seasonal and migrant farmworkers, individuals

with disabilities, public assistance recipients, individuals in recovery from substance use disorder, and individuals re-entering from incarceration. We both have extensive experience managing federal, state and local funding with a high degree of fiscal performance and accountability. We both have a history of innovation in program design (EMDC's Workforce Academy design and CCI Whole Family service delivery design) and both have been recognized at the local, state and national levels (EMDC most recently for its Employer Response Team) for the quality of our programs.

C. Examples showing specific history and expertise in serving this area or a similar area

EMDC and CCI both have intimate knowledge and experience serving rural economies and communities. EMDC's work in Penobscot, Piscataquis, Hancock, Washington and Waldo counties has given us an understanding of the workforce and economic development dynamics and needs of a large rural geographic region including the types of industry sectors and businesses in these areas and the challenges faced by workers. CCI has extensive and long standing experience serving communities, families and businesses in Androscoggin, Oxford and Franklin counties. The regions that EMDC and CWMWDB currently serve are geographically large rural areas with distinct economic and demographic subregions. The two regions are very similar in size, population demographics and density, and civilian labor force and participation rates. Both experience some of the same economic distress factors such as poverty, lagging educational attainment and disconnected youth cohorts. The composition of industries, occupations, skill requirements and wage levels are also similar with common trajectories of job demand and worker characteristics.

Both organization have similar experience operating workforce and related programs in this type of environment. That experience has required that we be adept at developing extensive partnerships and collaborations with other community organizations, education and training resources, businesses, local government agencies and other service delivery connections in order to be effective.

EMDC's ability to create effective partnerships has been demonstrated in our work developing and launching the newly funded National Demonstration Grant designed to assist individuals, including youth, affected by the opioid crisis, and our work in developing and implementing the Young Mainers Committee of the NWDB. In both examples we have built extensive collaborative service delivery networks to better serve Young Mainers and employers alike. For example, the initial launch presentation of the opioid grant in our region attracted over 70 participants from a diverse set of stakeholders. Our One Stop Partners collaborative of programs and services including the Young Mainers Committee members routinely brings together over 40 participants to our quarterly meetings, which have resulted in the development of strong partner referral arrangements, co-investment arrangements and co-enrollment strategies that have provided youth in our WIOA programs with extensive services beyond those of the WIOA youth program alone. We continue to leverage resources, programs and services – both our own and those of other organizations and funding sources – to more fully address barriers faced by young workers and employers in rural areas. Barriers include limited or no access to broadband internet, lack of transportation and lack of available and affordable childcare or healthcare options.

Both of our organizations are active in economic development initiatives and programs that are addressing some of these needs directly and in ways that that are inter-connected with the workforce development programs in our regions and statewide. For example EMDC is working

with funding from the Economic Development Administration (EDA) to address broadband expansion in the Katahdin region and with the Town of Lincoln to develop new capacity for training and development of workers in the forest products industry. Both of these initiatives will have direct impact on opportunities for young workers and small businesses in a region that has suffered in the past decade from the demise of the paper industry and the loss of jobs related to that decline. These are examples of ways that we would work together to connect youth workforce services and economic development services in the CWMWDB region.

D. STAFF EXPERIENCE AND WORKFORCE SYSTEM KNOWLEDGE

EMDC and CCI are both led by senior leadership teams with extensive experience and knowledge of workforce programs in Maine and nationally. EMDC's senior leadership (President & CEO, Vice President, Director of Workforce Services and Director of Finance) has over 90 years of combined related experience. Likewise, the senior team of CCI brings extensive experience and leadership to the operation of social, education and economic services that are directly related to broader workforce development needs in the CWMWDB region.

The direct service delivery teams of both organizations also have demonstrated competencies in program and partnership development, knowledge of service delivery practices and policies, and data and financial management and performance. Our organizations are both active partners in collaborations with other community and business organizations addressing major support needs for individuals and families, including: housing, emergency food and fuel services, financial and personal counseling services, healthcare, education, immigration and economic development. EMDC has been instrumental in forming the Maine MultiCultural Center (MMCC), a community-driven non-profit that is based at EMDC's Harlow Street office, to welcome a diverse immigrant population into the Bangor region as one strategy to meet our

increasing workforce needs. EMDC also has a long history of working with diverse populations, including individuals who come to Maine as migrant workers to harvest agricultural crops.

Attracting, retaining, supporting and integrating people of diverse cultures and backgrounds in our communities are core principles for both EMDC and CCI. Many of these workers require services that meet their unique challenges including language barriers, temporary housing and transportation needs, healthcare and other supports which our workforce programs are designed to provide.

E. Overview of the organization's staffing and management structure

Our proposed staffing and management structure for this project includes teaming a combination existing EDMC and CCI staff, and hiring of new staff, to provide the full range of WIOA services to youth. Our two teams will operate in a coordinated manner with EMDC responsible for all program management functions including fiscal and contract management roles, participant eligibility and data management, participant service transaction management (paying direct training and support services), performance management and reporting, subcontracting (OJT, WE) and vendor management. EMDC will also provide career services in Somerset and Kennebec Counties with CCI delivering career services in Androscoggin, Oxford and Franklin Counties. As reflected in the attached Budget Narrative and organizational chart, EMDC and CCI plan to hire new staff to deliver participant-centered services and outreach in in each of the 5-county region. We anticipate creating a network of service locations in the CWMWDB region that ensure access to services in all five counties with main locations in Lewiston serving Androscoggin county; the Augusta CareerCenter, serving Kennebec county; the Kennebec County Community College's Hinckley site, serving Somerset county; CCI office location in West Paris serving Oxford county; and a site to be determined in Franklin County. These service locations will be

staffed on a full-time basis and will offer a full range of services onsite or through referral to other partner services. EMDC's Director of Workforce Services, Susan Cerini, will oversee all WIOA program services and act as EMDC's primary point of contact for the CWMWDB. EMDC's Manager of IT and Data, Tom Fernands, will oversee the participant data and performance reporting functions. EMDC's Business Service Specialist, Keith Small, will manage the vendor services purchasing and contracting process. EMDC's Vice President of Economic and Workforce Development, Jon Farley, will provide staff support for the One Stop Operator role. Resumes for these staff are attached along with the Organizational Chart.

Based on our operational experience and the projected level of participant services detailed in the attached implementation plans, EMDC will hire four new Workforce Development Specialist for Somerset and Kennebec counties, and CCI will hire four and a half FTE Workforce Development Specialists, a Program Coordinator and a part time fiscal specialist to support its operations in Androscoggin, Oxford and Franklin Counties. These staff numbers are based on an assumption that we are the successful bidder for the Youth and Adult/Dislocated Worker Services contracts with staff allocating their time between the programs.

F. The organization's ongoing staff development plan

EMDC and CCI invest in the knowledge, skills and abilities of its staffs, with extensive and ongoing training and development. Each new staff hired for this project will be engaged in a comprehensive training and development plan over the first year of program operations. This training will entail a combination of WIOA 101 delivered by EMDC to quickly bring new staff to a level of basic competency and proficiency in program services delivery and operations. The training will be delivered primarily online with quarterly in-person training sessions with EMDC's full workforce services team. We will deliver other career development facilitation training

modules around topics including: Helping Skills, Labor Market Information and Resources, Career Assessment Tools and Practices, Diverse Populations and Impacts of Poverty, Understanding Ethical and legal Issues and Responsibilities, Youth Career Development Models and Theories, Employability Skills, Workshop and Group Dynamics and Delivery, Program Management and Implementation, Outreach and Recruitment, and Technology and Social Media in Workforce Development. The goals of our staff development program will be to develop technically prepared, high-performing workforce professionals and to create workplaces where staff members have visible passion for delivering high quality services. EMDC and CCI will collaborate on these staff development activities and will independently assure that we comply with all laws, regulations and licensing requirements in the practice of risk management and HR related trainings including safety training, sexual harassment training, and workplace affirmative action training. Annual assessments of staff will be conducted to authenticate that all staff are at levels of performance that meet organizational standards.

G. Grant recipient and accountant role

EMDC will be responsible for all financial transactions associated with direct WIOA client services, will provide all on-going fiscal reporting including submitting funding drawdowns, quarterly and annual reports and close-outs for all programs. We have a well-organized financial structure that supports these fiscal oversight and management functions and are currently performing these for the WIOA programs in the NWDB region as well as for other workforce services contracts. Our structure adheres to regulations related to financial management of federal funds as detailed in 2 CFR 200 (Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards). EMDC assures that all contract and compliance requirements are fulfilled, grant and contract funds are expended appropriately, accurate records are maintained,

assets are properly safeguarded, internal controls are adequate, and costs are allocated to the correct program based upon a cost allocation plan in cases where costs are shared by programs. Annual independent audits are performed to prepare year-end financials, evaluate financial management processes, and complete the required single audit. EMDC employs three professionals within the accounting/finance department to execute all financial management operations. Because EMDC receives program funding through multiple federal funding agencies, cross-training and effective communication between program staff and accounting staff is mandatory to maintain successful operations including the submission of all reports and invoices per program requirements. Our systems and staff assures the provision of accurate, current and complete disclosure of the financial results of each federally sponsored project or program, with fiscal operations recorded on an accrual basis. We maintain records that document the source and application of all federal funds. Each program's records contain information on awards, authorizations, obligations, unobligated balances, assets, outlays, income and interest. In addition, each record provides sufficient detail to trace funds to adequately establish that such funds have not been used in violation of the restrictions and prohibitions of applicable statutes. Our system provides effective control over and accountability for all funds and assets and facilitates the comparison of outlays with budget amounts for each award. Where possible, unit cost data is maintained. Written cash management procedures minimizing the duration and amount of cash on hand and written procedures for determining reasonableness, allocability and allowability of costs in accordance with the provisions of the applicable cost principles and terms and conditions of the award have been scrutinized and approved by independent auditors and state and federal monitors.

II. PAST PERFORMANCE HISTORY

A. Evidence of the organization's ability to meet program performance goals and objectives

The best evidence of EMDC's ability to meet WIOA youth program performance goals and recruit both in-school and out-of-school youth participants and employers into workforce services is our recent track record in achieving those results. Since PY 2017 through the end of the 3rd quarter of PY 2019, EMDC has served 26% of all WIOA youth participants statewide. This service level has consistently been above the percent share of funds received by EMDC for these years, and has given us one of the best "cost ratio" track records of any service provider in the WIOA system statewide. We have also achieved one of the higher levels of program performance as compared to state level goals for PY 17, 18 and 19 (through the 3rd quarter). See below:

Performance Measure	PY 2017	PY 2018	PY 2019
Employment/Education Q2	104%	91%	89%
Employment/Education Q4	108%	92%	98%
Youth Credential Rate	56%	97%	88%

We are fully committed to meeting and/or exceeding required WIOA performance goals set by the Maine Department of Labor, the State Workforce Investment Board and CWMWDB and to meeting the service levels goals detailed in the attached Participation and Performance Charts.

B. Organization's most recent audit and monitoring reports

Qualitative, financial and process performance results are also included in PY 17 and PY 18 local board monitoring reports and audits attached to this proposal. Please note that state level feedback from PY 18 monitoring has not yet been made available to EMDC.

C. Examples of innovative cost saving measures

Our ability to quickly adapt and create innovative cost saving measures and services is captured in two recent efforts that we have undertaken, both with a technology focused approach. First, is our effort to convert all our WIOA participant data transactions from paper to digital formats and storage. By “going paperless” we have reduced staff time dedicated to documenting client services, copying documents, mailing documents and reviewing paper files. This has allowed us to spend more time with clients and less time on paperwork. The change has also enhanced our internal (and external) monitoring and data compliance management. Another recent innovation, spurred by the COVID-19 pandemic and our shift to a remote working operation this spring, is the adoption of new practices and technology solutions for outreach, program intake procedures, online learning, and service delivery to participants. This has led to cost savings in both time and related expenses for travel and supplies. We have perfected virtual services that allow us to complete the intake process for WIOA, deliver interactive WIOA Information Sessions, Job Readiness, Career Exploration, Planning and Assessment workshops. We just recently launched our new virtual Young Mainers Workforce Academy with 15 participants, and are set to launch other collaborative programs with Bangor Housing later this summer. These approaches are very transferable to other workforce regions and we would plan to adapt them to the CWMWDB region if selected to operate the program.

III. YOUTH SERVICE ELEMENTS

A. Integrated Service Delivery

By working together and with the network of One Stop Partners throughout the region, EMDC and CCI will be well-positioned to deliver high-quality, effective youth workforce services throughout the CWMWDB region. Our plan is to focus on the following objectives: 1) Increase the level of innovation and collaboration with employers, education partners and key community support resources for youth. We will do this through holistic program delivery designs such as EMDC's Workforce Academy and CCI's Whole Family service delivery model. 2) Increase service levels, improve job placement, further education results, increase earnings and raise skill attainments of youth participants. We will do this through enhanced outreach, more directed employer engagement and use of work-based learning strategies, and greater focus on occupational skills attainments by partnering with education and training providers to customize cohort training programs in demand occupations. 3) Increase services to the most-in-need individuals in the region's youth workforce including economically disadvantaged out-of-school youth, youth re-entering the workforce from recovery and incarceration, low-skilled individuals, and youth with other barriers to employment including disabilities, basic skills deficiencies and single parents. We will do this by leveraging other resources to invest in youth and by connecting these investments more directly with the broader business and economic development strategies in the region through greater uses of work-based learning.

B. In-community Outreach

EMDC has developed comprehensive outreach and recruitment strategies that have allowed us to effectively identify job seekers with barriers to employment including unemployed or under-employed individuals, low income individuals, individuals with disabilities, public

assistance recipients, basic skills deficient individuals and single parents and enroll them in WIOA services. Our approach is hands-on, and includes disseminating information about WIOA programs broadly and continuously with partners, referral sources in the community and directly to workers and employers through social media and events. We also inform members of the general public, elected officials, town offices, social services agencies, employers, recovery centers, and educational providers about the benefits services available through the WIOA system. EMDC's outreach materials, such as brochures, posters, news releases and social media posts, are designed to promote the benefits of participating in these programs including use of participant success stories to show how others have achieved their career goals through our programs. The language in these materials is concise, straightforward and easy to read by a range of education levels, so program eligibility and services can be readily understood. Clear and full contact information for EMDC offices is provided, as well as details about how to proceed with next steps. Additional avenues of outreach include postings on the EMDC website and social media, engagement with state and local news media, electronic newsletters and communications among professional email groups. In all of these materials, EMDC discloses the federal source of program funds, and includes required language in compliance with the Stevens Amendment. For individuals requiring language assistance, MJL has built-in support for more than 60 languages using Google Translator. Any individuals determined not eligible may be referred to appropriate partners within this network.

We also rely on our extensive relationships with partners to generate referrals through agencies or programs outside the American Job Center Network such as recovery centers, re-entry organizations, recovery residences and other partners who may provide direct referrals. Fundamental to the effectiveness of these connections has been our practice of going onsite to

these community programs to work directly with staff and their youth clients, rather than requiring them to come to us. This has expanded the locations where job seekers can obtain information and apply for WIOA services.

C. Customer Engagement

Our plan to ensure that youth customers of the One Stop system receive high quality and comprehensive services is based on three inter-related approaches. First is to establish tracking and reporting systems encompassing of all required services to evaluate whether they are accessible and being effectively delivered. One tool to accomplish this analysis is the Maine Job Link (MJL) program that will allow core partners to report on common customers. EMDC has been working with MDOL in a pilot project to implement a new module called the WORKS program that will provide easy sharing of participant data, tracking of referrals, reporting on programs, and measuring performance across multiple Care partner programs. Second, we will develop and implement an online “Services Dashboard” to be regularly updated with partner information including service delivery schedules and activities, performance measures, service levels, participant demographics and other related data. This tool will provide front-line staff with real-time and regular updates of these key service delivery results and will, over time, facilitate closer alignment and coordination of service delivery and better ensure service planning is done within the context of common goals, deeper understanding of the complete range of services and a common perspective on best practices. Third is to ensure that youth staff receives training and ongoing support to provide effective customer service. To enhance the customer experience with workforce services, EMDC is committed to implementing a Human Centered Design (HCD) process in providing services. This approach considers how services are developed from end-to-end; from how they are advertised to how they are delivered. For a service to be genuinely effective

and have its desired impact there must be a thorough understanding of the people being served. This goes above and beyond what they need to include what barriers they face, what motivates them and what is important to them. By developing services with input and ideas from participants, satisfaction with those services is much more likely. These principles and the HCD process will be used whenever developing new program services including outreach and recruitment, assessment, career exploration and job placement assistance.

D. Work-Based Learning

A second innovation is EMDC's new Workforce Academy initiative. Building upon the concept utilized in EMDC's ongoing Work Readiness cohort sessions, this approach engages employers in efforts to address the needs of Young Mainers. The initiative's goal is to align, augment and add value to existing education and training opportunities by directly involving businesses with work readiness skills and entrepreneurship. As EMDC has expanded its outreach to businesses to assist young job seekers with training strategies, like work experiences and OJTs, it is clear that employers are more and more supportive of these efforts. The Workforce Academy design is structured as a cohort training developed with feedback received from local employers and in conjunction with education providers. The eight-week curriculum is delivered to small groups of 12-15 youth blending employability (soft skills) training, guest speakers, career exploration, and industry certification trainings, along with paid or unpaid work-based learning activities. Youth spend time in the classroom gaining employability knowledge, such as the importance of workplace safety and the need to understand employer expectations. Classroom instruction also focuses on how to search for jobs, how to write a resume, how to interview and how to dress appropriately for work. The initiative offers a hands-on approach to career exploration and addresses many of the WIOA Youth Service elements with special emphasis on leadership

development, youth mentoring, basic skills, counseling, work experience and occupational learning. Personal development and responsibility are common themes of this approach. The Workforce Academy design provides flexibility to develop customized projects around a single industry sector or across a diverse set of employers. Training can be tailored to a specific group of young people, such as youth offenders or pregnant and parenting teens, or for out-of-school or in-school youth. This allows for the attaching of certificate/credentialed classroom training, youth mentoring, academic remediation, financial literacy, leadership activities and other elements into a customized package for each youth, while continuing to have the advantages of group dynamics and the efficiencies of online instruction. During the initial eight-week period, participants have an opportunity to explore careers in local industries that currently need employees through tours and networking opportunities. Upon completion of the academy, participants will choose their next path including: work experience, other short-term training, or direct job placement.

E. The 14 Youth Elements Diagram

All of the Fourteen (14) youth service elements required by WIOA will be made available to youth either directly through an EMDC/CCI delivered activity or through other partner programs. A diagram detailing these service relations is attached to this proposal.

F. Progress to Self-Sufficiency

We propose several proven strategies to help youth achieve greater success in reaching and sustaining their economic self-sufficiency goals. First, is the Whole Family/Two Gen approach. This is a comprehensive, evidenced based strategy being taken by CCI that holistically provides families with tools to develop skills toward the goals of financial wellness. Using a Whole Family approach to assisting individuals out of poverty including intensive coaching, post-secondary classes, classes for children and parents, and early education interventions is a replicable model

that can be supported with workforce program resources. CCI's service delivery design has been recently re-modeled along these lines and will serve as a design template for other youth services throughout the five-county region. This approach will better equip the workforce system to address not just immediate education and training needs of young workers but other underlying concerns. A second approach is the use of Youth Peer Navigators who work one-on-one with participants and their career advisors to help them overcome specific identified barriers. Youth Peer Navigators are individuals who themselves have a lived-experience very similar to the participants in our workforce programs, allowing them to relate and understand the challenges individuals face when pursuing career changes or entering the workforce for the first time or after a long absence. Attached is a diagram depicting how the Youth Peer Navigator would assist a client in overcoming barriers. EMDC and CCI propose working with CWMWDB and other One Stop Partners in the region to replicate aspects of both of these designs as a template for other workforce services throughout the five-county region. These approaches can be combined with more traditional workforce service strategies such as "learn and earn" approaches that combine education and part-time employment; job readiness classes and integrated occupational and basic skills programs; program follow-up services to ensure that participants have support in the early phases of re-employment or have access to emergency services to address job endangering circumstances.

