

# CONNECTMAINE

## October Meeting Minutes

20 October 2021

10:00 A.M.

Temporary Recording: [https://networkmaine.zoom.us/rec/share/8cFmLu7oYGCJo5ToxSf2yskDUMFtbrQZrYUloh67dnukVC7azzAy\\_azuOCZDrNX3.EhhiolwNvT\\_89rRj](https://networkmaine.zoom.us/rec/share/8cFmLu7oYGCJo5ToxSf2yskDUMFtbrQZrYUloh67dnukVC7azzAy_azuOCZDrNX3.EhhiolwNvT_89rRj)

### Authority Members

Nick Battista, Chair  
Jasmine Bishop  
Fred Brittain  
Susan Corbett  
Heather Johnson  
Jeff Letourneau  
Liz Wyman

### Introductions of Members and Staff

Liz Wyman, Susan Corbett, Fred Brittain, Nick Battista, Jasmine Bishop, Peggy Schaffer, Stephenie MacLagan

### Meeting Kickoff

Governor announced President of Maine Connectivity Authority—Nick & Peggy

- Congrats to Andrew Butcher

Selection of Andrew builds upon the efforts and direction the state is headed with community engagement and planning.

Long Island infrastructure project with Consolidated Communications—Nick

- Field visit last week as the project was finished

Shout out to Consolidated Communications on efforts to get this project done ahead of schedule. Highly encourage members and others to see action on the ground.

### Notes of Last Meeting

*Approval* of the September minutes: Susan motioned, Fred 2<sup>nd</sup>, 5:0

### Review of Operations

Executive Director's Report—Peggy

- Community Broadband Planning Participation

Planning Grants is open through the 31<sup>st</sup>; please reach out to staff for assistance.

A group of communities on the border of Oxford & Franklin Counties and NH are considering a regional effort based on the school district as political boundaries.

- Partnership activities

Convening with state broadband leaders across northern New England states. Learning about regional planning from other states, like Vermont.

- Update on Broadband Intelligence Platform

Continuing to work with consultant partners and continued communication with MCA.

- Update on NECEC Broadband Fund

Somerset County has applied for some of the funds. About \$1 million has yet to be disbursed from this Fund. Conversations with Franklin County are ongoing.

# CONNECTMAINE

- Reopening the rulemaking process

Confusion widespread around the designation of underserved areas.

This will shift our timelines, including the application window for infrastructure grants.

- Update on federal funds

NTIA has posted census blocks for potential challenge by existing providers. We expect to hear updates sometime in November.

NTIA aims to communicate on the Tribal grant in mid-December.

## Review of Timelines—Peggy

- Solicit stakeholder engagement on drafted applications and proposed process

The activities that were listed in the draft agenda will happen but on a different timeline due to rulemaking. The next infrastructure grants application window will be shifted later into winter, but ConnectMaine will still host workshops before and after opening the window.

## Review of Financials—Stephenie

- First quarter financials for FY22

The first spreadsheet covers our administration and combines the two accounts we have managed, with the following two spreadsheets being the detail of each of those accounts.

The Fund was used to cover infrastructure grants in between new bond allotments; see the ~\$28K under Infrastructure Fund, which will increase considerably for October disbursements of grants awarded, but will shift back to the Bond spreadsheet before Dec. Both NBRC and NTIA are details behind the Fund spreadsheet. NBRC is a reimbursable grant, so revenue will always lag expenses there. NTIA expenses are covered by budgeted line items unless/until NTIA awards its grants.

## Board Discussion

- Nick: We're tracking NTIA separately because if awarded then the expenses are reversible?

Stephenie: Correct.

## Decisions on Operations

Approval of the FY21 Audit—Stephenie & Kelsey Frenette & Christian Smith, Wipfli

- Debrief the audit

The audit started last week of September through mid-October, and staff submitted draft financial statements by 10.15 as required.

This single audit is a very in-depth type of audit, in case it seems like this packet is huge.

Reconciling FY20 end, when all expenses went through the state administered account, with FY21, when we started expending from both accounts and stopped transfers to the state account, was very confusing, but in the end there were no findings of material weakness.

# CONNECTMAINE

- Review draft financial statements, auditors' report and detailed schedules

Representatives from Wipfli are here to help answer any questions you have. This audit must be approved and submitted by the 1<sup>st</sup>, effectively on the 29<sup>th</sup>. Wipfli was hired as an independent auditor. Kelsey provided an overview of the audit documents contained in the meeting binder.

*Approval of the audited financials as presented: Liz motioned, Susan 2<sup>nd</sup>, 5:0*

Board Discussion

- Liz: Can you point me to where the coronavirus relief funds are captured?

Nick: Page 71

- Liz: Did we have an audit committee to work with staff on this?

Stephenie: No; we discussed it at one of the spring meetings, but there wasn't sufficient interest, and in the end there wasn't sufficient time, for a committee to do this work. Most of the actual work occurred in a very short few weeks.

Peggy: There was a lot of last minute back and forth, push and pulling for information from the various account administrators.

Nick: But next year's will be simpler getting this single audit out of the way.

Stephenie: Yes, and me now having gone through an audit, I'll be better equipped to translate requests to account administrators more quickly and effectively than this year.

Revision of Policies & Procedures—Nick

- Review document for revisions that are underlined and highlighted

Addresses the event that the chair is unable to approve or sign documents

*Action:* Jasmine volunteered to be designated. Nick and Jasmine will close loop with Jeff.

*Adopted the revised Policies & Procedures for ConnectMaine: Susan motioned, Fred 2<sup>nd</sup>, 5:0*

Board Discussion

- Liz: Is it a designee that Nick chooses on ad hoc basis?

Nick: Barring any emergency, Nick would designate one of the public members of the ConnectMaine Authority.

Liz: It'd be good to make this designation ahead of time, annually perhaps. Echoed by Nick.

- Susan: We don't have a Vice Chair?

Peggy: We don't, which is what led us to acknowledging a need to change the policies.

- Jasmine: Any value to establishing a Vice Chair?

Peggy: Sure, but we should wait for the structure of MCA to be known.

Nick: That's really where the governance committee ended up last spring; we know we need bylaws but wanted to see the result of the relationship between ConnectMaine & MCA.

# CONNECTMAINE

## **Other Business**

Renewing the memorandum of understanding for NECEC Broadband Fund—Nick

- Consider emergency meeting or allow the chair to sign MOU

There's been a lot of discussion about this, so to avoid needing to approve an MOU that simply changes or extends the dates, the chair could sign an extension.

*Approval of the signing of an extension of the memorandum of understanding for NECEC Broadband Fund:* Susan motioned, Liz 2<sup>nd</sup>, 5:0

Board Discussion

- Liz: Seems like we don't need to do much formally, given past conversations with Emily Atkins...?

Fred: Agree; we don't need another meeting if only dates are changing. Echoed by Susan.

## **No Public Comments**

*Approval of adjournment:* Liz motioned, unopposed.

# CONNECTMAINE

## September Meeting Minutes

29 September 2021

10:00 A.M.

Temporary Recording: [https://networkmaine.zoom.us/rec/share/BkvI2heWRqyEqdg2ttDdM0iXUQoCHobsn0Cy7rBv\\_ZdVVyWKKj\\_3dUeSqxz-zz-.7DHzRm\\_yCihjUrc](https://networkmaine.zoom.us/rec/share/BkvI2heWRqyEqdg2ttDdM0iXUQoCHobsn0Cy7rBv_ZdVVyWKKj_3dUeSqxz-zz-.7DHzRm_yCihjUrc)

### Authority Members

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Jasmine Bishop  
Fred Brittain  
Susan Corbett  
Heather Johnson  
Jeff Letourneau  
Liz Wyman

### Introductions of Members and Staff

Susan Corbett, Liz Wyman, Nick Battista, Jasmine Bishop, Peggy Schaffer, Stephenie MacLagan, Emily Atkins

### Meeting Kickoffs

Broadband Communities Conference—Peggy

- ConnectMaine presentation and attendance by a number of partners

Highlighted what Maine's doing right, with an interactive Q&A.

Retirement shoutout to Don Flewelling, Pioneer Broadband—Nick

- A successful grant recipient and long-term partner on broadband

Attending from camp, after retiring a month ago; although, still doing a little part-time work for Pioneer.

### Notes of Last Meeting

*Approval* of the August minutes: Susan motioned, Nick 2<sup>nd</sup>, 4:0

### Review of Operations

Executive Director's Report—Peggy

- Community Broadband Planning Support Program

There's an agenda item to open the next application window to the Community Broadband Planning Grants.

Reminder that that Startup Grants are a new process, applications accepted on-going basis.