G. Sector Strategies

EMDC and CCI have extensive relationships with employers and industry leaders, and have developed connections along with educational partners, economic development partners and other workforce programs to address industry needs. As depicted in the attached Employer Service Diagram, we have organized these efforts into a sector-based engagement process called the Employer Response Team. We have used this model to address the needs of employers and

regional job creation challenges in a number of sectors including healthcare, manufacturing, construction and boat building over the past several years. This approach is designed to engage businesses that are poised to grow and expand their workforces either through new hires or by training incumbent workers. The team structure and operational design of the Employer Response Team is proactive and brings together key resources including WIOA Title 1B services, the Maine Department of Labor, the Maine Community College System, local Adult Education programs, local economic development partners and others based on the identification of an employer or group of employers that are hiring for an expansion or for a new start-up business in the region. EMDC's Employer Response Team is designed to meet and review the emerging workforce needs and plan services including assistance with referrals for new hires, support with developing training for new and/or existing employees, and help with technical assistance needs related to growing and shaping its local workforce to be more adaptable to those emerging needs. The result of the team's discussion with employers could involve the delivery of a number of services: integrated basic and occupational skills development; incumbent worker or customized training with individual or groups of employers; work-based learning programs and On-the-Job Training and apprenticeship training options.

H. Remote Technology & Strategies

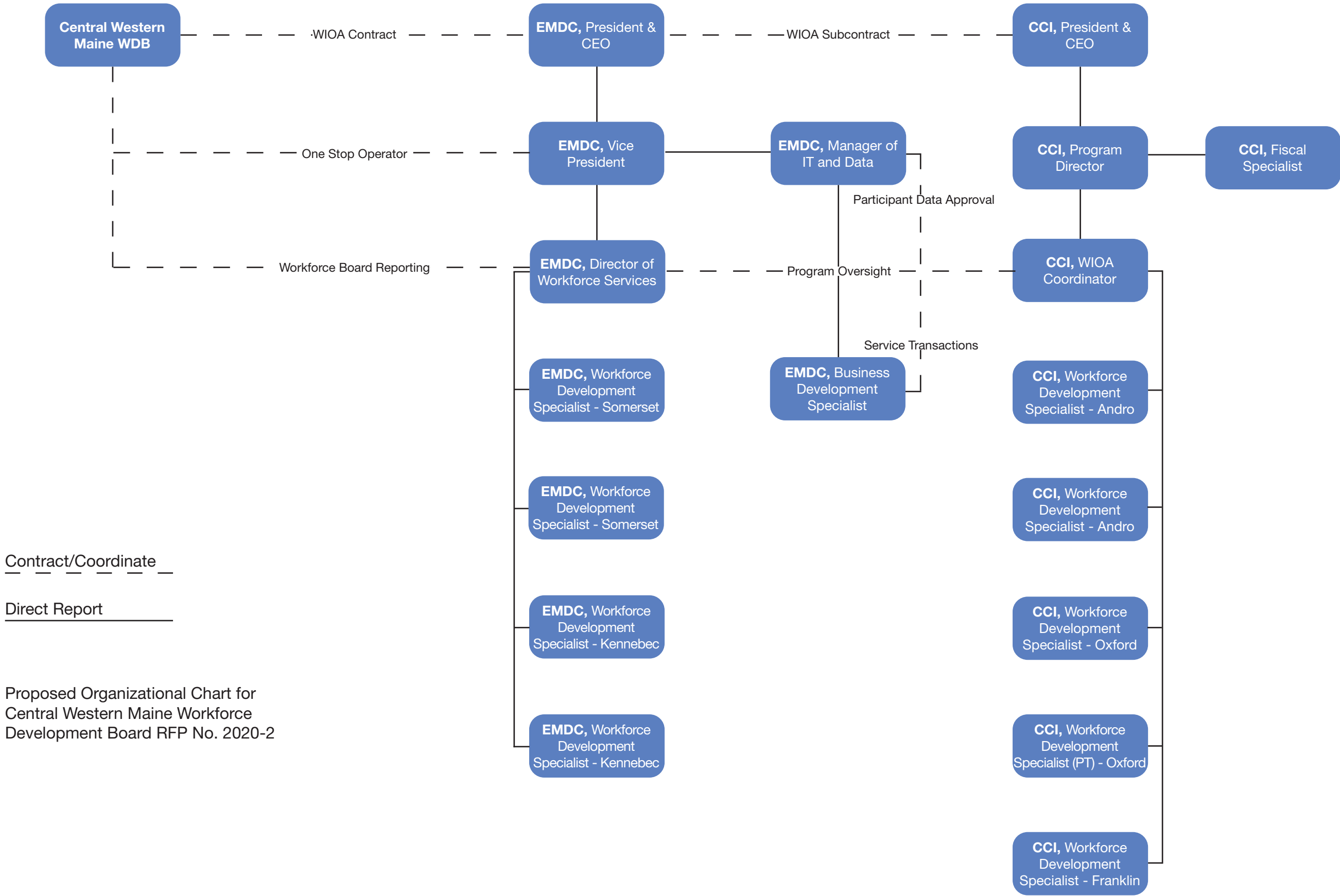
EMDC continues to pivot our service operations and strategies to incorporate remote learning opportunities and online service delivery wherever possible. While the COVID-19 pandemic has accelerated this process, we had begun to investigate a variety of free or low-cost online learning and communication platforms such as Metrics Learning, Google Suite, Google Digital Garage, IC³ digital literacy training, LinkedIn Learning and other programs to ensure we are able to offer participants the types of soft skills and basic occupational skills they need, when

they need it. While not appropriate in all situations because of the lack of broadband access in many areas, we are adapting our programs to better align with these technology resources and with those of Maine's education and training providers who are also moving many courses and programs online. We are developing protocols and procedures to adapt participation expectations and have modified our support services and training expense policies to allow for greater investment in computer hardware, software and internet costs on behalf of participants.

I. Projected Participation and Performance Goals

EMDC and CCI have proposed participant and performance goals that reflect reasonably attainable results including enrollments for both in-school and out-of-school youth, job placement targets and performance results at a realistic cost per participant that is in line with statewide performance levels and costs.

Eastern Maine Development Corporation Workforce Services



Jon R. Farley
29 Surrey Lane
Hampden, ME 04444
Home Phone: (207) 862-5505
E-Mail: jfarley@emdc.org

EMPLOYMENT

Vice President of Economic and Workforce Development
Director of Economic and Workforce Development

2016-Present
2009-2016

EASTERN MAINE DEVELOPMENT CORPORATION

BANGOR, ME

Responsible for direct oversight of EMDC workforce, business and community development programs and resources. Develop strategic and operational plans and manage contract relationships with federal, state and local officials. Manage a staff of 35 and provide support to oversight boards and councils. Responsible for developing and managing annual program budget in excess of 4 million dollars.

Vice President, Performance Support and Program Evaluation
TRAINING & DEVELOPMENT CORPORATION

2004 - 2009
BUCKSPORT, ME

Responsible for providing program performance support to TDC's job training and Job Corps operations including program design, data management and performance systems support. Increased TDC's WIA program services by 30%, improved performance outcomes and lowered costs from 2007 to 2009. Developed a national demonstration proposal to create a Youth Employability Network and led organizational efforts to integrate TDC's Job Corps and Workforce Investment Act operations in Maine. Developed data integrity and reporting systems used in TDC's Job Corps operations. Developed business plans and strategy for TDC's Career Advancement Centers based on the Baldrige Quality Assessment process and developed a "One-Stop Model" project design funded by the State of Virginia in 2004.

Vice President, Career Advancement Services
TRAINING & DEVELOPMENT CORPORATION

1996 - 2004
BUCKSPORT, ME

Responsible for direct operation of all TDC Career Advancement Services (CAS) programs in Maine and Richmond, Virginia. Developed strategic and operational plans and managed contract relationships with federal, state and local officials. Supervised staff and provided support to oversight boards and councils. Managed annual program budgets in excess of 5 million dollars. Led top performing job training programs in Maine and Virginia and led both organizations through the transition in the major federal job training legislation in 2000. Developed and managed four major national demonstration projects serving welfare recipients, dislocated workers and at-risk youth. Led TDC's projects with the Training and Employment Agency in Northern Ireland and the Scottish Enterprise agency in Glasgow, Scotland in 1999-2001.

Director of Career Advancement Centers
TRAINING & DEVELOPMENT CORPORATION

1992-1996
BUCKSPORT, ME

Responsible for direct operation of all TDC's Job Training Partnership Act (JTPA) programs in Maine. Developed program plans and contracts; supervised staff and managed relations with grant officers at the state and federal level. Provided staff support to the Penobscot Consortium Private Industry Council.

Led expansion of TDC's work into Richmond Virginia in 1995. Improved Richmond's program performance from 14th in the state to 3rd in year one of our contract with the city. Responsible for the implementation of TDC's Automated Case Management system and Career Advancement Services designs that were recognized as national models by the U.S. Department of Labor in 1993.

Director of Career Planning and Services

TRAINING & DEVELOPMENT CORPORATION

1981-1992

BANGOR, ME

Responsible for day-to-day program management of TDC's Job Training Partnership Act (JTPA) programs in Penobscot, Hancock and Piscataquis counties. Led Maine's first national demonstration projects for dislocated workers in the shoe, paper and textile manufacturing sectors in partnership with the Maine AFL-CIO in 1985-87. Created innovative service delivery mechanisms including rapid response and community transition teams to better serve large groups of workers being laid off in Eastern Maine. Managed TDC's market-based Career Transition Services project providing services to injured workers through to the Worker's Compensation system.

Contracted Programs & Fields Operations Specialist

TRAINING & DEVELOPMENT CORPORATION

1979- 1981

BANGOR, ME

Responsible for managing field operations for TDC's Comprehensive Employment and Training Act (CETA) programs in Penobscot, Hancock and Piscataquis counties. Developed service delivery plans and budgets for all programs and performed monitoring and oversight of operations of TDC's local service delivery offices.

Program Planning Technician

TRAINING & DEVELOPMENT CORPORATION

1977-1979

BANGOR, ME

Responsible for managing TDC's Comprehensive Employment and Training Act (CETA) Public Service Employment programs. Developed project plans and contracts for over 1,500 public service jobs. Provided staff support to local planning councils to review and approve project proposals. Monitored and reported on project progress and outcomes.

EDUCATION

Bachelor of Arts, Political Science

UNIVERSITY OF MAINE

1974

ORONO, ME

OTHER EDUCATION AND TRAINING

Course work for Master of Arts, Political Science (degree not completed)
University of Maine

1975-76

Orono, ME

Principals of Employability
New England Institute

1981

Bangor, ME

System Management Training
Levin and Associates

1982-83

Philadelphia, PA

Principals of Case Management
Margaret Chase Smith Center, University of Maine

1989

Orono, ME

Project Management
American Management Association

1991
Boston, MA

Business Courses in Accounting, Marketing, Statistics
University of Maine

1996-97
Orono, ME

Organizational Leadership Training
Center for Creative Leadership

1998
Greensboro, NC

Susan Moore Cerini

156 Chamberlain Street, Brewer ME 04401 | (207) 631-5520 | tippsieq@gmail.com

HIGHLIGHTS & QUALIFICATIONS:

- Outstanding customer service skills
- Communicate and interact with several agencies at the local, state and federal level
- Over 12 years' experience with constituent services and outreach programming
- Strong interpersonal and writing skills
- Ability to identify and resolve problems or issues
- Supervisory experience
- Recruit and maintain volunteers
- Success in creating and implementing workplace projects
- Self-motivated with the ability to adjust to changes

PROFESSIONAL EXPERIENCE:

Director of Workforce Services, Eastern Maine Development Corporation- Bangor, ME 08/18- Present

- Leads workforce development training and job development services
- Provide supervision for staff
- Helps plan and implement projects that help meet projected outcomes
- Represent the workforce programs with public and community meetings
- Identifies funding and grant opportunities and develop partnerships in response to training and employment needs
- Identifies funding and grant opportunities to help develop successful workforce programs

Adult Program Manager, Eastern Maine Development Corporation- Bangor, ME 11/16- 07/18

- Managed program for Adult and Dislocated Worker training and job placement for the Workforce Innovative Opportunity Act (WIOA)
- Provided staff supervision
- Worked with community organizations to develop referral processes for programming
- Provided training for staff and information for local partners
- Supported the efforts of the organization at public functions
- Designed and implemented projects that lead to successful outcomes
- Identified employer workforce needs and worked to provide assistance for job placements
- Made enrollment decisions for staff
- Strategized recruitment of quality enrollments
- Oversaw evaluations to ensure training, employment, education and program performance goals are being met
- Worked with local employers to help design on the job training as well as transitional job opportunities
- Provided training for new staff
- Worked with other economic development staff to communicate workforce needs
- Certified in Economic Gardening

Career Advisor, Eastern Maine Development Corporation- Bangor, ME 01/15-11/16

- Completed intake applications and evaluated employment potential of applicants
- Provided employment-focused career advising services to enrolled customers
- Delivered, coordinated and facilitated career services including work readiness and job club
- Facilitated group presentations, lead large and small groups, informational sessions and focus groups

- Maintained excellent documentation

Constituent Service Representative, Congressman Michael Michaud- Bangor, ME

01/03-12/14

- Interview and work with constituents to help identify complaints, problems or issues
- Initiate contact with federal/state/local agencies regarding constituent issue
- Work with Press Secretary and Scheduler to build and organize press events
- Plan and carry out successful outreach program in assigned areas covering several counties
- Named to the Department of Labor Transition Team
- Study and be familiar with issues related to business closings/dislocated workers, health care, veteran issues, small business and labor
- Assist organizations by conducting grant searches, identifying and applying for grants and earmarks
- Constituent follow up both written and oral
- Represent the Congressman at events
- Perform administrative duties such as ordering office supplies, mail reports and maintain equipment
- Search for community events and activities that the Congressman would benefit from attending
- Conduct intern orientations and trainings to insure that interns are familiar with office routines, structure and protocol
- Create work plans and projects for Interns and mentor interns to allow them to do casework and properly identify community opportunities

Regional Field Coordinator, Michaud for Congress- Bangor, ME

6/02-12/03

- Recruit and maintain volunteers
- Successfully promoted candidate's message to the public
- Planned and carried out a successful Get Out The Vote Effort

Thomas L. Fernands

60 Rogers Road Troy, ME. 04987

(207) 948 – 3345

Fernands@uninets.net

SUMMARY OF QUALIFICATIONS

- **Twenty nine years experience in intake and eligibility for State and Federally funded employment and training programs.**
- **Certified Global Career Development Facilitator since 1999 -2015**
- **Support and trained staff in use of data management systems**
- **Network Administrator and PC Repair person.**
- **Maintained CareerCenter web pages for Tri-county area.**
- **Developed software applications for tracking employer services and job seekers**
- **Administered academic, interest and aptitude tests.**

PROFESSIONAL EXPERIENCE

2009-Present Eastern Maine Development Corporation, Bangor ME. Manager of Information Technology and Data

- Provide staff support and training for technology.
- Provide customer service and troubleshoots and solves computer-related problems.
- Work with all EMDC departments and programs to develop customized and ad hoc data reports and analysis for each EMDC program.
- Conduct product evaluations of upgraded or new hardware and software identifying strengths, weaknesses and potential benefits to the system
- Maintain the operating system and security software utilized on the network, including the addition of new users to the network and establishment of rights and privileges.
- Run monthly and quarterly performance reports from the One Stop Operating System (OSOS) for all workforce development programs.

1989-2009 Training & Development Corporation, Bangor ME. Support Services Specialist

- Intake person met with customers on an individual and group basis to assist them in completing their applications for training assistance.
- Network Administrator & PC Repair Person
- Maintained CareerCenter web pages for Bangor and East Millinocket office locations
- Proficient in several computer applications including , Word, Power Point, Access, and Excel
- Staff support & data management for Federally Funded Job Training Programs.
- Summer Youth Counselor.
- Administered academic, interest and aptitude tests.

**1998 – 1998 Searsport High School, Searsport, ME
Adult Education Instructor**

- Designed curriculum & instructed and introductory twenty-hour class to the World Wide Web.
- Designed curriculum & instructed a ten hour class in Basic PC Maintenance and Repair.

**1989 – 1992 National Investigative Services, Bangor, ME
Bonded Courier / Collector**

- Drove a courier route from Bangor to Portland.
- Repossessed cars and completed accompanying paperwork.

**1988 – 1989 Wentworth's Service Star, Belfast, Me
Salesman**

EDUCATION AND TRAINING

University of Maine, Bangor, ME 1986 – 1988

- Associates of Science in Human Services.

Eastern Maine Technical College, Bangor, ME 1985 – 1986

- Majored in Electronics. (1 yr. of 2 yr. program)

Searsport District High School, Searsport, ME 1980 – 1984

- High School Diploma with a 91.5 grade average.
- Completed High School in three school years.

LICENSES & CERTIFICATIONS

- Certified Global Career Development Facilitator (GCDF) 1999 - 2015

KEITH E. SMALL

33 Castine Road • Orland, Maine 04472 • 207-460-8772 • keith.e.small@gmail.com

CAREER PROFILE

Accomplished leader with twenty-five years of senior management experience including six years reporting directly to a twenty-one member Board of Directors.

Demonstrated background recruiting, hiring, supervising, training, coaching, and evaluating employees; guiding the development, documentation, and compliance of direct service programs; analyzing and revising policies/plans/procedures such as safety, data security/integrity, personnel, employee benefits, employee retention, bylaws, financial, purchasing, auditing, risk management, and insurance. Strong history communicating verbally and in writing with coworkers, operational staff, volunteers, partners, consultants, community members, businesses, donors, contract officers, and local, state, and federal elected officials.

CAREER HIGHLIGHTS

- Won competitive bid for major new program which increased agency annual revenues by 63% in three years (FY 2014, 2015, 2016) to \$10.8M. Led agency through volatile first year of new program (WCAP).
- Improved agency financial status from a \$144,524 deficit for FY 2014 to a \$307,856 gain in 2016. Began FY 2017 with unrestricted net assets of \$474,000 (WCAP)
- Doubled employment opportunities from sixty to one hundred and twenty five over six years (WCAP)
- Expanded Head Start in Waldo County and increased child admissions/enrollment
- Maintained positive working relationships with Board of Directors (WCAP and WHCA)
- Led design team for Maine's first small business Incubator Without Walls program (WHCA)

WORK EXPERIENCE

Eastern Maine Development Corporation (EMDC), Bangor, ME – March 2018 to Present

EMDC is a non-profit economic development organization serving Penobscot, Piscataquis, Hancock, and Washington counties by assisting businesses, communities, and the region's workforce to secure a more vibrant economic future.

Business Development Specialist – Serves as a liaison between the workforce department, finance department and key community vendors.

- Ensures authorizations, invoices and payments are properly recorded in the MJL data system
- Follows up with vendors on billing timeliness and other related EMDC interactions
- Assist with file reconciliation for workforce department, data, and finance
- Provides support to staff on program registrations and MJL data system
- Assists with quality control/analysis as to maintain data integrity of workforce systems

Waldo Community Action Partners (WCAP), Belfast, ME – September 2011 to January 2018

One of ten Maine Community Action Programs seeking to address the causes of poverty and to help people with low incomes become more self-sufficient and independent. WCAP serves Waldo, Knox, Lincoln, and Sagadahoc Counties.

Executive Director - Responsible for strategic direction, coordination and implementation of all areas of WCAP including planning, operations, human resources, financial, and asset management.

- Supervised and coached seven senior managers
- Analyzed senior management monthly reports, identified trends, and ensured compliance with operational requirements
- Assisted Board of Directors with fiduciary and governance responsibilities
- Produced accurate and relevant monthly progress reports to the Board of Directors.
- Acted as spokesperson for the organization
- Directed marketing, publicity, development, fundraising efforts
- Monitored financial, legal, and compliance issues and directed staff and third-party professionals in resolution of all such matters
- Monitored assets and directed maintenance and renovations of real properties
- Participated in county and state coalitions in support of people with low incomes

Washington Hancock Community Agency (WHCA), Ellsworth, ME

One of ten Maine Community Action Programs seeking to address the causes of poverty and to help people with low incomes become more self-sufficient and independent. WHCA serves Hancock and Washington Counties. Positions below report to the executive director.

Director - Down East Business Alliance – 2005 to September 2011

- Planned, raised, and managed \$550,000 annual department budget
- Recruited, oriented, and trained operational staff
- Directed operational requirements of small business Incubator Without Walls program
- Ensured receipt of loan documentation and accurate data entry of \$1.25M in loans to 160 small businesses.
- Developed loan underwriting guidelines and documents
- Responded to Requests for Proposals (RFP) and directed grant planning and writing

EDUCATION

University of Maine, Machias, 1980

Bachelor of Science, Biological Technology, graduated Magna Cum Laude

Southern Maine Vocational Technical Institute, 1976

Associate Degree, Applied Marine Biology and Oceanography

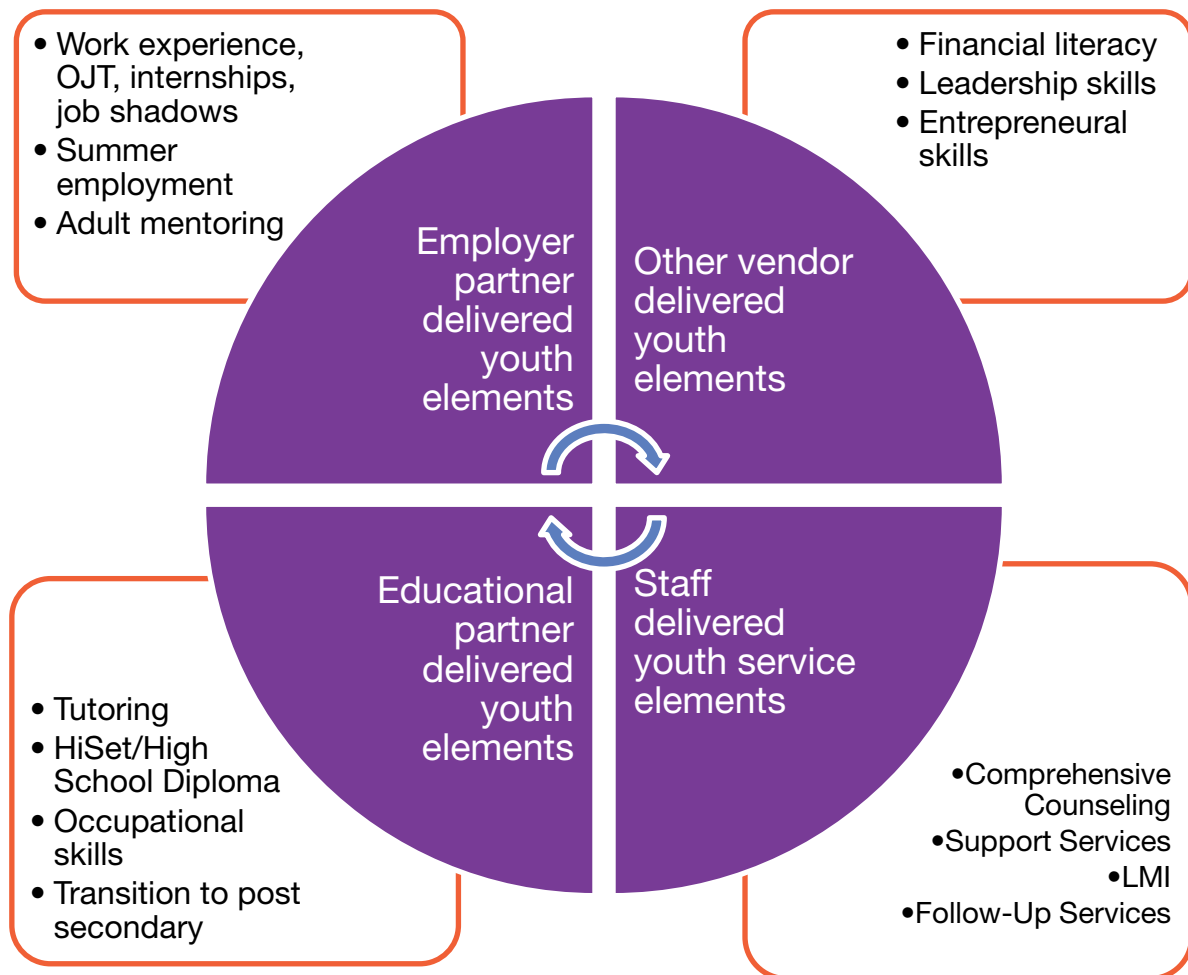
PROFESSIONAL AFFILIATIONS (most recent)

- Maine Community Action Association, Secretary and Vice President, 2011 - 2018
- Waldo County Emergency Management Agency Advisory Committee, 2017
- Midcoast Public Health Council, 2017
- Healthy Waldo, a Healthy Maine Collaborative, 2011-2016



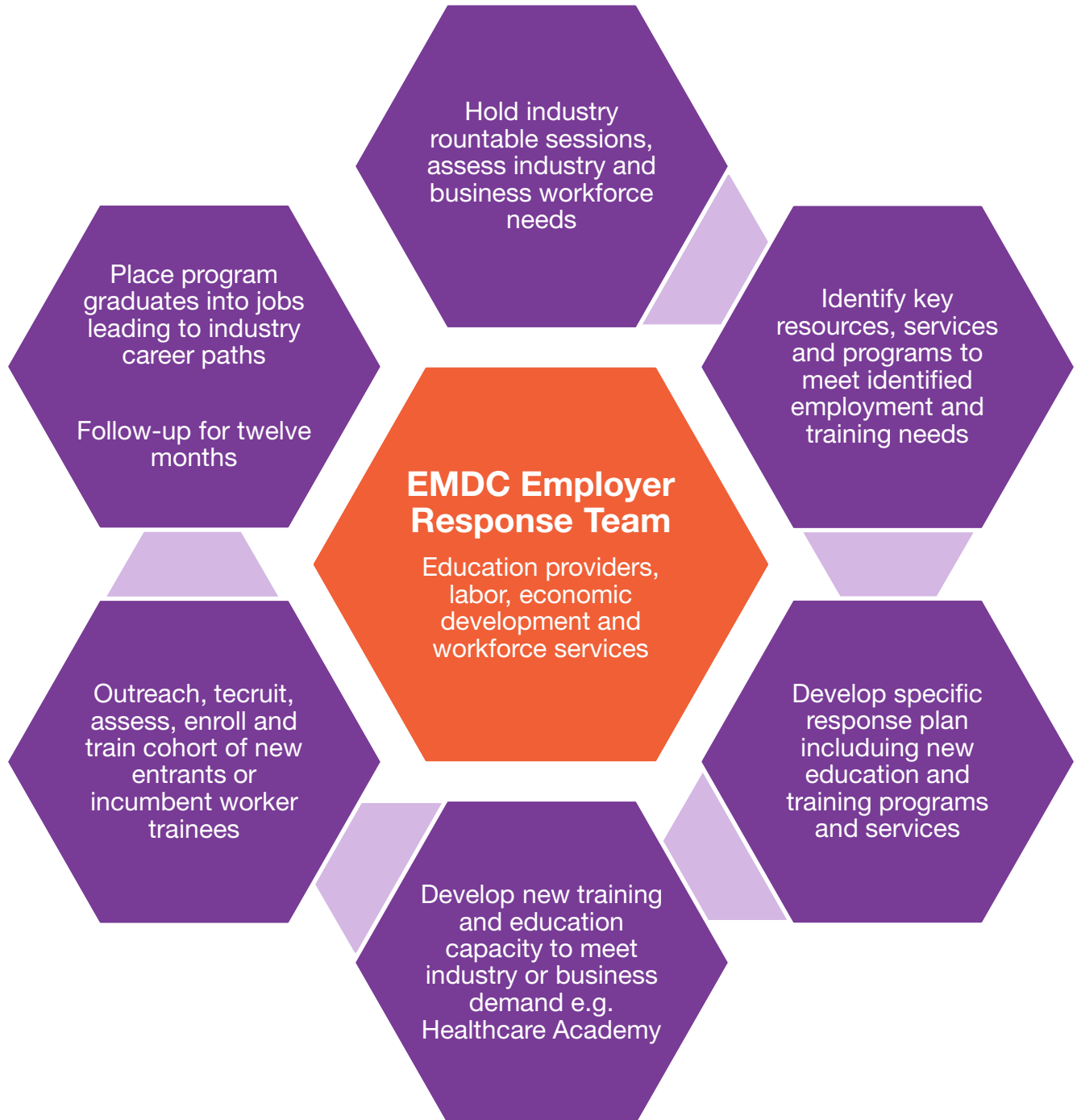
14 Element Diagram

Eastern Maine Development Corporation



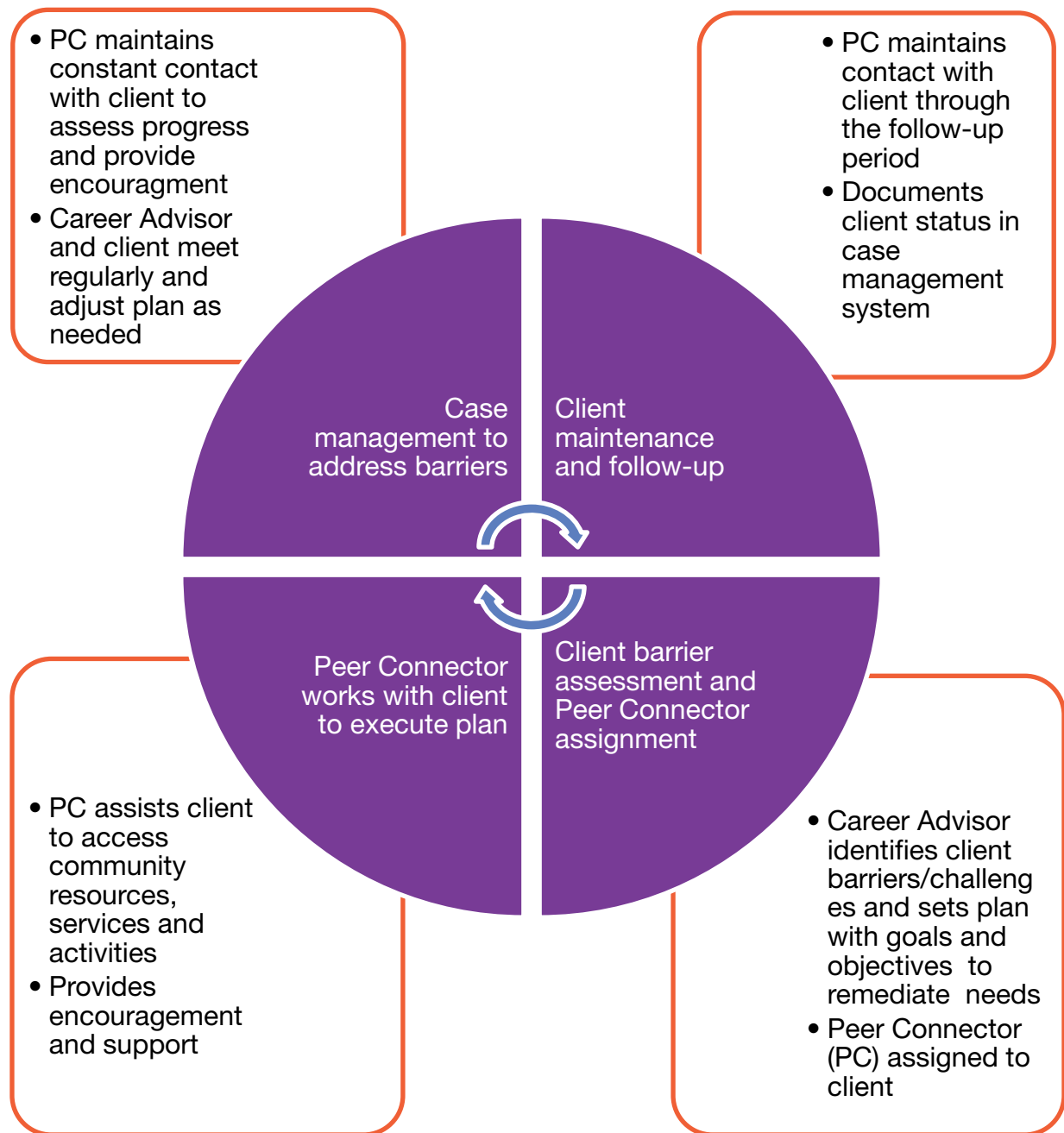
Employer Services Diagram

Eastern Maine Development Corporation



Eliminating Barriers Navigator Diagram

Eastern Maine Development Corporation



WIOA Youth Program

EMDC BUDGET NARRATIVE

I. OPERATING COSTS

A. Personnel - \$109,147

a. Salary & Wages: \$74,859

Salary & Wages for the positions listed below based on percentage of time direct charged to the WIOA Youth Program. Plan assumes that Workforce Development Specialists (WDS) will have a mixed caseload of Youth, Adult, Dislocated Worker participants. Director of Workforce Services provides direct supervision and oversees all services planning activities and also coordinates services with Community Concepts workforce staff. The Information Technology & Data Manager provides oversight of all participant data records (MJL), case management reporting and data validation monitoring and provides help desk support to staff and responds to technology needs. The Workforce Business Specialist supports EMDC's on-line participant registration process, assists staff with support services and training vendor relations and oversees our employer services contracting process.

	Annual	Percent	Total
	Salary		
Director of Workforce Services (1)	\$53,776	17%	\$ 9,142
Information Technology & Data Manager (1)	\$47,850	17%	\$ 8,134
Workforce Business Specialist (1)	\$37,636	9%	\$ 3,387
Workforce Development Specialist (4)	\$37,636	36%	\$54,196

b. Fringe & Benefits: \$34,288

Benefits include the costs of FICA, state unemployment, workers comp, health insurance, dental insurance, disability insurance, life insurance, and employer contribution to a 401K retirement plan. These benefits represent 31.79% of salary. Sick leave, vacation and other leave represents another 13% for a total fringe benefit rate of 45.79%.

B. Staff Travel - \$2,025

a. In State: \$2,025

This covers the cost of local staff travel by private vehicle based on a reimbursement rate of \$.44 per mile plus tolls, parking and other fees. The majority of this travel will be within the CWMWDB region as staff conduct outreach, recruitment and travel to meetings or training activities. Estimate is based on a total of 4,602 staff miles traveled.

C. Equipment - \$1,468

b. Lease/Fees: \$1,468

This covers anticipated lease costs of two (2) networkable photo-copiers. Machines will be located in staff offices in Augusta and the Hinckley CareerCenter location sites. Cost estimates are based on existing vendor agreement EMDC maintains for similar equipment used in other workforce services locations in the NWDB region.

D. Materials/Supplies - \$1,822

a. Purchases (Office Supplies): \$422

These include consumable office supplies, stationary, pens, writing pads, file folders, copier paper, and printed materials including brochures, business cards, etc. Costs are estimated based on an annual cost per FTE of \$288.

b. Other (Laptop Computers); \$1,400

This cost is for the purchase of two (2) laptop computers for staff use. This estimate is based on FY 2019 actual costs for similar equipment recently purchased for workforce staff.

E. Premises - \$8,072

a. Rent: \$8,072

This cost is based on an estimate of needed space for WIOA staff at the Augusta and Hinckley CareerCenter locations. The total space estimate includes 1,400 square feet rented at \$16 per square foot. The total costs of these locations (\$22,422) will be allocated between the Youth, Adult and Dislocated Worker programs. Space assumptions include individual staff office space plus common and shared space in the two locations. Lease arrangements will be completed once a contract is awarded.

F. Communications - \$1,889

a. Telephones: \$1,040

This cost is based on EMDC's current phone plan and covers the fees associated with two (2) work cell phones to be assigned to staff for all work-related communications.

b. Postage: \$70

This covers anticipated costs of participant mailings, shipping fees and other mail correspondence.

c. Internet & Wireless Services: \$779

G. Operational Services - N/A

H. Subcontract - \$235,267

c. Other (Services Delivery Subcontract with Community Concepts, Inc.: \$235,267

This includes \$235,267 for the provision of Youth career services to an estimated 97 carry-in and

new youth in-school and out-of-school participants enrolled from Androscoggin, Oxford and Franklin Counties. These costs include: Salary and fringe for 2 Career Counselor positions, one half time Program Coordinator position and one quarter time Finance Specialist; staff travel, occupancy costs, supplies, IT and HR support, cell phones and laptop computers, staff training and indirect costs (11.30%). Sub-contract does not include costs of direct participant training or support services. These funds will be managed by EMDC for all five-counties.

I. Other - \$970

c. Staff Training: \$970

This includes costs for both in-house training with CCI and/or EMDC and external staff development workshops and seminars that relate to the delivery of workforce services

J. Indirect/Shared Costs - \$34,196

a. IDC Amount (per federal agreement): \$34,196

These costs are determined by EMDC's Approved Indirect Cost Rate Agreement and are based on rate of 31.33% charged on total salaries and fringe for EMDC positions.

I. TOTALS A to J - \$394,856

II. DIRECT PARTICIPANT SERVICE COSTS

A. Direct Training: \$189,065

a. Occupational: Tuition, Books, Fees: \$68,565

This estimate is based on 57 Youth participants attending post-secondary or other classroom based occupational training at an average cost of \$1,200.

b. OJT Training: \$32,000

This estimate is based on 8 Youth placed in OJT positions with local employers at an average reimbursable rate of \$4,000 per participant.

i. Work Experience: \$66,000

This estimate is based on 25 Youth participants enrolled in 8 week paid work experience placements for an average of 25 hours per week and paid at the prevailing minimum wage.

j. Support Services: \$22,500

This estimate is based 45 Youth participants receiving an average of \$500 each for expenses such as transportation, child care and other necessary services.

B. Career Services - N/A

II. TOTAL A & B: \$189,065

GRAND TOTAL (PROGRAM OPS + PARTICIPANT DIRECT EXPENSES: \$583,921

Note: Projected Leveraged Participant Training and Support Services - We anticipate that the total direct investment in education and training expenses for Youth served in this plan will be augmented by another \$189,000 from other sources including employer contributions to the OJT training program (\$32,000); Pell Grants and other financial aid (\$70,000); and co-investment for participants co-enrolled in partner programs including CSSP, Vocational Rehabilitation Programs, Adult Education Programs etc. (\$77,000). EMDC will track and report all leveraged direct training and support service funding.