Participated in the Maine Community Foundation broadband planning program, which we helped develop over the last several years. It continues to be helpful to review all applications to planning grants across all the various programs in the state, strategically determining which funds can be awarded to which areas of the state.

We're talking with the Maine Broadband Coalition about executing the contract for the Connectivity Boosters. We both met with Land O' Lakes about their Americorps program.

# CONNECTMAINE

- Rulemaking continues with public hearing on 10.4 at 1pm.

Registration for the hearing is required.

The 10-day public comment period follows the hearing.

PowerPoint that connects the dots from stakeholder engagement last year through rulemaking now to the next application window for infrastructure grants, will be shown for the last agenda item of today.

- ConnectMaine presentation at Maine Connectivity Authority September meeting  
ConnectMaine had most of their meeting time to present and have an interactive Q&A. Presentation included our tangible assets that MCA can use, like the Broadband Intelligence Platform, and the intangible things we bring from our grants and support programs. The Maine Connectivity Authority website is up and running. The state senate isn't coming in to do confirmation until January. They're currently meeting every two weeks.

- Update on Federal Funds

Treasury came out with their Capital Projects Fund Guidance last week. Treasury hired state directors to run the program, who are avoiding the use of FCC maps. The application deadline is in December, after which Project Plans would be submitted. Treasury is hosting a webinar tomorrow.

Board Discussion

- Nick: Treasury funds are connected to MCA; how the state will apply before a president is confirmed?

Nick: We should think about how we as a board can be supportive in this circumstance. We don't want to leave \$128 million on the table.

Peggy: I don't think we going to; we just need to figure out the process.

- Jasmine: What were the next steps that came out of the MCA conversation? It's important that we don't simply present but that we keep connections and the ball going.

Peggy: We'll have to work together on the report to the legislature about what happens with these two organizations, so we presented principals that we think are important to carry forward and what work we shouldn't stop. There needs to be consistent messaging about what happens next, but we haven't had those conversation yet. MCA has a lot of startup activities to take care, set up legal status and financials, but still don't have staff yet.

Review of Timelines—Stephenie

- Targeting February or March for awarding infrastructure grants

Trying to get the rest of the bond funds out as soon as possible. This requires opening the application window by/on November 24.

- Targeting February for triennial plan adoption

ConnectMaine is required to do this plan, but there's a lot of questions given the report to the legislature with MCA. This means the draft plan must be publicly posted by/on November 25. Staff has been communicating with some authority members about reframing this plan in the context of the MCA and ConnectMaine relationship over the next three years.

# CONNECTMAINE

- Targeting November for confirming un(der)served areas

This means our update of the Broadband Availability Map must be done by/on October 20 based on industry data and grant tracking reports that were submitted by last week. If providers haven't submitted required data filing, they should as soon as possible. This update triggers a 30-day comment period, allowing confirmation at the November meeting.

- Targeting October for rule adoption

In order to keep these timelines, we have to adopt the posted rule in October. Later in the agenda, we'll discuss next steps that include getting state approval under the 30-day deadline, to affect those three other upcoming actions.

Board Discussion

- Jasmine: Should we reschedule the November meeting?

Peggy: Jeff also won't be able to join 4<sup>th</sup> (or any?) Wednesdays due to jury duty.

*Action:* Staff will email members to reschedule the meetings for the next three months.

Review of Financials—Stephenie

- Update on audit

The audit is occurring the week of the 27<sup>th</sup>; so as required by 10.15, staff will submit draft financial statements, GAAP package and signed transmittal letter. Vote to approve the audit would then occur at the October meeting.

- Review monthly financial statements

One ConnectKidsNow! Grants left to wrap up to be done with the coronavirus relief funds. Note that these financials are partially only showing July, not completely August, yet.

Board Discussion

- Nick: Do we need to reup our MOU for the NECEC Broadband Fund?

Stephenie: The funds are just holding. Any activities different than just withdrawal to MCA as approved in the budget would need action.

## Decisions on Programs

NBRC Grant Workplan—Peggy

- Debrief progress on Broadband Intelligence Platform and Grants V&V process

Update on setting up these systems; later in the agenda we'll talk about the results of this. VETRO and Tilson have been fabulous to work with, and identifying areas eligible for infrastructure grants is going well, showing that BIP is a really powerful tool.