BUDGET AND COST PROPOSAL	
Eastern Maine Development Corporation	RFP No.2020-02

PY 2020 PROGRAM SERVICES OPERATING COSTS

I. OPERATING COSTS	
A. Personnel	109,147
a. Salary & Wages (Provide Staff Resumes)	74,859
b. Fringe & Benefits	34,288
c. Other	
B. Staff Travel	2,025
a. In State	2,025
b. Out of State	
c. Other	
C. Equipment	1,468
a. Purchase	
b. Lease/Fees (Photo Copiers)	1,468
c. Maintenance	
d. Other	
D. Materials /Supplies	1,822
a. Purchases (Office Supplies)	422
b. Other (Laptop Computers – 2)	1,400
E. Premises	8,072
a. Rent (Provide Lease Copies)	8,072
b. Utilities	
c. Maintenance/Other: List	
d. Other	
F. Communications	1,889
a. Telephone	1,040
b. Postage	70
c. Outreach/Public Information/Marketing	
d. Internet & Wireless Services	779
e. Other	
G. Operational Services	
a. Fiscal Audit	
b. Fiscal Monitoring	
c. Legal/Web/Other: List	
d. Insurance	

e. Other	
H. Subcontract	235,267
a. Fiscal Management	
b. Payroll Services	
c. Other (Subcontract with CCI for Career Services)	235,267
I. Other	970
a. Conference	
b. Dues/Subscriptions	
c. Staff Training	970
d. Other	
J. Indirect/ Shared Costs	34,196
a. IDC Amount (calculated per federal agreement)	34,196
IDC % is 31.33% of Salary and Fringe	
I. TOTALS A to J	
I. TOTALS	394,856
II. DIRECT PARTICIPANT SERVICE COSTS	
A. Direct Training	189,065
a. Occupational: Tuition, Bks, Fees	68,565
b. OJT Training	32,000
c. Customized Training	
d. Literacy in with / Occ. Training	
e. Entrepreneurial Training	
f. Job Ready with Occ. Training	
g. Transitional Jobs	
h. Work Based Training + Related Instruction	
i. Work Experience	66,000
j. Support Services	22,500
B. Career Services	
a. Seminars, short training, & fairs	
b. Soft skills & remedial education projects	
c. Special projects	
d. Other	
2. TOTAL A.+B.	
II. TOTAL	189,065
GRAND TOTAL (PROGRAM OPS + PARTICIPANT DIRECT EXPENSES)	
I. TOTAL+ II. TOTAL	583,921

ONE YEAR PERFORMANCE GOALS				
WIOA YOUTH IMPLEMENTATION PLAN				
YOUTH Service Summary (Aged 14-21)	Q1	Q2	Q3	Q4
A. New In-School Enrollments	10	10	20	20
B. In-School Carry-Ins	20	20	20	20
C. New Out-of-School Enrollments	20	38	56	75
D. Out-of-School Carry-Ins	65	65	65	65
E. Total Enrollments (A+B+C+D)	105	133	161	180
F. Total Exiters	13	28	46	65
G. Total Employed or In Education	7	19	31	42
1. Placed w/ Employer Benefits	4	9	16	21
2. Placed in NTO Employment	0	1	2	3
3. Placed in Apprenticeship	0	0	1	1
YOUTH Performance Measures	Q1	Q2	Q3	Q4
A. Employed / Education. Q4 Post Exit				70%
B. Employed / Education. Q2 Post Exit				67%
C. Attained Credential				57%
D. Attained a Measurable Skill Gain				35%

Measurable Skill Gain Narrative – All staff have been provided recent documents shared by MDOL regarding MSG Guidance as well as the latest SOP. These documents are reviewed during staff training sessions to ensure understanding of policies and procedures surrounding what constitutes a measurable skill gain and how to transact those goals and results in the Maine Job Link system.

To monitor and address customers who have Measurable Skill Goals in their plans we prepare monthly case management reports from the MJL to identify those participants in the MSG denominator i.e. customers in basic skills, occupational skills or an OJT and ***all in-school youth***, but for whom we have not yet received credit.(in performance numerator). Career advisors are requested to review whether this is still in-progress or if it is now complete. If complete, then the result should be entered.



**Audit in Accordance with
Government Auditing Standards
and the Uniform Guidance**

September 30, 2018

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Financial Report	

Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors
Eastern Maine Development Corporation
Bangor, Maine

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Eastern Maine Development Corporation (a nonprofit organization), which comprise the statement of financial position as of September 30, 2018, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon, dated January 31, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Eastern Maine Development Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Eastern Maine Development Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of Eastern Maine Development Corporation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Eastern Maine Development Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Board of Directors
Eastern Maine Development Corporation

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Eastern Maine Development Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Eastern Maine Development Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wiggin LLP

Augusta, Maine
January 31, 2019

Independent Auditor's Report on Compliance for Each Major Federal Program and
on Internal Control over Compliance and Report on Schedule of
Expenditures of Federal Awards Required by the Uniform Guidance

To the Board of Directors
Eastern Maine Development Corporation
Bangor, Maine

Report on Compliance for Each Major Federal Program

We have audited Eastern Maine Development Corporation's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Eastern Maine Development Corporation's major federal programs for the year ended September 30, 2018. Eastern Maine Development Corporation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Eastern Maine Development Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Eastern Maine Development Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Eastern Maine Development Corporation's compliance.

Opinion on Each Major Federal Program

In our opinion, Eastern Maine Development Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2018.

Report on Internal Control over Compliance

Management of Eastern Maine Development Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Eastern Maine Development Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Eastern Maine Development Corporation's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency or a combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency or a combination of deficiencies in internal control over compliance, with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of Eastern Maine Development Corporation as of and for the year ended September 30, 2018, and have issued our report thereon, dated January 31, 2019, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



Augusta, Maine
January 31, 2019

Schedule of Expenditures of Federal Awards**For the Year Ended September 30, 2018**

Federal Grantor	Federal CFDA Number	Grant/Pass-through Number	Expenditures	Amounts Provided to Subrecipients
Pass-Through Grantor Program Name				
U.S. Department of Agriculture				
Federal Direct				
Rural Business Development	10.351	RO44776 55681	\$ 1,368	
Intermediary Relending Program	10.767	IRP 1 - 8	1,071,719	@
Rural Microentrepreneur Assistance Program	10.870	RMAP	938,039	@
Total U.S. Department of Agriculture			<u>2,011,126</u>	
U.S. Department of Commerce				
Federal Direct				
Economic Development Cluster				
Investments for Public Works and Economic Development	11.300	Millinocket SSER RLF-01-19-02845	609,810	*
Investments for Public Works and Economic Development	11.300	EDA Original RLF-01-39-02246-01-02	881,084	*
			<u>1,490,894</u>	
Economic Adjustment Assistance	11.307	Defense RLF	164,532	*
Economic Adjustment Assistance	11.307	Fisheries RLF	328,840	*
Economic Adjustment Assistance	11.307	SW Penobscot	209,939	*
Economic Adjustment Assistance	11.307	EDA Implementation 01-79-14735	237,640	
			<u>940,951</u>	
Total Economic Development Cluster			<u>2,431,845</u>	
Economic Development Support for Planning Organizations	11.302	ED16PHI3020030	77,358	
Total U.S. Department of Commerce			<u>2,509,203</u>	
U.S. Department of Defense				
Federal Direct				
Procurement Technical Assistance for Business Firms	12.002	SP4800-17-2-1660	182,827	
Procurement Technical Assistance for Business Firms	12.002	SP4800-17-2-1760	154,926	
Procurement Technical Assistance for Business Firms	12.002	SP4800-18-2-1860	160,281	\$ 64,923
Total U.S. Department of Defense			<u>498,034</u>	
U.S. Department of Labor				
Federal Direct				
National Farmworker Jobs Program	17.264	AC-30341-16-60-A-23	200,424	
Pass through Pathstones Corporation				
National Farmworker Jobs Program	17.264	Pathstones	6,890	
National Farmworker Jobs Program	17.264	Pathstones	1,648	
			<u>8,538</u>	
Workforce Innovation and Opportunity Act (WIOA) Cluster				
Pass through Penobscot County				
Workforce Investment Act (WIA) Adult Program	17.258	12A 20170816*638	218,267	
Pass through Penobscot County				
Workforce Innovation and Opportunity Act (WIOA) Youth Program	17.259	12A 20160609*4040	135,452	
Workforce Innovation and Opportunity Act (WIOA) Youth Program	17.259	12A 20170816*638	103,779	
			<u>239,231</u>	
Pass through Penobscot County				
WIOA Dislocated Worker Formula Grants	17.278	12A 20160609*4040	54,351	
WIOA Dislocated Worker Formula Grants	17.278	12A 20170816*638	262,246	
			<u>316,597</u>	
Pass through State of Maine				
WIOA Dislocated Worker Formula Grants	17.278	Patten Peer Support	1,881	
			<u>318,478</u>	
Total Workforce Innovation and Opportunity Act Cluster			<u>775,976</u>	
Pass through Penobscot County				
Workforce Innovation and Opportunity Act (WIOA) National Emergency Grants	17.277	12A 20150720*0262	66,830	
Workforce Innovation and Opportunity Act (WIOA) National Emergency Grants	17.277	12A 20150730*413	211,982	
			<u>278,812</u>	
Balance Forward			<u>6,282,113</u>	<u>64,923</u>

See accompanying independent auditor's report on the schedule of expenditures of federal awards.
The accompanying notes are an integral part of this schedule.

Schedule of Expenditures of Federal Awards - Continued**For the Year Ended September 30, 2018**

Federal Grantor	Federal CFDA Number	Grant/Pass-through Number	Expenditures	Amounts Provided to Subrecipients
Pass-Through Grantor Program Name				
Balance Forward			6,282,113	64,923
U.S. Department of Labor - Continued				
Pass through Penobscot County H-1B TechHire Partnership	17.268	HG-29340-16-60-A-23	12,576	
Pass through Coastal Counties H-1B TechHire Partnership	17.268	HG-29340-16-60-A-23	57,089	
Total U.S. Department of Labor			1,333,415	
U.S. Environmental Protection Agency				
Federal Direct				
Brownfields Training, Research, and Technical Assistance Cooperative Agreement	66.814	00A00238	129,531	
Brownfields Assessment and Cleanup Cooperative Agreement	66.818	00A00191	137,644	
Pass through Our Katahdin Cooperative Agreement	66.818	Our Katahdin	2,441	
Total U.S. Environmental Protection Agency			269,616	
Corporation for National and Community Service				
Pass through State of Maine AmeriCorps State and National	94.006	20170822*00703	38,523	
Total Federal Awards			\$ 6,659,917	\$ 64,923

@ Balances calculated by adding current year expenses, value of new loans made or received and beginning of audit period balance of loans

* Balances of loans from previous years for which the Federal Government imposes continuing compliance requirements

See accompanying independent auditor's report on the schedule of expenditures of federal awards.
The accompanying notes are an integral part of this schedule.

Notes to Schedule of Expenditures of Federal Awards

September 30, 2018

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Eastern Maine Development Corporation under programs of the federal government for the year ended September 30, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Eastern Maine Development Corporation, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Eastern Maine Development Corporation.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(2) Pass-through entity identifying numbers are presented where available.

NOTE 3 – LOANS OUTSTANDING

Eastern Maine Development Corporation had the following loans payable balances outstanding at September 30, 2018. These programs are also included in the federal expenditures presented in this schedule.

Cluster/Program Title	Federal CFDA Number	Amount Outstanding
Intermediary Relending Program	10.767	\$ 630,303
Rural Microentrepreneur Assistance Program	10.870	648,551

NOTE 4 – ECONOMIC DEVELOPMENT ADMINISTRATION REVOLVING LOAN FUND

	1984-1988 Recapitalization	Millinocket Sudden & Sever Economic Disaster	EAA Finance Program	EAA Defense Conversion	Maine Dept. of Resource Fisheries
Loans outstanding	\$ 1,085,386	\$ 570,552	\$ 295,143	\$ 258,558	\$ 321,538
Cash and investments	58,831	37,948	39,835	63,561	137,547
Administrative expenses (credit)	89,300	21,267	16,654	6,946	(20,619)
	<u>1,233,517</u>	<u>629,767</u>	<u>351,632</u>	<u>329,065</u>	<u>438,466</u>
Federal share	71.43%	96.83%	59.70%	50.00%	75.00%
Federal expenditures	<u>\$ 881,084</u>	<u>\$ 609,810</u>	<u>\$ 209,939</u>	<u>\$ 164,532</u>	<u>\$ 328,840</u>

NOTE 5 – INDIRECT COST RATE

Eastern Maine Development Corporation does not use the 10% de minimis indirect cost rate, as it has an approved negotiated indirect cost rate with the federal government.

Schedule of Findings and Questioned Costs

Year Ended September 30, 2018

Section I Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

_____ Yes

 √ No

Significant deficiency(ies) identified?

_____ Yes

 √ None reported

Noncompliance material to financial statements noted?

_____ Yes

 √ No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

_____ Yes

 √ No

Significant deficiency(ies) identified?

_____ Yes

 √ None reported

Type of auditor's report issued on compliance
for major programs:

Unmodified

Any audit findings disclosed that are required
to be reported in accordance with 2 CFR 200.516(a)

_____ Yes

 √ No

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

10.870

Rural Microentrepreneur Assistance Program

11.300

Economic Development Cluster: Investments for Public Works and Economic
Development

11.307

Economic Development Cluster: Economic Adjustment Assistance

17.258

WIOA Cluster: WIA Adult Program

17.259

WIOA Cluster: WIOA Youth Program

17.278

WIOA Cluster: WIOA Dislocated Worker Formula Grants

Dollar threshold used to distinguish between
Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

 √ Yes

_____ No

Section II Financial Statement Findings

None reported.

Section III Federal Award Findings and Questioned Costs

None reported.

Section IV Prior Audit Findings

None reported.



Financial Report

September 30, 2018

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Independent Auditor's Report

To the Board of Directors
Eastern Maine Development Corporation
Bangor, Maine

Report on the Financial Statements

We have audited the accompanying financial statements of Eastern Maine Development Corporation (a nonprofit organization) which comprise the statement of financial position as of September 30, 2018, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 auditor's 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Eastern Maine Development Corporation as of September 30, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report, dated January 31, 2019 on our consideration of Eastern Maine Development Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Eastern Maine Development Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Eastern Maine Development Corporation's internal control over financial reporting and compliance.

Prior Period Financial Statements

The financial statements of Eastern Maine Development Corporation as of September 30, 2017, were audited by Macpage LLC, who merged with Wipfli LLP as of August 1, 2018, and whose report dated December 21, 2017 expressed an unmodified opinion on those statements.

Wipfli LLP

Augusta, Maine
January 31, 2019

Statements of Financial Position

September 30,	2018	2017
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 407,299	\$ 136,895
Grants and accounts receivable, net of allowance for doubtful accounts of \$36,113 and \$14,000, respectively.	420,585	449,113
Notes receivable, current portion	903,879	846,828
Prepaid expenses	37,371	32,816
Accrued revenues	69,689	87,886
Total Current Assets	1,838,823	1,553,538
Property and Equipment, Net	987,970	1,026,820
Other Assets		
Loan servicing rights	64,387	96,834
Notes receivable, net of current portion and allowance for loan loss reserve	4,825,266	4,424,976
Deferred loan origination fees, net	115,107	125,655
Restricted cash	1,619,882	2,144,746
Total Other Assets	6,624,642	6,792,211
Total Assets	\$ 9,451,435	\$ 9,372,569
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 166,720	\$ 202,595
Accrued expenses	178,566	191,946
Deferred revenue	176,494	103,118
Long-term debt, current portion	298,737	282,463
Total Current Liabilities	820,517	780,122
Long-Term Liabilities		
Long-term debt, net of current portion and deferred loan fees	2,672,534	2,855,590
Total Liabilities	3,493,051	3,635,712
Net Assets		
Unrestricted (Deficit)	(979,507)	(924,837)
Temporarily restricted	1,550,604	1,542,934
Permanently restricted	5,387,287	5,118,760
Total Net Assets	5,958,384	5,736,857
Total Liabilities and Net Assets	\$ 9,451,435	\$ 9,372,569

The accompanying notes are an integral part of these financial statements.

Statements of Activities

Year Ended September 30, 2018

	Unrestricted	Temporary Restricted	Permanently Restricted	Total
Support and Revenue				
Support				
Federal grants	\$ 2,514,265			\$ 2,514,265
State grants	294,933		\$ 237,666	532,599
Contributions and grants from counties and other sources	240,441		36,334	276,775
Total Support	3,049,639		274,000	3,323,639
Revenue				
Contracts	221,191			221,191
Interest income and loan fees	76,222	\$ 377,298	34,863	488,383
Gain on sale of loans	97,717			97,717
Rental income	171,661			171,661
Other	21,966			21,966
Total Revenue	588,757	377,298	34,863	1,000,918
Net Assets Released from Restrictions	369,628	(369,628)		
Total Support and Revenue	4,008,024	7,670	308,863	4,324,557
Expenses, Losses and Gains				
Program services	3,221,305		40,336	3,261,641
Management and general	841,389			841,389
Total Expenses	4,062,694		40,336	4,103,030
Changes in Net Assets	(54,670)	7,670	268,527	221,527
Net Assets (Deficit), Beginning of Year	(924,837)	1,542,934	5,118,760	5,736,857
Net Assets (Deficit), End of Year	\$ (979,507)	\$ 1,550,604	\$ 5,387,287	\$ 5,958,384

The accompanying notes are an integral part of these financial statements.

Statements of Activities

Year Ended September 30, 2017

	Unrestricted	Temporary Restricted	Permanently Restricted	Total
Support and Revenue				
Support				
Federal grants	\$ 3,147,335			\$ 3,147,335
State grants	327,970		\$ 442,517	770,487
Contributions and grants from counties and other sources	230,792		345,550	576,342
Total Support	<u>3,706,097</u>		<u>788,067</u>	<u>4,494,164</u>
Revenue				
Contracts	165,027			165,027
Interest income and loan fees	86,314	\$ 398,613	28,774	513,701
Gain on sale of loans	78,361			78,361
Rental income	172,403			172,403
Other	31,745			31,745
Total Revenue	<u>533,850</u>	<u>398,613</u>	<u>28,774</u>	<u>961,237</u>
Net Assets Released from Restrictions	<u>237,841</u>	<u>(237,841)</u>		
Total Support and Revenue	<u>4,477,788</u>	<u>160,772</u>	<u>816,841</u>	<u>5,455,401</u>
Expenses, Losses and Gains				
Program Services	3,573,584		118,665	3,692,249
Management and general	928,039			928,039
Total Expenses	<u>4,501,623</u>		<u>118,665</u>	<u>4,620,288</u>
Change in Net Assets	(23,835)	160,772	698,176	835,113
Net Assets (Deficit), Beginning of Year	<u>(901,002)</u>	<u>1,382,162</u>	<u>4,420,584</u>	<u>4,901,744</u>
Net Assets (Deficit), End of Year	<u>\$ (924,837)</u>	<u>\$ 1,542,934</u>	<u>\$ 5,118,760</u>	<u>\$ 5,736,857</u>

Statements of Functional Expenses

Year Ended September 30, 2018

	Program	Permanently Restricted Losses	Management and General	Fundraising	Total
Salaries and wages	\$ 1,204,732		\$ 317,053		\$ 1,521,785
Professional fees	549,926		58,801		608,727
Fringe benefits	376,824		88,955		465,779
Participant costs	325,695				325,695
In-kind contribution expense	158,633				158,633
Payroll taxes	111,801		29,719		141,520
Interest expense	47,383		73,999		121,382
Cash match	105,886				105,886
Utilities	86		81,321		81,407
Travel	68,041		6,157		74,198
Provision for loan losses	66,687				66,687
Leases	50,301		9,081		59,382
Insurance	1,890		51,655		53,545
Office expense	32,793		13,036		45,829
Information technology	31,632		13,854		45,486
Depreciation			38,850		38,850
Maintenance	273		38,489		38,762
Telephone	20,754		8,084		28,838
Bad debts	22,113				22,113
Training and conferences	21,573		290		21,863
Loan fees	20,360				20,360
Miscellaneous expense	14,453		1,455		15,908
Bank fees	8,017		6,869		14,886
Dues and subscriptions	9,898		359		10,257
Meals and entertainment	7,706				7,706
Equipment purchases	696		2,520		3,216
Sponsorship	2,925				2,925
Advertising	563		168		731
Amortization			662		662
Federal and state tax expense			12		12
Total Expenses	3,261,641		841,389	-	4,103,030
Loan losses	(40,336)	\$ 40,336			
Total Expenses and Losses	\$ 3,221,305	\$ 40,336	\$ 841,389	\$ -	\$ 4,103,030

The accompanying notes are an integral part of these financial statements.

Statements of Functional Expenses

Year Ended September 30, 2017

	Program	Permanently Restricted Losses	Management and General	Fundraising	Total
Salaries and wages	\$ 1,466,140		\$ 383,912		\$ 1,850,052
Participant costs	663,904				663,904
Fringe benefits	453,342		115,408		568,750
Professional fees	383,600		55,335		438,935
Payroll taxes	138,596		32,510		171,106
Interest expense	60,187		66,374		126,561
In-kind contribution expense	114,610				114,610
Leases	103,454		5,492		108,946
Travel	75,080		1,288		76,368
Utilities	70		68,138		68,208
Cash match	63,020				63,020
Office expense	35,578		26,460		62,038
Information technology	40,254		17,458		57,712
Insurance			45,136		45,136
Maintenance	1,502		37,257		38,759
Depreciation			38,674		38,674
Telephone	27,569		8,001		35,570
SMM pass through	30,146				30,146
Training and conferences	24,731		1,234		25,965
Miscellaneous expense	13,170		1,788		14,958
Bank fees	6,387		6,730		13,117
Dues and subscriptions	12,579		199		12,778
Equipment purchases	46		9,453		9,499
Loan fees	8,050				8,050
Federal and state tax expense			6,206		6,206
Meals and entertainment	5,366		30		5,396
Sponsorship	2,250				2,250
Amortization			662		662
Advertising	436				436
Gala expense	295				295
Materials and labor			294		294
Provision for loan losses (net recoveries)	(38,113)				(38,113)
Total Expenses	<u>3,692,249</u>		<u>928,039</u>	<u>-</u>	<u>4,620,288</u>
Loan losses	(118,665)	\$ 118,665			
Total Expenses and Losses	<u>\$ 3,573,584</u>	<u>\$ 118,665</u>	<u>\$ 928,039</u>	<u>\$ -</u>	<u>\$ 4,620,288</u>

The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows

Year Ended September 30

2018

2017

Cash flows from operating activities:

Change in net assets	\$ 221,527	\$ 835,113
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Gain on sale of loans	(97,717)	(78,361)
Depreciation	38,850	38,674
Amortization	662	662
Provision for loan losses (net recoveries)	66,687	(38,113)
Contribution from debt forgiveness		(345,550)
(Increase) decrease in operating assets:		
Grants and accounts receivable	28,528	(134,260)
Prepaid expenses	(4,555)	(5,196)
Deferred loan origination fees, net	9,886	4,456
Loan servicing rights	32,447	
Accrued revenues	18,197	70,521
Increase (decrease) in operating liabilities:		
Accounts payable	(35,875)	89,107
Accrued expenses	(13,380)	(7,397)
Deferred revenue	73,376	4,456
Total adjustments	117,106	(401,001)
Net cash flows from operating activities	338,633	434,112

Cash flows from investing activities:

Loans to borrowers	(3,562,070)	(3,169,142)
Principal payments on notes receivable	2,413,007	2,771,395
Proceeds from sale of loans	722,752	560,752
Net decrease (increase) in restricted cash	524,864	(340,066)
Net cash flows from investing activities	98,553	(177,061)

Cash flows from financing activities:

Proceeds from long-term debt	115,000	
Payments on long-term debt	(281,782)	(278,272)
Net cash flows from financing activities	(166,782)	(278,272)

Net change in cash and cash equivalents

270,404 (21,221)

Cash and cash equivalents at beginning of year

136,895 158,116

Cash and cash equivalents at end of year

\$ 407,299 \$ 136,895

Supplemental disclosure of cash flow information:

Cash paid for interest during the year	\$ 126,058	\$ 123,058
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The accompanying notes are an integral part of these financial statements.

Notes to Financial Statements

September 30, 2018 and 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Eastern Maine Development Corporation (EMDC) is a non-profit 501(c)(3) organization located in Bangor, Maine, with offices in Dover-Foxcroft, Ellsworth, Machias and East Millinocket. It was organized and established in 1967 to provide resources and assistance to businesses and community leaders to ensure the future economic success of the Eastern Maine region. Through June 30, 2011, EMDC's core service region included six counties (Hancock, Knox, Penobscot, Piscataquis, Waldo and Washington). Effective July 1, 2011, this economic development district (EDD) was reconstructed to exclude Knox and Washington counties. EMDC's core service region covers more than 11,000 square miles, and a population base of more than 264,000, making it the largest economic development district in the State of Maine.

EMDC assists communities in encouraging and implementing development strategies in the areas of industry, transportation, recreation, workforce development, downtown redevelopment, business development, port development, pollution abatement projects, vocational education facilities, water systems, resource analysis, commercial fisheries and other varied activities.

To provide these services EMDC has four divisions:

Workforce Services – EMDC is a Workforce Innovation and Opportunity Investment Act (WIOA) provider, providing services in Penobscot, Piscataquis, and Hancock Counties. EMDC aligns economic development and workforce development programs, services, and resources to offer an integrated approach to service delivery for the region resulting in alignment of a Workforce Development Plan and a Comprehensive Economic Development Strategy.

Re-engineering The Region – This division oversees the development and implementation of a comprehensive and collaborative economic development strategy, comprehensive planning (land use, transportation), technical advice, economic development guidance, solid waste management, CDBG Administration, GIS, and grants administration.

Business Services – This division offers business assistance, technical assistance, workshops and business visitation. Programs include:

- Business Services Development: Incentives and Packaging, Business Information, Site Selection Assistance
- Business Financing: Business Loans
- Disadvantage Business Enterprise Supportive Services
- Small Business Counseling
- Government Contracting (PTAC)

Notes to Financial Statements

September 30, 2018 and 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Organization – Continued

Workforce Development Services – This division offers comprehensive planning for both individual job candidates and businesses seeking assistance with workforce development. Workforce resources and services include:

- Adult, Dislocated Worker and Youth Programs
- Competitive Skills Scholarship Program
- Maine Apprenticeship Program
- On-the-job training
- Career Advisement – Career Development
- Computer access
- Job training
- Résumé writing
- Résumé copy and fax
- Interview skills
- Job candidate interview and résumé screening
- Space for businesses to conduct interviews
- Maine Job Bank
- Career Information Center
- Federal bonding
- Workshops
- Small Business Assistance
- Veteran Services
- Older Worker Initiatives

Notes to Financial Statements

September 30, 2018 and 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Organization – Continued

EMDC also works in partnership to deliver programs with a wide variety of entities, such as:

- American Folk Festival
- East/West Highway
- Maine International Trade Center
- Maine Manufacturing Extension Partnership
- Small Business Administration
- Maine Department of Economic and Community Development
- Maine Basketball Hall of Fame
- Transportation Management Association
- Penquis
- Bangor Area Convention and Visitors Bureau
- Target Development
- Maine Maritime Academy
- University of Maine
- Husson University
- (PREP) Penobscot River Education Partners
- Eastern Maine Community College
- BACTS and others
- Nine (9) Regional Chambers of Commerce

EMDC is committed to fulfilling its mission for the Eastern Maine region by finding local solutions to community and business problems, while uniting the people, plans and resources the community needs.

Basis of Presentation

Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of EMDC and changes therein are classified and reported, as follows:

Unrestricted – Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted – Net assets subject to donor-imposed stipulations that may or will be met by actions of EMDC and/or the passage of time. When a donor restriction expires, that is, when a stipulated purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Temporarily restricted net assets are available for expenses incurred in conjunction with the administration of the revolving loan funds and certain other economic development activities.

Permanently Restricted – Net assets subject to donor-imposed stipulations that require they be maintained permanently by EMDC. Generally, the donors of these assets permit EMDC to use all or part of the income earned on related investments for general or specific purposes. Permanently restricted net assets are restricted to be loaned through certain revolving loan fund programs. As loan balances are charged off with donor/grantor approval, the loan losses are classified as a loss within permanently restricted net assets in the statement of activities.

Notes to Financial Statements

September 30, 2018 and 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional Expenses

The cost of providing various program and other activities have been presented in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

Cash and Cash Equivalents

All unrestricted liquid investments with an original maturity of three months or less are considered to be cash equivalents.

EMDC maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. EMDC has not experienced any losses in such accounts. Management believes EMDC is not exposed to any significant credit risk on cash and cash equivalents.

Grants and Accounts Receivable

Grants and accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on history of prior uncollectible amounts and its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to grants or accounts receivable. Total accounts receivable past due in excess of 90 days at September 30, 2018 and 2017 were \$86,081 and \$96,504, respectively.

Contributed Services

EMDC receives in-kind services from various organizations as part of a collaborative effort to provide economic development opportunities to eastern Maine. The value of in-kind support included in the financial statements was \$158,633 and \$114,610 for 2018 and 2017, respectively.

Notes to Financial Statements

September 30, 2018 and 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Notes Receivable

EMDC issues various types of commercial loans that provide social benefit to the community and the state. The loan portfolio is comprised of loans with high social benefit but carry a relatively high degree of financial risk and also loans which are more financially sound but offer fewer social returns. The loans are designed to provide opportunities for low income individuals or job creating opportunities.

EMDC's lending activities are conducted principally in central and eastern Maine. The ability and willingness of commercial loan borrowers to honor their repayment commitments is generally dependent on the economic health of the borrowers' regions.

Notes receivable are reported at their outstanding unpaid principal balances adjusted for charge offs and the allowance for loan losses. Interest income is recognized on the accrual basis.

Loans 30 days or more past due are considered delinquent.

Allowance for Loan Losses

The allowance for loan losses is established as losses are estimated to have occurred through a provision for loan losses charged to earnings. Loans are charged against the allowance when management believes the uncollectability of a loan balance is confirmed. Subsequent recoveries, if any, are credited to the allowance.

The allowance for loan losses is evaluated on a regular basis by management and is based upon management's periodic review of the collectability of the loans in light of historical experience, the nature and volume of the loan portfolio, adverse situations that may affect the borrower's ability to repay, estimated value of any underlying collateral and prevailing economic conditions. This evaluation is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available.

Impaired Loans

A loan is considered impaired when, based on current information and events, it is probable that EMDC will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the loan agreement. Factors considered by management in determining impairment include payment status, collateral value, and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record, and the amount of the shortfall in relation to the principal and interest owed. Impairment is measured on a loan-by-loan basis by either the present value of expected future cash flows discounted at the loan's effective interest rate, the loan's obtainable market price, or the fair value of the collateral if the loan is collateral dependent.

Non-Accrual Loans

The accrual of interest on loans is discontinued at the time the loan is 90 days delinquent, unless the credit is well-secured and is in process of collection. Past due status is based on contractual terms of the loan. In all cases, loans are placed on non-accrual or charged-off when management determines, after considering economic conditions, business conditions, and collection efforts, that collection is considered doubtful.

Notes to Financial Statements

September 30, 2018 and 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Non-Accrual Loans – Continued

All interest accrued on loans that are either placed on non-accrual or charged off is reversed against interest income. The interest on these loans is accounted for on the cash-basis until qualifying for return to accrual.

Loans are returned to accrual status when all principal and interest amounts contractually due are brought current and future payments are reasonably assured.

Loans are charged off in whole or in part when, in management's opinion, collectability is not considered probable due to the borrower's failure to meet repayment terms, deteriorating or deteriorated financial condition, the depreciation of the underlying collateral, or for other appropriate reasons.

Troubled Debt Restructuring

Troubled debt restructurings result from EMDC's loss mitigation activities and occur when a concession is granted to a borrower that is experiencing financial difficulty. Such concessions are intended to minimize financial loss and avoid foreclosure on or repossession of collateral. Once modified, a restructured loan is generally considered impaired until its contractual maturity, regardless of borrower performance under the modified terms. All restructured loans are evaluated quarterly and are reported as impaired for the life of the loan. The modified loan may return to accrual status if it meets EMDC's criteria to do so.

Loan Servicing

Loans serviced for others are not included in the accompanying statements of financial position. During the year, EMDC serviced loans for the Small Business Administration. The unpaid principal balance of loans serviced for others as of September 30, 2018 and 2017 were \$14,129,502 and \$15,669,648, respectively.

Property and Equipment

Grants that must be used to acquire property and equipment are reported as restricted support. EMDC reports expirations of restrictions as they are depreciated, unless the grantor stipulates how long the donated assets must be maintained. EMDC reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Property and equipment, which is capitalized if the cost exceeds \$5,000, is reported at cost. Property and equipment is depreciated on a straight-line basis over the estimated useful lives (3-10 years for equipment and 40 years for buildings) of the assets.

Loan Origination Fees

The portion of loan origination fees that exceeds the direct costs of underwriting and closing loans is deferred. The deferred fees received in connection with all loans made and purchased are amortized over the estimated life of the related loan as an adjustment of yield.

Deferred and Accrued Revenues

Grant funds conditional upon submission of documentation of qualifying expenditures or matching requirements are deemed to be earned and reported as revenues when EMDC has met the grant conditions. Such amounts received but not yet spent are reported as deferred revenues. Additionally, payments for contract services received in advance of EMDC performing the services are reported as deferred revenue. Amounts earned but not yet received are reported as accrued revenues.

Notes to Financial Statements

September 30, 2018 and 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Deferred and Accrued Revenues – Continued

The amount of such funds EMDC will ultimately receive depends on the actual scope of each program, as well as the availability of funds and, accordingly, is not reasonably determinable. The ultimate disposition of grant funds is subject to audit by the awarding agencies.

Deferred Financing Costs

Deferred financing costs represent the costs incurred in connection with the financing of long-term debt. These costs are being amortized over the life of the related note payable using the straight-line method.

Income Taxes

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal income taxes has been made. The Organization is not classified as a private foundation. Management evaluated the Organization's tax positions and concluded that the Organization had taken no uncertain tax positions that required adjustment to the financial statements. The Organization is subject to U.S. federal and state examinations by tax authorities generally for three years after the filing of its tax returns.

Recent Accounting Pronouncements

Revenue Recognition

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*, to clarify the principles for recognizing revenue and to develop a common revenue standard for U.S. GAAP and International Financial Reporting Standard (IFRS). The core principle of the guidance requires entities to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance is effective for all nonpublic entities' annual periods beginning after December 15, 2018. Management is currently evaluating the impact of adoption on its financial statements.

Financial Statements

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities: Presentation of Financial Statements of Not-for-Profit Entities*, to amend current reporting requirements to make several improvements, including reducing complexities of information presented within Not-for-Profit financial statements. A main provision of this update is that a Not-for-Profit entity will report two classes of net assets (amounts for net assets with donor restrictions and net assets without donor restrictions), rather than the currently required three classes. The guidance is effective for annual periods beginning after December 15, 2017, with early application permitted. This standard requires retroactive application to previously issued financial statements for 2018 and 2017, if presented. Management is currently evaluating the impact of adoption on its financial statements.

Notes to Financial Statements

September 30, 2018 and 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Recent Accounting Pronouncements - Continued

Leases

In February 2016, FASB released ASU 2016-02 *Leases* (Topic 842). This new standard will provide users of the financial statements a more accurate picture of the assets and the long-term financial obligations of organizations that lease. The standard is for a dual-model approach; a lessee will account for most existing capital leases as Type A leases, and most existing operating leases as Type B leases. Both will be reported on the balance sheet of the organization for leases with a term exceeding 12 months. Lessors will see some changes too, largely made to align with the revised lease model. For nonpublic organizations, the new leasing standard will apply for fiscal years beginning after December 15, 2019. The standard requires retroactive application to previously issued financial statements for 2019 and 2018, if presented. Management is currently evaluating the impact of adoption on its financial statements.

Contributions Received and Contributions Made

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This update is to provide guidance for not-for-profit entities in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or exchanges (reciprocal transactions) and determining whether a contribution is conditional. In general, the update is effective for annual periods beginning after December 15, 2018. Early adoption is permitted. Management is currently evaluating the impact of adoption on its financial statements.

NOTE 2 – RESTRICTED CASH

Restricted cash consists of invested funds that are required to be maintained under EMDC's various revolving loan fund programs.

These invested funds are reported at cost, which approximates fair value. Invested funds consist primarily of money market funds in 2018 and 2017. Interest income, net of fees from invested funds, was \$5,170 and \$3,499 in 2018 and 2017, respectively.

Notes to Financial Statements

September 30, 2018 and 2017

NOTE 3 – NOTES RECEIVABLE AND ALLOWANCE FOR LOAN LOSSES

EMDC issues loans to qualified businesses from its Revolving Loan Funds, which are funded by grants or loans from federal government agencies and private sources. Loans are collateralized by one or more of the following: Property, equipment, inventories, receivables and personal guarantees. EMDC is required to comply with certain performance standards to retain its recognition as a certified development company authorized to participate in this loan servicing program. As of September 30, 2018 and 2017, EMDC had made a sufficient number of loans under the program's compliance standards.

Management considers the loan portfolio to consist of one segment, commercial loans. The following tables present the activity in the allowance for loan losses and the recorded investment in loans and impairment method:

September 30, 2018

Allowance for Loan Losses:

Beginning balance	\$ 900,825
Provision for loan losses	66,687
Charge-offs	(10,837)
Ending balance	<u>\$ 956,675</u>

Reserves:

General	\$ 92,952
Specific	863,723
	<u>\$ 956,675</u>

Evaluated for Impairment:

Individually	\$ 6,685,820
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September 30, 2017

Allowance for Loan Losses:

Beginning balance	\$ 938,938
Provision (recovery) for loan losses	(38,113)
Ending balance	<u>\$ 900,825</u>

Reserves:

General	\$ 97,498
Specific	803,327
	<u>\$ 900,825</u>

Evaluated for Impairment:

Individually	\$ 6,172,629
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EDMC risk rating categories for the allowance for loan losses are, as follows:

Substantially risk free – over ten years as a successful owner/operator, with a strong track record of profits, above Risk Management Association (RMA) industry average, loan seasoning of seven years, no late payments over the life of the loan, balance sheet ratios are above median-upper range.

Minimal risk – five to ten years as a successful owner/operator, meets RMA average for three years of positive trends, loan seasoning of six years, no late payments within the last 12 months, no more than one late payment over the life of the loan, balance sheet ratios in the median-upper range.

Notes to Financial Statements

September 30, 2018 and 2017

NOTE 3 – NOTES RECEIVABLE AND ALLOWANCE FOR LOAN LOSSES – CONTINUED

Acceptable business risk – two to five years as an owner/operator, company profitable for last three years, meets Risk Management Association (RMA) average for three years of positive trends, loan seasoning of five years, no late payments within the last 12 months, less than four late payments over the life of the loan, balance sheet ratios below median-upper range.

Special mention – two years of industry experience, profitable in prior year, loan seasoning of four years, current but was more than 30 days late more than two times within the last year, balance sheet ratios in the median category.

Substandard – no industry experience, profits break even, loan seasoning of three years, currently 30 days late in payments, one of two balance sheet ratios in the below median category.

Doubtful – no business management, operating at a loss, loan seasoning of two years, currently 60 days late in payments, balance sheet ratios in the median-lower category.

Loss likely – ineffective management, experiencing substantial loss, loan seasoning of one year, currently over 90 days delinquent in payments, both balance sheet ratios below the median-lower category. Foreclosure should be started.

Risk ratings are reviewed and adjusted on at least an annual basis.