- Plan for the remaining portion relating to evaluation of business models

The NBRC Grant workplan is a little different than the contracts. The former said we'd spend some funds on evaluating business models, so what we're suggesting is to work with CostQuest to purchase what they have for estimating the cost of middle-mile projects. This piece was to help us deploy tons of federal funds we thought were coming to us last February, but will be going to MCA who could make great use of BIP if we add this piece. The subscription and licenses for BIP will need to be renewed, but at least the Capital Projects Fund allows up to 5% for administrative costs.

*Action:* Staff directed to continue with workplan, and Nick will sign eventual contracts.

# CONNECTMAINE

## Board Discussion

- Liz: Do you need a motion to approve this approach?

Peggy: I'm unsure that we do.

Stephenie: These funds were budgeted this way and the budget was approved, so we might not need another approval to move forward.

Peggy: This approach is also still aligned with the Governor's intent.

- Nick: Does MCA know how BIP can support their work?

Jasmine: Recognition that there should be proactive communication.

Peggy: We have done demonstrations of BIP with VETRO for MCA, and this was also highlighted in our presentation at their recent meeting.

## Community Broadband Planning—Stephenie

- Promote Startup Grants

These are much more simplified, accepted on an ongoing basis and reviewed monthly.

These are intended to begin the process of building community-wide support.

- Open application window for Planning Grants

We also refined the program for Planning Grants that help communities take the next step in planning to actually pursue future expansion of broadband. These are intended to help communities commit to firm milestones. These grants do have an application window that's opened by a vote of the board. Recommended window is described in the draft application, with reviews happening in November for potential awards at the November meeting. No changes to the proposed budget.

*Approval to open community broadband planning grants application window for October, with \$50,000 available: Susan motioned, Liz 2<sup>nd</sup>, 4:0*

## Board Discussion

- Liz: How long do they have to submit their applications? Opening on Friday?

Stephenie: The month of October; yes, Friday gives me a safety net to get this posted publicly on our website. The deadline of the 31<sup>st</sup> gives folks that weekend if they want to take it, but we basically need to have the applications on the 1<sup>st</sup> to start reviews.

- Jasmine: What's the definition of communities? How are they counted for scoring?

Stephenie: The ConnectMaine rule lists the types of entities that can apply, and for the most part "community" ends up being a "municipality" but the scale can go in either direction.

During evaluation of applications, we look for the number that are actually involved in the project, not simply listed by the applicant. This part of the program hasn't changed at all.

Peggy: It's loosely reviewed intentionally; normally it's a town, sometimes a group of towns; could be a regional utility, or variety of entities.

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Performance Criteria—Peggy & Grants Committee (Nick, Susan & Jeff)

- Review the redesign process of the ConnectMaine grants programs

The PowerPoint presentation will be added to the ConnectMaine grants stakeholder engagement website.

- Discuss development of performance criteria and infrastructure grants process

The working draft of the application guidance, which references the criteria & process, will be added to the posted meeting binder.

- Decide when and how to solicit stakeholder engagement prior to grants applications

Staff recommends two engagement opportunities, once before the application window opens by early November and another after it opens in early December.

*Action:* Staff directed to continue with recommended workplan.

Board Discussion

- Liz: How are these refinements strategic in the relation to the MCA?

Nick: Rather than re-run the same process used last grants round, these refinements take advantage of the opportunity to develop a structure that's scalable. Getting these processes and systems in place will help with MCA conversations.

Peggy: It's also about ensuring we have the capacity we need to get the money out, and this new process will help us do that. Echoed by Susan.

Peggy: While we're still weak on the digital inclusion piece, that'll change with new federal dollars that specifically allow or address it. Desire to improve here, echoed by Susan & Liz.

## No Other Business

## Public Comments

MCA Policy Decisions

- Denise Munger, Rockport: Importance as ruralness and nonprofit-supported community-driven, universal service.

As larger amounts of funds come in, there isn't a bigger bang for the buck working with private providers, and projects should be universal, open access.

The Treasury Guidance really seems to emphasize these values of broadband projects.

Nick: That's a great policy decision for the Maine Connectivity Authority, if they're going to be the ones moving these larger sums of funds, especially if any are spent on last-mile projects. As Peggy presented, the refinements to the grants program not only scales for these larger amounts or number of projects, but they also give preference to projects that result in universal service and reward those that are community-owned networks; there are many ways that the MCA could prioritize those things, too.

- Sarah Strickland, Strategic Wisdom Partners: Public participation has been a hallmark of ConnectMaine, and I hope it's replicated in MCA.