The balances of loans by rating category are, as follows:

September 30, 2018

Category	Description	Loan Total	Allowance
1	Substantially risk free	\$ 468,907	
2	Minimal risk	1,360,606	\$ 40,818
3	Acceptable business risk	2,814,491	166,934
4	Special mention	1,042,420	83,394
5	Substandard	208,495	21,892
6	Doubtful	250,701	125,350
7	Loss likely	540,200	518,287
Total		<u>\$ 6,685,820</u>	<u>\$ 956,675</u>

Past due and nonaccrual loans were as follows:

	Still Accruing		Non-accrual
	30 – 89 Days Past Due	Over 90 Days Past Due	
Commercial	<u>\$ 29,181</u>	<u></u>	<u>\$ 999,396</u>

Notes to Financial Statements

September 30, 2018 and 2017

NOTE 3 – NOTES RECEIVABLE AND ALLOWANCE FOR LOAN LOSSES – CONTINUED

Information regarding impaired loans is, as follows:

Average investment in impaired loans	\$ 27,761
Balance of impaired loans	999,396
Portion of impaired loan balance for which an allowance for loan losses is allocated	999,396
Portion of allowance for loan losses allocated to the impaired loan balance	675,762
Interest income recognized on impaired loans – cash basis	59,156

September 30, 2017

Category	Description	Loan Total	Allowance
1	Substantially risk free	\$ 210,826	
2	Minimal risk	612,140	\$ 18,365
3	Acceptable business risk	3,093,082	169,620
4	Special mention	1,369,230	108,356
5	Substandard	271,045	25,327
6	Doubtful	129,506	92,357
7	Loss likely	486,800	486,800
Total		<u>\$ 6,172,629</u>	<u>\$ 900,825</u>

Past due and nonaccrual loans were, as follows:

	Still Accruing		Non-accrual
	30 – 89 Days Past Due	Over 90 Days Past Due	
Commercial	<u>\$ 166,473</u>	<u></u>	<u>\$ 887,348</u>

Information regarding impaired loans is, as follows:

Average investment in impaired loans	\$ 30,598
Balance of impaired loans	887,349
Portion of impaired loan balance for which an allowance for loan losses is allocated	887,349
Portion of allowance for loan losses allocated to the impaired loan balance	570,746
Interest income recognized on impaired loans – cash basis	13,200

Notes to Financial Statements

September 30, 2018 and 2017

NOTE 3 – NOTES RECEIVABLE AND ALLOWANCE FOR LOAN LOSSES – CONTINUED

A summary of activity in troubled debt restructurings (“TDR’s”) presented by loan class follows for the years ended:

September 30, 2018

TDR’s	Number of Contracts	Pre Modification Investment	Post Modification Investment
Commercial	-	-	-
	-	-	-
TDR’s that Defaulted on a Payment Within The Past 12 Months	Number of Contracts	Pre Modification Investment	Post Modification Investment
Commercial			
Payment agreement	-	-	-
	-	-	-

September 30, 2017

TDR’s	Number of Contracts	Pre Modification Investment	Post Modification Investment
Commercial	1	\$ 42,299	\$ 42,299
	1	\$ 42,299	\$ 42,299
TDR’s that Defaulted on a Payment Within The Past 12 Months	Number of Contracts	Pre Modification Investment	Post Modification Investment
Commercial			
Payment Agreement	2	\$ 339,397	\$ 339,397
	2	\$ 339,397	\$ 339,397

EMDC has allocated \$0 and \$217,508 at September 30, 2018 and 2017, respectively, for specific reserves to customers whose loan terms have been modified in troubled debt restructurings in the past 12 months. EMDC may lend additional amounts to customers with outstanding loans that are classified as troubled debt restructuring to protect its collateral.

NOTE 4 – LOAN SERVICING RIGHTS

EMDC also originates loans for qualified businesses by arranging financing on a non-recourse basis for the Small Business Administration (SBA) 504 and 7a loan programs. The SBA 7a loan program is a pilot program that was scheduled to end March 15, 2014, but has been extended to March 15, 2020. EMDC receives a fee equal to 0.5% and 1% for the 504 and 7a programs, respectively, on the outstanding balance of the loan portfolio, as well as a loan origination fee. Management has evaluated the present value of the estimated servicing income and costs to service the loans and recorded the net present value as a loan servicing asset.

Notes to Financial Statements

September 30, 2018 and 2017

NOTE 4 – LOAN SERVICING RIGHTS – CONTINUED

The servicing rights are evaluated for impairment based on fair value each year. Information related to the loan servicing rights is, as follows:

	2018	2017
The balance of loans outstanding upon which EMDC earned fees	\$14,129,502	\$15,669,648
Net book value of loan servicing rights, which approximates fair value	64,387	96,834
Present value of servicing rights capitalized during the year	9,428	15,869

NOTE 5 – PROPERTY AND EQUIPMENT

Major classes of property and equipment are, as follows:

	2018	2017
Land	\$ 93,807	\$ 93,807
Buildings and improvements	1,471,911	1,471,911
Furniture, fixtures and equipment	251,925	251,925
	<u>1,817,643</u>	<u>1,817,643</u>
Less accumulated depreciation	829,673	790,823
	<u><u>\$ 987,970</u></u>	<u><u>\$ 1,026,820</u></u>

NOTE 6 – LEASES

EMDC leases office equipment and office space under operating lease agreements expiring in fiscal years 2019 through 2020. Lease expense under these lease agreements was \$59,382 and \$108,946 for 2018 and 2017, respectively. Future minimum lease payments under these operating leases are, as follows:

Years Ending September 30,

2019	\$ 38,084
2020	7,534
	<u><u>\$ 45,618</u></u>

Notes to Financial Statements

September 30, 2018 and 2017

NOTE 7 – LONG-TERM DEBT

The balances at September 30 on notes payable are as follows:

	2018	2017
1% note payable to U.S. Department of Agriculture, Rural Development (Rural Development), due in annual payments of \$63,675, including interest, through October 2020, collateralized by cash and notes receivable. (a)	\$ 185,669	\$ 246,261
1% note payable to Rural Development, due in annual payments of \$21,225, including interest, through August 2024, collateralized by cash and notes receivable. (a)	122,938	142,729
1% note payable to Rural Development, due in annual payments of \$42,450, including interest, through December 2025, collateralized by cash and notes receivable. (a)	321,696	360,523
Note payable to Bar Harbor Bank & Trust, due in monthly installments of \$10,429, including interest, through June 2035; variable rate of prime less .5% (4.75% at September 30, 2018) adjusted quarterly with a maximum rate of 7.6%; collateralized by building, property and assignment of related leases and 80% guaranteed by Rural Development. (c)	1,464,107	1,523,098
Prime plus 2% rate (7.25% at September 30, 2018) note payable to KeyBank N.A.; monthly payments of interest due through maturity in March 2021; for the months of January, February and March 2017 through 2021; principal and interest payments due of \$5,490; collateralized by notes receivable and related assets in EMDC's Business Development Fund. (b)	39,658	44,620
Prime plus 2.25% rate (7.50% at September 30, 2018) note payable to Greater Portland Council of Governments; due in monthly installments of \$942, including interest, through June 2022; collateralized by substantially all assets.	36,143	44,526
3% note payable to City of Bangor; due in monthly installments of \$262, including interest; through August 2030; collateralized by all non-restricted business assets.	19,470	21,980
2% note payable to Rural Development for the Rural Microentrepreneur Assistance Program (RMAP), due in monthly payments of \$2,846, including interest, through October 2031; collateralized by investments derived from the proceeds of the loan, real and personal property, and other rights and interests required by USDA. (d)	387,090	413,295
Balance forward	\$ 2,576,771	\$ 2,797,032

Notes to Financial Statements

September 30, 2018 and 2017

NOTE 7 – LONG-TERM DEBT – CONTINUED

	2018	2017
Balance forwarded	\$ 2,576,771	\$ 2,797,032
2% note payable to Rural Development for the Rural Microentrepreneur Assistance Program (RMAP), due in monthly payments of \$1,501, including interest, through November 2035; collateralized by investments derived from the proceeds of the loan, real and personal property, and other rights and interests required by USDA. (d)	261,461	150,000
5.25% note payable to Bar Harbor Bank & Trust, due in monthly installments of \$5,669, including interest, through January 2021, collateralized by substantially all assets and 90% guaranteed by the Finance Authority of Maine.	144,484	203,128
Total notes payable	2,982,716	3,150,160
Less deferred loan fees	11,445	12,107
Less current portion	298,737	282,463
Notes payable, net of current portion and deferred loan fees	\$ 2,672,534	\$ 2,855,590

Maturities on term notes payable for the next five years are, as follows:

Year Ending September 30,

2019	\$ 298,737
2020	309,126
2021	265,215
2022	187,627
2023	185,032
Thereafter	1,736,979
	<u>\$ 2,982,716</u>

- (a) These notes are collateralized by the net assets of EMDC's IRP fund, which consists of notes receivable of \$1,549,201 and \$1,624,969 at September 30, 2018 and 2017, respectively, and cash of \$392,730 and \$414,685 at September 30, 2018 and 2017, respectively.
- (b) Total notes receivable considered collateral under this loan were \$48,932 and \$53,994 at September 30, 2018 and 2017, respectively. Total cash considered collateral under this loan was \$6,112 and \$6,963 at September 30, 2018 and 2017, respectively. Interest rates and repayment terms of future advances are to be based on terms of the corresponding loans disbursed by EMDC to borrowers under this Business Development Fund loan program.
- (c) This loan agreement contains certain financial covenants. EMDC was in compliance with the loan covenants at September 30, 2018 and 2017.
- (d) These notes are collateralized by the net assets of EMDC's RMAP fund, which consists of notes receivable of \$142,590 and \$179,198 at September 30, 2018 and 2017, respectively, and cash of \$273,805 and \$261,746, respectively.

Notes to Financial Statements

September 30, 2018 and 2017

NOTE 7 – LONG-TERM DEBT – CONTINUED

During 2012, EMDC entered into a pooled loan funding agreement and \$500,000 promissory note with Bangor Savings Bank, whereby EMDC will utilize advances from this note for making pooled loans under its Community Advantage Lending Program. The Small Business Administration guarantees 75-80% of these loans made to third-party borrowers. Payments of principal and interest (at Prime, plus .25%) are due based on amortization schedules established at the time of each advance. In 2016, EMDC signed a modification agreement extending the terms to June 30, 2017 and increasing the line of credit to \$750,000. In 2017 and 2018, EMDC signed modification agreements extending the terms to June 30, 2018 and June 30, 2019, respectively. The note is collateralized by all notes receivable and related assets in the Community Advantage Lending Program. As of September 30, 2018 and 2017 there was no balance due on the line of credit. Additionally, EMDC received approval from the Small Business Administration to sell the guaranteed portion of these loans on the secondary market at a premium. Interest expense for all loans was \$121,382 and \$126,561 for the years ended September 30, 2018 and 2017, respectively.

NOTE 8 – NET ASSETS

Temporarily restricted net assets are available for the following purposes as of September 30:

	2018	2017
Revolving loan and assistance fund established with grants and loans from the U.S. Department of Agriculture, targeted to rural business enterprises – Business Development Fund.	\$ 18,607	\$ 19,506
Revolving loan and assistance fund established with grants and loans from the U.S. Department of Agriculture, targeted to rural business enterprises – Intermediary Relending Program.	1,465,237	1,435,808
Rural Microentrepreneur Assistance Program loan from the U.S. Department of Agriculture, targeted to microenterprise development organizations.	56,073	66,844
Small Business Administration micro loan, targeted to qualified small businesses.	10,687	20,776
Total Temporarily Restricted Net Assets	<u>\$ 1,550,604</u>	<u>\$ 1,542,934</u>

Permanently restricted net assets consisted of the following as of September 30:

	2018	2017
1984 EDA Fund Recapitalization: Revolving Loan Fund established with a grant from the U.S. Economic Development Administration. Grant capital and a portion of income amounts earned thereon may only be used for the purpose of making loans to eligible individuals.	\$ 380,902	\$ 419,568
EDA Millinocket: Revolving loan fund established with a grant from the U. S. Economic Development Administration. Grant capital and a portion of income amounts earned thereon may only be used for the purpose of making loans to eligible individuals.	431,208	430,435
Balance forwarded	<u>\$ 812,110</u>	<u>\$ 850,003</u>

Notes to Financial Statements

September 30, 2018 and 2017

NOTE 8 – NET ASSETS – CONTINUED

	2018	2017
Balances forwarded	\$ 812,110	\$ 850,003
FAME: Regional Development Economic Development Revolving Loan Fund established with a grant from Finance Authority of Maine original grant funds and a portion of the income earned by the revolving loan fund may only be used for making loans to eligible borrowers.	2,684,560	2,422,064
EDA Southwest Penobscot Region: Revolving Loan Fund established through the U.S. Economic Development Administration, funded in conjunction with support from the State of Maine Fund program. Fund program. Grant capital and a portion of income amounts earned thereon may only be used for the purpose of making loans to eligible individuals.	345,778	349,179
1988 EDA Fund Recapitalization: Revolving Loan Fund established with a grant from the U. S. Economic Development Administration. Grant capital and a portion of income amounts earned thereon may only be used for the purpose of making loans to eligible individuals.	867,230	862,002
EDA Defense Conversion: Revolving Loan Fund that is supported of through the U.S. Economic Development Administration and state/local match. Highest priority is given to businesses that have been adversely impacted to cut-backs in impacted to cut-backs portion income amounts earned thereon may only be used for the purpose of making loans to eligible individuals.	236,975	234,251
EDA Fisheries: Revolving Loan Fund established with a grant from the U.S. Economic Development Administration passed through the Maine Department of Marine Resources. Grant capital and a portion of income amounts earned thereon may only by used for the purpose of making loans to eligible individuals in the commercial fishing and related marine industries.	440,634	401,261
Total Permanently Restricted Net Assets	<u>\$ 5,387,287</u>	<u>\$ 5,118,760</u>

Notes to Financial Statements

September 30, 2018 and 2017

NOTE 9 – NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from restrictions by incurring expenses satisfying the restricted purposes. Purpose restrictions were accomplished in the following programs for the years ended September 30:

	2018	2017
Economic Department of Administration	\$ 80,722	\$ 85,260
Regional Economic Development Revolving Loan Fund (FAME)	123,543	126,987
SW Penobscot	12,586	13,521
U.S. Department of Agriculture (IRP)	110,522	(14,496)
Fisheries Revolving Loan Fund	15,916	14,614
Defense Conversion Revolving Loan Fund	8,638	8,155
SBA/New Business Development Fund	17,701	3,800
	<u>\$ 369,628</u>	<u>\$ 237,841</u>

NOTE 10 – RELATED PARTY TRANSACTIONS

EMDC shared operating facilities and personnel with Acadia Capital Corporation, Leadership Hancock County and Greater Bangor Convention & Visitors Bureau. Substantially, all services provided under these related party contracts are performed by employees of EMDC, which bills these related parties for personnel, direct and allocable indirect costs incurred in performance of contract services. The amounts charged for these services were \$21,626 and \$5,126 at September 30, 2018 and 2017, respectively.

EMDC also receives related party contract revenues directly from the contracting party as payment for actual or anticipated costs incurred under the contracts. Amounts due from these related parties, which are included in accounts receivable, totaled \$81,654 and \$94,102 at September 30, 2018 and 2017, respectively. The amount due from these related parties represents costs incurred in providing contract services.

NOTE 11 – RETIREMENT PLAN

EMDC has a 401(k) plan whereby eligible participants may make pre-tax elective deferrals and/or Roth deferral contributions. The Plan allows for discretionary employer match and profit sharing contributions contributed at the option of the EMDC, which is reviewed annually. The employer contribution for the years ended September 30, 2018 and 2017 were \$38,800 and \$46,352, respectively.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

At September 30, 2018 and 2017, EMDC had approved, but not disbursed, three and eight loans which totaled approximately \$250,000 and \$700,500, respectively.

EMDC participates in various governmental grant and contract programs, which are governed by various rules and regulations of said grantors and contractors. Costs charged to the respective programs are subject to audit and adjustments by the grantor and contractor; therefore, to the extent EMDC has not complied with the rules and regulations governing the grants and contracts, refunds of any monies received may be required and the collectability of any related receivables may be impaired. EMDC records the audit adjustments to the contracts as they occur.

Notes to Financial Statements

September 30, 2018 and 2017

NOTE 13 – CONCENTRATION

EMDC received approximately 56% and 58% of federal grant support and 53% and 72% of total support and revenue from the U.S. Department of Labor for the years ended September 30, 2018 and 2017, respectively.

NOTE 14 – RENTAL INCOME

During 2014, EMDC entered into two rental lease agreements renting several sections of the 40 Harlow Street location. The first is a five year lease for \$69,500 a year with an extension option of another five years. The second is a seventeen year lease starting at \$45,000 a year with inflation escalators at several points during the agreement. Rental income for the years ended September 30, 2018 and 2017 was \$171,661 and \$172,403, respectively.

The following is a schedule, by year, of minimum future rentals on noncancelable operating leases as of September 30, 2018:

Year ending September 30:	
2019	\$ 133,168
2020	92,926
2021	104,838
2022	104,838
2023	104,838
Thereafter	<u>800,526</u>
Total minimum future rentals	<u>\$ 1,341,134</u>

NOTE 15 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 31, 2019, which represents the date on which the financial statements were available to be issued and determined that any subsequent events that would require recognition or disclosure have been considered in the preparation of these financial statements.

Federal Compliance Audit

**Eastern Maine Development
Corporation**

September 30, 2019



Proven Expertise & Integrity

EASTERN MAINE DEVELOPMENT CORPORATION

SEPTEMBER 30, 2019

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Proven Expertise & Integrity

INDEPENDENT AUDITORS' REPORT

Board of Directors
Eastern Maine Development Corporation
Bangor, Maine

Report on the Financial Statements

We have audited the accompanying statements of financial position of Eastern Maine Development Corporation (a nonprofit organization), which comprise the statements of financial position as of September 30, 2019 and 2018 and the related statements of activities and cash flows for the years then ended and the related notes to the financial statements.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 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

3 Old Orchard Road, Buxton, Maine 04093
Tel: (800) 300-7708 (207) 929-4606 Fax: (207) 929-4609
www.rhrsmith.com

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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Eastern Maine Development Corporation as of September 30, 2019 and 2018 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2020, on our consideration of Eastern Maine Development Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Eastern Maine Development Corporation's internal control over financial reporting and compliance.



Buxton, Maine
January 29, 2020

STATEMENT A

EASTERN MAINE DEVELOPMENT CORPORATION

STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30,

	2019	2018 (Restated)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 77,705	\$ 407,299
Grants and account receivable (net of allowance)	340,572	420,585
Accrued revenue	150,787	69,689
Prepaid items	37,865	37,371
Current portion of notes receivable	699,996	903,879
Total current assets	<u>1,306,925</u>	<u>1,838,823</u>
Noncurrent assets:		
Notes receivable - net of current portion	4,955,062	4,825,266
Total noncurrent assets	<u>4,955,062</u>	<u>4,825,266</u>
Other assets:		
Deferred loan origination fees (net)	82,615	115,107
Restricted cash	1,580,186	1,619,882
Total other assets	<u>1,662,801</u>	<u>1,734,989</u>
FIXED ASSETS		
Land, building and improvements	1,585,588	1,565,718
Equipment	251,925	251,925
Total fixed assets	<u>1,837,513</u>	<u>1,817,643</u>
Less accumulated depreciation/amortization	<u>(877,610)</u>	<u>(829,673)</u>
Net fixed assets	<u>959,903</u>	<u>987,970</u>
TOTAL ASSETS	<u>\$ 8,884,691</u>	<u>\$ 9,387,048</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 258,176	\$ 166,720
Accrued expenses	212,975	178,566
Unearned income	172,623	176,494
Current portion of long-term liabilities	366,509	298,737
Total current liabilities	<u>1,010,283</u>	<u>820,517</u>
Noncurrent liabilities:		
Notes payable - net of current portion	2,325,860	2,672,534
Total noncurrent liabilities	<u>2,325,860</u>	<u>2,672,534</u>
TOTAL LIABILITIES	<u>3,336,143</u>	<u>3,493,051</u>
NET ASSETS		
Without external source restrictions	(1,207,975)	(1,043,894)
With external source restrictions	6,756,523	6,937,891
TOTAL NET ASSETS	<u>5,548,548</u>	<u>5,893,997</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 8,884,691</u>	<u>\$ 9,387,048</u>

See accompanying independent auditors' report and notes to financial statements.