Nick: That is something that Peggy touched on in her presentation to MCA.

*Approval of adjournment:* Susan motioned, unopposed

# CONNECTMAINE

## Executive Director's Report

20 October 2021

Peggy Schaffer, Executive Director

## Authority Members

Nick Battista, Chair  
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### Active grant awards

The last ConnectKidsNow! project is nearing completion. With the completion of the project in Hudson, all active infrastructure grants are using state bond funds. Nick Battista traveled out to Long Island with Consolidated Communications on a glorious fall day. He gathered both pictures and videos that we can use. All infrastructure projects have commenced.

The Town of Hampden recently completed its feasibility study with Axiom Technologies. While several planning projects are nearing completion, most are indicating the original timelines will hold, completing projects by February or by June based on award dates.

### Local and regional planning support

While communities weren't quite ready to apply for Startup Grants for October, staff spoke to leaders covering over a dozen communities that may apply by November deadline—e.g., expanding west from Denmark, most of the towns in that SAD (Brownville, Stow, Lovell, Sweden, Fryberg, Chatham NH) have the beginnings of a committee in place, with representation from town government, and will be catching up while Denmark continues to progress. This would be the first planning effort to organize by school district.

Andrew Butcher and I met with Matthew Wohlman of Land O Lakes and the work they are doing in the Midwest. Land O Lakes and the Heartland Foundation have funded 50 two-year fellows across about 5 states along the Mississippi River as part of their connectivity initiative. We are going to continue these conversations as we begin to roll out the Connectivity Boosters over the next several months.

We are working with our instate partners on messaging around the need for communities to stay engaged in the planning process. Maine Community Foundation has found many organizations now think that federal funds are at our doorstep, that we no longer need to engage and push community planning as a key element of a strategy to expand broadband. They could not be more wrong. This work will be done with the partners of the MBC, including the Island Institute, GPCOG, AARP, MCF and NDEC. This is relevant to the Connectivity Boosters effort in particular.

### Staff and program management

We continue to work with VETRO on the Broadband Intelligence Platform to develop it for infrastructure grants, and preparing to pull in data from community planning efforts.

# CONNECTMAINE

We continue to refine and tweak the infrastructure grant application process for accuracy and clarity. A pre-announcement grant workshop will hopefully confirm that this work was done well, or identify further modifications on clarity, before opening the next application window at the November board meeting, on 1 December.

Rulemaking is progressing, and there's an agenda item to provide updates on next steps. There's also an agenda item on the audit, which has been a bit of a bear to manage between the Controllers Office, DAFS, Solix and the auditors, absorbing significant staff time.

## **Partnership activities**

We have been working with Department of Labor, NDEC and the Libraries to pull together a National Governor's Association grant to develop a strategic plan for digital inclusion and the workforce. The grant, if awarded, will hire a consultant to help pull together a digital inclusion plan for workforce. This plan will serve as the basis for a statewide plan on digital inclusion that will be required if the Infrastructure package gets passed in Congress.

ConnectMaine is organizing a virtual Northern New England meeting of the broadband offices in NH and VT. Both states have similar challenges and often different solutions. We are also meeting with CT, MA and RI, organized by the broadband team at Pew.

I recorded a presentation for the virtual MSHA conference, and will also virtually speak at the ACEC conference in early November. A brief presentation on the importance of community planning – especially because of federal funding – will be given to the MERIT Moonshot Network in MI.

The Maine Connectivity Authority has been meeting about every 2 weeks to get up to speed on the work that needs to be done to get ready to receive federal funds. We've been engaged in a conversation on our experience with mapping tools and data collection efforts.

## **Federal funding update**

ConnectMaine and several MCA board members attended the recent Treasury webinar on the Capital Projects Fund. MCA is gathering questions from its board to ask Treasury. NDIA is also having a webinar next week, and Treasury (Jeff Sural and Dana MacKensie) will be at the SBLN fall meeting next week. The Infrastructure package is still pending. At the SBLN fall session, NTIA began taking thoughts for their infrastructure program.

Our Round 1 ReConnect grants continue to struggle with USDA bureaucracy additional costs that fall on the community. None of them have even applied for pole licensure yet. The award for Hartford- Sumner area was declined due to USDA restrictions.

NTIA has released the list of census blocks in the applications to their broadband grant program. Maine's application has over 1,100 census blocks. Providers have 15 days to challenge any of those blocks.