EASTERN MAINE DEVELOPMENT CORPORATION

STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED SEPTEMBER 30,

	2019			2018		
	Without External Source Restrictions	With External Source Restrictions	Totals	Without External Source Restrictions	With External Source Restrictions	Totals
REVENUES, GAINS AND OTHER SUPPORT						
Federal and state grants	\$ 3,323,055	\$ 24,733	\$ 3,347,788	\$ 2,809,198	\$ 237,666	\$ 3,046,864
Other grants and contributions	224,500	18,599	243,099	240,441	36,334	276,775
Other revenue	11,190	-	11,190	21,966	-	21,966
Contract/loan income	263,500	-	263,500	221,191	-	221,191
Rental income	178,404	-	178,404	171,661	-	171,661
Interest earned on loans	115,363	462,445	577,808	76,222	412,161	488,383
Gain on sale of loans	12,822	-	12,822	97,717	-	97,717
Pass through:						
Gala	-	85,805	85,805	-	87,773	87,773
Blue Hill Cooperative	-	629,095	629,095	-	-	-
Net assets released from restrictions						
Satisfaction of program restrictions	131,251	(131,251)	-	369,628	(369,628)	-
TOTAL REVENUES, GAINS AND OTHER SUPPORT	4,260,085	1,089,426	5,349,511	4,008,024	404,306	4,412,330
EXPENSES AND LOSSES						
Program services	3,609,363	1,270,794	4,880,157	3,221,305	128,109	3,349,414
Management and general	814,803	-	814,803	841,389	-	841,389
TOTAL EXPENSES AND LOSSES	4,424,166	1,270,794	5,694,960	4,062,694	128,109	4,190,803
INCREASE (DECREASE) IN NET ASSETS	(164,081)	(181,368)	(345,449)	(54,670)	276,197	221,527
NET ASSETS - OCTOBER 1, RESTATED	(1,043,894)	6,937,891	5,893,997	(989,224)	6,661,694	5,672,470
NET ASSETS - SEPTEMBER 30	\$ (1,207,975)	\$ 6,756,523	\$ 5,548,548	\$ (1,043,894)	\$ 6,937,891	\$ 5,893,997

See accompanying independent auditors' report and notes to financial statements.

EASTERN MAINE DEVELOPMENT CORPORATION

STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED SEPTEMBER 30,

	2019		
	Program Services	Management and General	Totals
EXPENSES			
Salaries and benefits	\$ 1,880,553	\$ 411,667	\$ 2,292,220
Travel/training	112,617	2,192	114,809
Professional fees	331,833	81,771	413,604
Loan fees	34,435	-	34,435
Sponsorship	1,050	-	1,050
Participant costs	682,987	-	682,987
Contract services	258,837	-	258,837
Other	126,135	85,306	211,441
Depreciation/amortization	-	39,512	39,512
In-kind	133,759	-	133,759
Cash match	141,807	-	141,807
Interest	62,212	65,309	127,521
Administrative expenditures	111,821	129,046	240,867
Loan losses (recoveries)	281,277	-	281,277
Pass through:			
Gala	91,739	-	91,739
Blue Hill Cooperative	629,095	-	629,095
TOTAL EXPENSES	<u>\$ 4,880,157</u>	<u>\$ 814,803</u>	<u>\$ 5,694,960</u>

	2018		
	Program Services	Management and General	Totals
EXPENSES			
Salaries and benefits	\$ 1,693,357	\$ 435,727	\$ 2,129,084
Travel/training	89,614	6,447	96,061
Professional fees	549,926	58,801	608,727
Loan fees	20,360	-	20,360
Sponsorship	2,925	-	2,925
Participant costs	325,695	-	325,695
Equipment	696	2,520	3,216
Other	95,533	98,906	194,439
Depreciation/amortization	-	39,512	39,512
In-kind	158,633	-	158,633
Cash match	105,886	-	105,886
Interest	47,383	73,999	121,382
Administrative expenditures	104,946	125,477	230,423
Loan losses (recoveries)	26,351	40,336	66,687
Pass through-Gala	87,773	-	87,773
TOTAL EXPENSES	<u>\$ 3,309,078</u>	<u>\$ 881,725</u>	<u>\$ 4,190,803</u>

See accompanying independent auditors' report and notes to financial statements.

STATEMENT D

EASTERN MAINE DEVELOPMENT CORPORATION

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30,

	2019	2018 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenues over (under) expenses	\$ (345,449)	\$ 221,527
Adjustments to reconcile change in net assets to net cash provided (used) operating activities:		
Gain on sale of loans	-	(97,717)
Depreciation/amortization	47,937	39,512
Provision for loan losses (net recoveries)	-	66,687
Changes in operating assets and liabilities		
(Increase) decrease in grants and accounts receivable	80,013	28,528
(Increase) decrease in accrued revenue	(81,098)	-
(Increase) decrease in deferred loan origination fees	32,492	9,886
(Increase) decrease in prepaid items	(494)	(4,555)
Increase (decrease) in accounts payable	91,456	(35,875)
Increase (decrease) in accrued expenses	34,409	(13,380)
Increase (decrease) in unearned income	(3,871)	18,197
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(144,605)	306,186
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase (disposition) of property and equipment	(19,870)	-
Purchase (disposition) of sale of loans	-	722,752
(Increase) decrease in restricted cash	39,696	524,864
(Increase) decrease in notes receivable	74,087	(1,149,063)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	93,913	98,553
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term debt	-	115,000
Payments on long-term debt	(278,902)	(281,782)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	(278,902)	(166,782)
NET INCREASE (DECREASE) IN CASH	(329,594)	237,957
CASH AND CASH EQUIVALENTS - OCTOBER 1, RESTATED	407,299	169,342
CASH AND CASH EQUIVALENTS - SEPTEMBER 30	\$ 77,705	\$ 407,299
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the year for:		
Interest	\$ 127,521	\$ 126,058

EASTERN MAINE DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2019 and 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

The Eastern Maine Development Corporation is a public non-profit organization. Its main office is located in Bangor, Maine, with satellite offices in Dover-Foxcroft, East Millinocket, Ellsworth and Machias. The Development Corporation provides various services to its local towns, cities, counties and businesses to enable them to further develop their economies.

Implementation of New Accounting Standards

During the year ended September 30, 2019, the following statements of financial accounting standards issued by the Financial Accounting Standards Board became effective:

ASU 2016-14, "Presentation of Financial Statements for Not-for-Profit Entities." The primary objective of this Statement is to improve the presentation of financial statements for not-for-profit entities. The main provisions of ASU 2016-14 include changes to net asset classes, investment return, expenses, liquidity and availability of resources and presentation of operating cash flows. The major improvements FASB made include reducing complexity in net asset classification, clarifying information regarding liquidity and availability of cash, increasing transparency in reporting financial measures, providing consistency in reporting expenses by function and nature and simplifying the presentation of operating cash flows.

Basis of Presentation

The Development Corporation prepares its financial statements on the accrual basis of accounting, except for municipal and county dues, which are recognized on the modified accrual basis of accounting.

Display of Net Assets by Class

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions in accordance with the provisions of FASB ASU No. 2016-14. Net assets are classified as follows:

Without external source restricted net assets - Net assets that are not subject to donor-imposed stipulations.

EASTERN MAINE DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2019 and 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

With external source restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Development Corporation and/or the passage of time. When a donor restriction expires, that is, when stipulated time restriction ends or purpose restriction is accomplished, with external source restricted net assets are reclassified to without external source restricted net assets and reported in the statement of activities as net assets released from restrictions.

The Development Corporation displays net assets in each of the following classes:

Without external source restricted net assets which are used to account for the general fund grants and contracts of the Development Corporation and with external source restricted net assets are used to account for the Development Corporation's loan portfolio.

Fixed Assets Acquisition

Fixed assets are stated at cost. Depreciation is provided by the straight-line method at rates which are designed to amortize the original cost of the assets over their estimated useful lives of twenty to thirty years for buildings and improvements and three to ten years for computers, furniture and equipment.

Indirect Cost Allocation

The Development Corporation allocates indirect costs based on salaries and benefits. This is a reasonable method of allocating these costs and is in accordance with the provision of Uniform Guidance.

Recognition of Interest Income

Interest income on the Revolving Loan Funds is recognized on the accrual basis. Loans past due for more than 90-days are classified as non-performing assets and interest income on such loans is not recognized until the interest is collected.

Cash Flows

For purposes of the statement of cash flows, the Development Corporation considers all highly liquid assets purchased with a maturity of three months or less to be cash equivalents.

EASTERN MAINE DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2019 and 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

The Development Corporation maintains deposits at financial institutions located in northern Maine. The Federal Deposit Insurance Corporation insures accounts at each institution up to \$250,000. As of September 30, 2019, all deposits were insured by participation in their financial institution's insured cash sweep (ICS) program that invests funds over their own limit at various FDIC insured financial institutions in their ICS network, in the Development Corporation's name. The deposit placements in the ICS network are required to be at, or under, the FDIC limit to ensure coverage.

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Development Corporation will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party.

NOTE 3 - CASH LIQUIDITY

As part of the Development Corporation's liquidity management, the Development Corporation has cash and cash equivalents deposited at local financial institutions. A Development Corporation is in the process of devising and adopting a formal cash liquidity policy.

The Development Corporation's financial assets due within one year of the balance sheet date for general expenditures are as follows:

Cash and cash equivalents	\$ 77,705
Grants and notes receivable (net of allowance)	340,572
Accrued revenue	150,787
Current portion of notes receivable	699,996
	<u>\$ 1,269,060</u>

EASTERN MAINE DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2019 and 2018

NOTE 4 - NOTES RECEIVABLE

The Development Corporation issues loans to qualified businesses from its Revolving Loan Funds, which are funded granted or loaned to the Development Corporation from federal government agencies and private sources. Loans are collateralized by one or more of the following: Property, equipment, inventories, receivables and personal guarantees. The Development Corporation is required to comply with certain performance standards to retain its recognition as a certified development company authorized to participate in this loan servicing program. As of September 30, 2019 and 2018, the Development Corporation had made a sufficient number of loans under the program's compliance standards.

Management considers the loan portfolio to consist of only the commercial loan segment. The following presents the activity in the allowance for loan losses and the recorded investment in loans and impairment method:

	<u>2019</u>	<u>2018</u>
Allowance for loan losses:		
Beginning balance	\$ 956,675	\$ 900,825
Allowance for loan losses	276,539	66,687
Write-offs	(619,202)	(10,837)
Ending balance	<u>614,012</u>	<u>956,675</u>
Evaluated for impairment-Individually	\$ 6,269,070	\$ 6,685,820

The Development Corporation's risk ratings are reviewed and adjusted on, at least, an annual basis. The risk rating categories for the allowance for loan losses are as follows:

Substantially risk free - over ten years as a successful owner/operator, with a strong track record of profits, above Risk Management Association (RMA) industry average, loan seasoning of seven years, no late payments over the life of the loan, balance sheet ratios are above median-upper range.

Minimal risk - five to ten years as a successful owner/operator, meets RMA average for three years of positive trends, loan seasoning of six years, no late payments within the last 12 months, no more than one late payment over the life of the loan, balance sheet ratios in the median-upper range.

EASTERN MAINE DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2019 and 2018

NOTE 4 - NOTES RECEIVABLE (CONTINUED)

Acceptable business risk - two to five years as an owner/operator, company profitable for last three years, meets Risk Management Association (RMA) average for three years of positive trends, loan seasoning of five years, no late payments within the last 12 months, less than four late payments over the life of the loan, balance sheet ratios below median-upper range.

Special mention - two years of industry experience, profitable in prior year, loan seasoning of four years, current but was more than 30 days late more than two times within the last year, balance sheet ratios in the median category.

Substandard - no industry experience, profits break even, loan seasoning of three years, currently 30 days late in payments, one of two balance sheet ratios in the below median category.

Doubtful - no business management, operating at a loss, loan seasoning of two years, currently 60 days late in payments, balance sheet ratios in the median-lower category.

Loss likely - ineffective management, experiencing substantial loss, loan seasoning of one year, currently over 90 days delinquent in payments, both balance sheet ratios below the median-lower category. Foreclosure should be started.

The risk rating balances as of September 30, 2019 and 2018 by category are as follows:

	2019		2018	
	Balance of Loans	Allowance for Losses	Balance of Loans	Allowance for Losses
Substantially risk free	\$ 235,870	\$ -	\$ 468,907	\$ -
Minimal risk	1,776,938	53,308	1,360,606	40,818
Acceptable business risk	2,603,992	143,220	2,814,491	166,934
Special mention	1,029,237	89,939	1,042,420	83,394
Substandard	249,696	26,668	208,495	21,892
Doubtful	148,342	74,171	250,701	125,350
Loss likely	224,995	224,995	540,200	518,287
Total	<u>\$ 6,269,070</u>	<u>\$ 612,301</u>	<u>\$ 6,685,820</u>	<u>\$ 956,675</u>

EASTERN MAINE DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2019 and 2018

NOTE 4 - NOTES RECEIVABLE (CONTINUED)

Past due and not accruing loan balances as of September 30, 2019 and 2018 are as follows:

Commercial:	Past Due-Still Accruing		Not accruing
	30-90 Days	90+ Days	
2019	\$ 204,348	\$ -	\$ 608,391
2018	29,181	-	999,396

Impaired loans information as of September 30, 2019 and 2018 is as follows:

	2019	2018
Average investment in impaired loans	\$ 24,336	\$ 27,761
Balance of impaired loans	608,391	999,396
Portion of impaired loan balance on which an allowance for loan losses is allocated	608,391	999,396
Portion of allowance for loan losses allocated to an impaired loan balance	325,384	675,762
Interest income recognized on impaired loans (cash basis)	36,442	59,156

NOTE 5 - LOAN ORIGINATION FEES

The Development Corporation originates loans for qualified businesses by arranging financing on a non-recourse basis for the Small Business Administration (SBA) 504 and 7a loan programs. The 7a loan program is a pilot program that was scheduled to end March 15, 2014 but has been extended to March 15, 2020. The Development Corporation receives a fee equal to 0.5% and 1.0% for the 504 and 7a programs, respectively, on the outstanding balance of the loans, as well as a loan origination fee.

EASTERN MAINE DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2019 and 2018

NOTE 6 - RESTRICTIONS ON CASH AND CASH EQUIVALENTS

The Authority's restricted cash and cash equivalents balance consists of funds restricted for the revolving loan programs. These amounts support either a corresponding liability or restricted net asset. As of September 30, 2019 and 2018, restricted cash and cash equivalents was \$1,580,586 and \$1,619,882, respectively.

NOTE 7 - LONG-TERM DEBT

Long-term debt outstanding consisted of the following as of September 30:

	2019	2018
1.0% Note payable to Rural Development due in annual principal and interest installments of \$63,675 through October of 2020. This note is secured by cash and certain notes receivable.	\$ 124,519	\$ 185,669
1.0% Note payable to Rural Development due in annual principal and interest installments of \$21,225 through August of 2024. This note is secured by cash and certain notes receivable.	102,948	122,938
1.0% Note payable to Rural Development due in annual principal and interest installments of \$42,450 through December of 2025. This note is secured by cash and certain notes receivable.	283,017	321,696
Note payable to Bar Harbor Bank & Trust in monthly principal and interest installments of \$10,429 through June of 2035. Interest is charged quarterly at a variable rate of prime less 0.5% with a maximum rate of 7.6%. This note is secured 80% by Rural Development and by buildings, property and assignment of related leases.	1,406,188	1,464,107
Note payable to KeyBank, NA in monthly interest installments through March of 2021. Interest is charged monthly at a variable rate of prime plus 2.0%. This note is secured by certain notes receivables and related assets.	34,696	39,658
Note payable to Greater Portland Council of Governments in monthly principal and interest installments of \$942 through June of 2022. Interest is charged monthly at a variable rate of prime plus 2.25%. This note is secured by all business assets.	27,271	36,143
3.0% Note payable to the City of Bangor in monthly principal and interest installments of \$262 through August of 2030. Interest is charged monthly at a variable rate of prime plus 2.0%. This note is secured by non-restricted business assets.	16,876	19,470
2.0% Note payable to Rural Development for the Rural Microentrepreneur Assistance Program (RMAP), due in monthly principal and interest installments of \$2,846 through October of 2031. This note is secured by investment from loan proceeds and other requirements of the USDA.	360,542	387,090

EASTERN MAINE DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2019 and 2018

NOTE 7 - LONG-TERM DEBT (CONTINUED)

	2019	2018
2.0% Note payable to Rural Development for the Rural Microentrepreneur Assistance Program (RMAP), due in monthly principal and interest installments of \$1,501 through November of 2035. This note is secured by investment from loan proceeds, fixed assets and other requirements of the USDA.	248,526	261,461
5.25% Note payable to Bar Harbor Bank & Trust in monthly principal and interest installments of \$5,669 through January of 2021. This note is secured 90% by Finance Authority of Maine and all business assets.	87,786	144,484
Total Notes Payable	<u>\$ 2,692,369</u>	<u>\$ 2,982,716</u>

The following is a summary of principal and interest requirements for the following fiscal years ending September 30:

	Principal	Interest	Total
2020	\$ 364,200	\$ 87,874	\$ 452,074
2021	351,091	79,215	430,306
2022	234,529	72,963	307,492
2023	228,643	68,031	296,674
2024	230,040	63,113	293,153
2025-2029	880,092	239,148	1,119,240
2030-2034	348,854	101,859	450,713
2035-2039	54,920	3,650	58,570
	<u>\$ 2,692,369</u>	<u>\$ 715,853</u>	<u>\$ 3,408,222</u>

NOTE 8 - PENSION PLAN

The Development Corporation has a qualified contributory pension plan. The plan covers substantially all of the Development Corporation's employees who meet certain length of service requirements. The Development Corporation matches an employee's contribution to the plan up to a maximum of 3% of gross compensation. The Development Corporation's cost for the years ended September 30, 2019 and 2018 was \$31,004 and \$38,800, respectively.

EASTERN MAINE DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2019 and 2018

NOTE 9 - INCOME TAXES

The Development Corporation is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code and applicable state law.

The accounting standards on accounting for uncertainty in income taxes address the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Development Corporation may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Development Corporation and various positions related to the potential sources of unrelated business taxable income. The tax benefits recognized in the financial statements from a tax position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. Management believes that there were no potential sources of unrelated business taxable income subject to tax for the year ended September 30, 2019. Accordingly, no provision for income taxes has been made.

The Development Corporation files its forms 990 (including a 990-T for non-related business income of rental income) in the U.S. federal jurisdiction and the office of the state's attorney general for the State of Maine. The Development Corporation is generally no longer subject to examination by the Internal Revenue Service for years before 2015.

NOTE 10 - NET ASSETS

No adjustments have been made to the financial statements relating to the recoverability and classification of the asset carrying amounts or the amounts and classification of liabilities that might be necessary should the Development Corporation not continue as a going concern. In addition, the Development Corporation had net assets with external source restrictions of \$6,756,523 and \$6,937,891, respectively, as of September 30, 2019 and 2018.

NOTE 11 - COMMITMENT AND CONTINGENCIES

The government grants may be subject to audit for compliance with laws and regulations by the federal and state authorities. No provision has been established for any liability that was a result from possible future audits. State grantors may require the Development Corporation, in the event of a contingent liability, to pay back any excess of revenues over expenses to the federal or state government or allow a "carryover" to future years.

EASTERN MAINE DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2019 and 2018

NOTE 11 - COMMITMENT AND CONTINGENCIES (CONTINUED)

At September 30, 2019 and 2018, the Development Corporation had approved, but not disbursed, two and three loans which totaled approximately \$303,000 and \$250,000, respectively.

NOTE 12 - RELATED PARTIES

The Development Corporation receives related party contract revenues directly from the contracting party as payment for actual or anticipated costs incurred under the contracts. Amounts due from these related parties, which are included in accounts receivable, totaled \$62,573 and \$81,654 at September 30, 2019 and 2018, respectively. The amount due from these related parties represents costs incurred in providing contract services.

On September 27, 2016 the Development Corporation entered into an agreement with Blue Hill Cooperative ("Blue Hill"), a natural food grocery store which has been operating since the early 1970s. Blue Hill planned to relocate their current premises to a newly-constructed, custom-designed, energy-efficient store in Blue Hill, Maine to allow for updated parking and increased store capacity. Blue Hill intended to fund their project by soliciting out-of-state donations and other outreach efforts. The Development Corporation was entitled to a 1% administrative fee for all grant dollars it awarded to Blue Hill for compiling the database of donor information, facilitating the required paperwork for donors including donation acknowledgement and receipt of funds and providing other various types of support as requested by Blue Hill. This agreement was estimated to remain in force until the Fall of 2018 but was contingent on construction progress and various other sources of funding. As of the September 30, 2019 the agreement was still in force.

NOTE 13 - RESTATEMENT

In 2019, the Development Corporation determined that certain transactions in prior years had been recorded incorrectly, therefore, a restatement to the 2018 financial statements was required. The beginning net assets without external source restrictions was restated by \$64,387 to remove other assets - loan servicing rights. The resulting restatement decreased net assets without external source restrictions from a deficit balance of \$924,837 to a deficit balance of \$989,224.

NOTE 14 - SUBSEQUENT EVENTS

The organization has evaluated subsequent events through January 29, 2020 the date the financial statements were available to be issued, with no events taking place.

EASTERN MAINE DEVELOPMENT CORPORATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Federal Grantor/ Pass-Through Grantor/ Program/Cluster Title	CFDA Number	Pass-Through Number	Federal Expenditures	Expenditures to Subrecipients
U.S. DEPARTMENT OF AGRICULTURE				
Direct Programs -				
Community Facilities Loans and Grants Cluster				
Community Facilities Loans and Grants	10.766	N/A	\$ 76,187	\$ -
Subtotal Community Facilities Loans and Grants Cluster			<u>76,187</u>	<u>-</u>
Intermediary Relending Program	10.767	N/A	843,274	-
Rural Microentrepreneur Assistance Program	10.870	N/A	6,097	-
Rural Microentrepreneur Assistance Program	10.870	N/A	<u>740,390</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>1,665,948</u>	<u>-</u>
U.S. DEPARTMENT OF COMMERCE				
Direct Programs -				
Economic Development-Support for Planning Organizations	11.302	N/A	<u>53,360</u>	<u>-</u>
Economic Development Cluster:				
Investments for Public Works and Economic Development Facilities	11.300	N/A	492,477	-
Investments for Public Works and Economic Development Facilities	11.300	N/A	868,174	-
Economic Adjustment Assistance	11.307	N/A	51,397	-
Economic Adjustment Assistance	11.307	N/A	92,755	-
Economic Adjustment Assistance	11.307	N/A	354,052	-
Economic Adjustment Assistance	11.307	N/A	<u>189,684</u>	<u>-</u>
Subtotal Economic Development Cluster			<u>2,048,539</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF COMMERCE			<u>2,101,899</u>	<u>-</u>
U.S. DEPARTMENT OF DEFENSE				
Direct Programs -				
Procurement Technical Assistance For Business Firms	12.002	N/A	<u>648,233</u>	<u>258,837</u>
TOTAL U.S. DEPARTMENT OF DEFENSE			<u>648,233</u>	<u>258,837</u>

EASTERN MAINE DEVELOPMENT CORPORATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Federal Grantor/ Pass-Through Grantor/ Program/Cluster Title	CFDA Number	Pass-Through Number	Federal Expenditures	Expenditures to Subrecipients
U.S. DEPARTMENT OF LABOR				
Passed through Penobscot County				
WIOA Cluster:				
WIA/WIOA Adult Program	17.258	12A 20170816*638	279,574	-
WIA/WIOA Adult Program	17.258	N/A	428,936	-
WIA/WIOA Youth Activities	17.259	12A 20170816*638	332,287	-
WIA/WIOA Youth Activities	17.259	N/A	157,254	-
WIA/WIOA Dislocated Worker Formula Grants	17.278	12A 20170816*638	187,049	-
WIA/WIOA Dislocated Worker Formula Grants	17.278	N/A	215,540	-
Passed through State of Maine				
WIA/WIOA Dislocated Worker Formula Grants	17.278	N/A	10,227	-
Subtotal WIOA Cluster			<u>1,610,867</u>	<u>-</u>
Direct Programs -				
National Farmworker Jobs Program	17.264	N/A	234,077	-
Passed through Pathstone Corporation				
National Farmworker Jobs Program	17.264	N/A	7,352	-
Passed through Coastal Counties				
H-1B Job Training Grants	17.268	N/A	139,703	-
TOTAL U.S. DEPARTMENT OF LABOR			<u>1,991,999</u>	<u>-</u>
U.S. ENVIRONMENTAL PROTECTION AGENCY				
Direct Program -				
Brownfields Training, Research, and Technical Assistance				
Grants and Cooperative Agreements	66.814	N/A	34,243	-
Brownfield's Assessment and Cleanup	66.818	N/A	133,875	-
Passed through Our Katahdin				
Brownfield's Assessment and Cleanup	66.818	N/A	791	-
TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY			<u>168,909</u>	<u>-</u>
TOTAL FEDERAL EXPENDITURES			<u>\$ 6,576,988</u>	<u>\$ 258,837</u>

See accompanying independent auditors' report on supplemental information.

EASTERN MAINE DEVELOPMENT CORPORATION

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Eastern Maine Development Corporation under programs of the federal government for the year ended September 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Eastern Maine Development Corporation, it is not intended to and does not present the financial position, changes in net assets or cash flows of Eastern Maine Development Corporation.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) Eastern Maine Development Corporation has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C - EXPENDITURES TO SUBRECIPIENTS

CFDA Number	Subrecipient	Total
12.002	Northern Maine Development Commission	\$ 164,269
12.002	Sunrise County Economic Council	94,568
		<u>\$ 258,837</u>

NOTE D - LOANS OUTSTANDING

In addition to programs reported on the Schedule of Expenditures of Federal Awards, Eastern Maine Development Corporation has several federal loan programs and/or outstanding federal loans as follows. We have considered these outstanding loan balances in determining programs to be tested under the Uniform Guidance.

EASTERN MAINE DEVELOPMENT CORPORATION

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED SEPTEMBER 30, 2019

NOTE D - LOANS OUTSTANDING (CONTINUED)

Outstanding Loans

(Federal loans made to Eastern Maine Development Corporation from a federal agency)

Eastern Maine Development Corporation had the following loans payable outstanding at September 30, 2019. These programs are also included in the federal expenditures presented in this schedule.

CFDA Number	Program Name	Outstanding Balance at June 30, 2019
10.767	Intermediary Relending Program	\$ 510,484
10.870	Rural Microentrepreneur Assistance Program	609,068
		<u>\$ 1,119,552</u>

NOTE E - ECONOMIC DEVELOPMENT ADMINISTRATION REVOLVING LOAN FUND

Revolving Loan Programs

(Federal loan funds administered by Eastern Maine Development Corporation loans made to ultimate recipients)

The following represents Economic Development Administration revolving loan programs. Amounts have been provided as required by the U.S. Department of Commerce, Economic Development Administration, "Revolving loan fund financial assistance awards standard terms and conditions," Part 1, F(3).

	1984-1988 Recapitalization	Millinocket Sudden & Sever Economic Disaster	EAA Finance Program	EAA Defense Conversion	Maine Dept of Resource Fisheries
Loans outstanding	\$ 930,402	\$ 433,983	\$ 221,122	\$ 100,172	\$ 384,652
Cash on hand	108,828	36,297	84,475	74,061	56,886
Administrative expense year ended 6/30/2019	176,214	38,314	12,109	11,277	30,546
Loan principal written off year ended 6/30/2019	-	-	-	-	-
Subtotal	1,215,444	508,594	317,706	185,510	472,084
Federal share	71.43%	96.83%	59.70%	50.00%	75.00%
Federal expenditures	<u>\$ 868,192</u>	<u>\$ 492,472</u>	<u>\$ 189,670</u>	<u>\$ 92,755</u>	<u>\$ 354,063</u>



Proven Expertise & Integrity

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Board of Directors
Eastern Maine Development Corporation
Bangor, Maine

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States the financial statements of Eastern Maine Development Corporation, which comprise the statement of financial position as of September 30, 2019 and the related statements of activities and cash flows for the year then ended and the related notes to the financial statements and have issued our report thereon dated January 29, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Eastern Maine Development Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Eastern Maine Development Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Eastern Maine Development Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the organization's internal control or compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "RHR Smith & Company". The signature is written in a cursive, flowing style.

Buxton, Maine
January 29, 2020



Proven Expertise & Integrity

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH UNIFORM GUIDANCE

Board of Directors
Eastern Maine Development Corporation
Bangor, Maine

Report on Compliance for Each Major Federal Program

We have audited Eastern Maine Development Corporation's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Eastern Maine Development Corporation's major federal programs for the year ended September 30, 2019. Eastern Maine Development Corporation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Eastern Maine Development Corporation's major federal programs based on our audit of the type of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2, U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Eastern Maine Development Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

3 Old Orchard Road, Buxton, Maine 04093
Tel: (800) 300-7708 (207) 929-4606 Fax: (207) 929-4609
www.rhrsmith.com

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on Eastern Maine Development Corporation's compliance.

Opinion on Each Major Federal Program

In our opinion, Eastern Maine Development Corporation, complied in all material respects, with the type of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2019.

Report on Internal Control Over Compliance

Management of Eastern Maine Development Corporation is responsible for establishing and maintaining effective internal control over compliance with the type of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Eastern Maine Development Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Eastern Maine Development Corporation's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance requirements of a federal program will not be prevented or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

RHR Smith & Company

Buxton, Maine
January 29, 2020

EASTERN MAINE DEVELOPMENT CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Section I - Summary of Auditor's Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified? ☐ yes ☒ no
- Noncompliance material to financial statements noted? ☐ yes ☒ no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified? ☐ yes ☒ no

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported
in accordance with 200.516 of Uniform Guidance? ☐ yes ☒ no

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number(s)</u>
Intermediary Relending Program	10.767
Economic Development Cluster	11.300/11.307

Dollar threshold used to distinguish between type A and B: \$750,000

Auditee qualified as low-risk auditee? ☒ yes ☐ no

Section II – Financial Statement Findings

None

Section III – Federal Awards Findings and Questioned Costs

None

Response to NWDB PY 2017 Youth Monitoring

August 21, 2019

PY17 EMDC Areas of Concern (Youth)

ID Number 371512 Anna Butler: Transferred from Washington County 8/12/14 – open

- Proof of age – in hard file via MDL and Birth Certificate
- Basic Skills Deficient – CASAS on file
- OSY Status – no verification? Customer self-attested HS Grad at registration, signature on registration is all that is needed. Verification only required for a drop-out if that is the barrier being used to qualify the individual.
- CASAS – in hard file.

ID Number 707770 Masheria Pantry: Not the correct MJL ID – this individual is in Sunrise Florida and has no WIOA enrollment on record.

ID Number 692501 Shelby Sullivan: EMDC Bangor – 12/05/16 to 10/25/17 – prior to MJL no imaging

- OSY Documentation – IEP, I9 SS Card and MDL in hard file
- Objective Assessments – CASAS, Pre-Enrollment Interview, Initial Assessment form in file
- ISS Plan – in hard file.

ID Number 699013 Kenisha Langill: EMDC Bangor 4/26/17 to 1/31/18

- Enrollment Requirements – not sure what is meant by this – verification uploaded for age via Birth Certificate and Drivers License, disability (Family of one / low income)
- OSY Status – Demographic Snapshot reported HS Graduate at registration which is taken at self-attestation by signing the program registration. Only when a customer is a drop-out and that is the target group being used to justify enrollment is verification required.
- Objective Assessment – CASAS Results entered in MJL, not uploaded in scan. Confirmed in hard file as well as Digital Literacy Assessment, pre-enrollment interview form and initial assessment form completed on participant
- ISS Plan in hard file.

ID Number 347610 Kade Young: EMDC Bangor 6/27/16 to 5/31/18

- Enrollment Requirements - unclear what this means however Birth Certificate and IEP are uploaded in MJL. IEP documents a disability making the customer a family of one so low income/disability. Maine State ID card also scanned and uploaded for customer and Selective Service printout uploaded
- ISS Plan – signed plan in hard file confirmed.

ID Number 349692 Carolan Jones: transferred from Washington County – 3/7/16 to 10/01/18

- All issues under BES, customer's last WIOA service was a follow-up on 6/30/17 a year before EMDC took on WIOA in Washington County. Customer was enrolled in ACAPS WANTO grant which prevented common exit from actually occurring until October 1, 2018 as indicated. No hard file came over to EMDC given customer was identified as already exited by BES staff in Machias.

ID Number 371140 Kristina Bailey: transferred from Washington County – 8/19/14 to 8/31/17

- All services under PY17 prior to EMDC handing WIOA in Washington County. Customer just recently re-enrolled with EMDC on January 31st, 2019.
- Direct Delivery staff did go back and upload everything in the hard file they had, unfortunately they categorized it all as either Fiscal or ISS/Training Plan so I see an individual assessment tool, My Next Move, Onet and a signed training plan uploaded.
- I do not see a Work Experience contract which according to the service record the Work Experience occurred between July 1, 2015 and August 30, 2015.

Work Experience	No Budgets	No Payments	Completed	07/01/2015	08/30/2015
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Response to NWDB PY 2018 Monitoring Youth

August 7, 2019

PY18 EMDC Areas of Concern (Youth)

ID Number 353492 Joshua Hills: EMDC Dover-Foxcroft Theresa Mudgett and Narda Albatrino are working with Joshua

Area of Concern:

- WE contract – under Universal Uploads – Legal Documents – document item label “Work Experience Paperwork (contract, etc. signed). This was uploaded on 7/2/19

ID Number 359473 Isiah Jensen: EMDC Dover-Foxcroft Theresa Mudgett

Area of Concern:

- ISS plan – basic and training plan have been uploaded under the Universal Uploads ISS/Training Plan.
- Assessments – assessments all uploaded as well, Work Values, ERS, Interest Results, Digital Literacy
- WE contract – under Universal Uploads, Work Experience – Signed Worksite Agreement was uploaded 3/25/19
- Employment outcomes – not sure what is meant by this as Isiah is an active customer, still enrolled
- Service tracking – not sure what this is asking, numerous services in youth enrollment covering work experience, assessment, plan development, etc.

ID Number 371241 Desiree Lyon-Johnson: EMDC Dover-Foxcroft, Theresa Mudgett

Area of Concern:

- Proof of low income or public assistance – under enrollment uploads, disability documentation makes customer a family of one, low income etc. for both Adult and Youth programs.
- Need for YS documented – Not sure what you are asking here, if this means looking for youth eligibility documentation, it is under Enrollment uploads – disability documentation
- WE contract under Universal Uploads, if you scroll down to the bottom, under Work Experience – Worksite Agreement

ID Number 713594 Nick Nicholas EMDC Bangor: Leah Gulliver

Area of Concern:

- Proof of low income or public assistance – N/A for Out of School youth for 6 of the 8 target groups. Nick provided an applicant statement signed by a witness as verification that he dropped out of high school in the 9th grade. That is his youth barrier. Only HS Grad who is Basic Skills Deficient or the category of Requires Additional Assistance require low income verification for out-of-school youth. All In-school youth must verify low income. Public assistance will verify low income however is not an automatic qualifier for Youth as it is for Adult.
- Assessments – Onet results uploaded under Legal Forms – Onet Results. No CASAS found, customer should have received a CASAS as well given his HS Drop-out status.
- Need for YS documented - ?? Why is this asking YS? Youth target group would be the drop-out status referenced above.

ID Number 732730 Jacob Sedlak: EMDC Bangor

Area of Concern:

- Proof of low income or public assistance – Free school lunch documented on HS transcript by school.
- Assessments – notes indicated repeated requests and customer did not JMG Specialist nor customer provided CASAS results. Customer was referred to Adult Ed to take the CASAS and did not follow through.
- Need for YS documented – documentation of Basic Skills deficient missing, Correspondence with JMG indicated low skills in English per the assessment, HS Transcripts show failure senior year in math.

ID Number 388752 Abigail Yates: EMDC Ellsworth

Area of Concern:

- Proof of low income or public assistance – OSY – parenting youth, low-income is N/A. Childs birth certificate in uploads verifies parenting youth.
- Follow up services – valid concern, there was a case note entered on 1/22/19 of customer contact however no follow-up services entered in service records. Has missed the past 2 quarters of follow-up.

Maine Secretary of State



2020 Annual Report Electronic Filing Acknowledgment

For Nonprofit Corporations on file as of December 31, 2019

Charter Number: 19670065ND

DCN Number: 2200019002919

Legal Name: EASTERN MAINE DEVELOPMENT CORPORATION

Registered Agent's Name and Address:

MICHAEL W. AUBE
40 HARLOW STREET
BANGOR, ME 04401

Name and Address of Officers:

VICE CHAIR
DAN TREMBLE
662 HAMMOND STREET, BANGOR, MAINE 04401

SECRETARY OR CLERK
LAURA SANBORN
85 HAMMOND STREET BANGOR MAINE 04401

TREASURER
LAURA SANBORN
85 HAMMOND STREET BANGOR MAINE 04401

PRESIDENT
LEE UMPHREY
40 HARLOW STREET, BANGOR, MAINE 04401

CHAIR
WILLIAM SHOREY
39B SPRING STREET, BELFAST, MAINE 04915

Name and Address of Directors:

PAUL HUSTON
44 BALSAM RD, BANGOR, ME 04401

JESSICA GILES
2629 WESTERN AVE, NEWBURGH, ME 04444

WAYNE ERKKINEN
GREENVILLE, ME
P.O. BOX 436, GREENVILLE JCT., ME 04442

MICHAEL DONAHUE
48 BAYCREST LN, STOCKTON SPRINGS, ME 04981

LORI SHIELDS
77 EXCHANGE STREET, BANGOR, MAINE 04401

DENISE BUZZELLI
1033 SOUTH STREET DOVER-FOXCROFT MAINE 04426

WILLIAM SHOREY
39B SPRING STREET, BELFAST, MAINE 04915

SVEN BARTHOLOMEW
BANGOR SAVINGS BANK, 19 MAINE AVE, BANGOR, ME 04401

LAURA SANBORN
85 HAMMOND STREET BANGOR MAINE 04401

JARROD GUIMOND
24 HAMLIN WAY BANGOR MAINE 04401

DR. LISA LARSON
354 HOGAN ROAD, BANGOR, ME 04401

JAMES GILLWAY
SEARSPORT ME 04974
PO BOX 499 SEARSPORT ME 04974

DENNIS DAMON
256 OAK POINT ROAD, TRENTON, ME 04605

ANTONIO BLASI
50 STATE STREET NO.7 ELLSWORTH MAINE 04605

DAVE MILAN
59 MAIN STREET, ORONO, MAINE 04473

DR. STEVEN CUNNINGHAM
1 COLLEGE CIRCLE, BANGOR, MAINE 04401

SUSAN HAMMOND
20 GODFREY DRIVE, ORONO, ME 04473

ED BEAROR
84 HARLOW STREET, BANGOR, ME 04401

DAN TREMBLE
662 HAMMOND STREET, BANGOR, ME 04401

RICHARD CAMPBELL
173 GRAY RD, FALMOUTH, ME 04105

JERILYN BOWERS
159 OLD BAR HARBOR ROAD BAR HARBOR MAINE 04609

Date of Filing: May 29, 2020

Name and Capacity of Authorizing Party:

ASHLEY BUBAR, ASHLEY BUBAR/ACCOUNTANT