# CONNECTMAINE

## Public Hearing Notes

4 October 2021

Temporary Recording: [https://networkmaine.zoom.us/rec/share/kBU8i83l0yC6dUFuAZpKU84b4BHSB04w7ynetFgBvtWsG0QnMtTdybAzppS7tK78.kL3p\\_7YcGsM8pRk0](https://networkmaine.zoom.us/rec/share/kBU8i83l0yC6dUFuAZpKU84b4BHSB04w7ynetFgBvtWsG0QnMtTdybAzppS7tK78.kL3p_7YcGsM8pRk0)

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Peggy Schaffer & Stephenie MacLagan

## Agenda

Overview of Hearing—Peggy

- Rulemaking scope.
- Today, taking verbal comments on the proposed rule changes, section by section, in this hearing. Written comments welcomed by emailing us by the 14<sup>th</sup>.

Next Steps—Peggy

- Public comments due October 14, including request to re-start rulemaking process if any comments go beyond the scope of the proposed rule changes.
- Attorney General reviews revised changes for whether or not they are substantial enough to re-start the rulemaking process.
- If the posted rule moves forward, the vote to adopt the posted rule must occur within 120 days of the written comment deadline. ConnectMaine anticipates voting on the rule at its October meeting.

## Section 2

Review—Peggy

Public Comments Welcomed

- D. What is meant by “multiple,” two or more? Ben Sanborn, Telecommunications Association of Maine

## Section 3

Review—Peggy

Public Comments Welcomed

- A. Here and throughout megabits per second is more traditionally abbreviated as Mbps. Butler Smythe, Blue Hill.

# CONNECTMAINE

## Section 5

Review—Peggy

Public Comments Welcomed

- A-C. Statute requires rule to describe the rationale of making designations. Ben Sanborn, Telecommunications Association of Maine
  - Response to comment. There are studies done to determine the required bandwidth for various applications; isn't "capricious" to set a goal based on needs of many parts of the state. Christopher Johnson, Somerville.
- A-C. Lack of clarity on what an area is if it isn't unserved or underserved; is it then served? There's still a gap between underserved and broadband service, where the former isn't designated based on performance criteria of the latter. Christopher Johnson, Somerville.
- C. What is the intent of "two providers" as affecting grants eligibility? Butler Smythe, Blue Hill.

## Section 6

Review—Peggy

Public Comments Welcomed

- A-H. Were federal funds or programs considered in these changes? Denise Munger, Midcoast broadband regional group
- G. What does "suitability" mean versus capability? Ben Sanborn, Telecommunications Association of Maine

**ConnectMaine Authority Financials**  
 FY22 Administrative Combined

ConnectME Fund as of 10.13.21 and State Account as of 09.30.21

Includes ConnectME Fund and State Account

FINANCIALS	DETAIL	PROPOSED	OBLIGATED	ENCUMBERED	Q1	Q2	ACTUAL	REMAIN
REVENUE	Carryforward, includes Assessment Withdrawal	\$886,455.65	\$1,927,088.14	\$1,853,825.24	\$1,927,088.14	\$709,960.02	\$1,853,825.24	\$709,960.02
Fund	Assessment Fees, etc.	\$3,050,000.00	\$1,250,000.00	\$509,630.30	\$931,670.02	\$0.00	\$931,670.02	\$2,119,243.36
State	Refunds, excludes Assessment Withdrawal	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>SUBTOTAL</b>		\$3,936,455.65	\$3,177,088.14	\$2,363,455.54	\$2,858,758.16	\$709,960.02	\$2,785,495.26	\$2,829,203.38
<b>EXPENSES</b>								
Financial	DAFS, Solix, audit, bank charges	\$81,600.00	\$76,600.00	\$12,900.00	\$10,074.00	\$0.00	\$10,074.00	\$66,526.00
Website	InformME, OIT & Sewall	\$79,275.00	\$79,275.00	\$5,225.00	\$406.52	\$25.00	\$431.52	\$78,843.48
Administration	Salaries, etc.	\$263,563.00	\$263,153.87	\$187,740.78	\$69,947.46	\$9,621.44	\$79,568.90	\$108,171.88
Cellphones		\$1,080.00	\$1,080.00	\$90.00	\$246.56	\$0.00	\$246.56	\$833.44
Travel	Central Fleet, etc.	\$3,000.00	\$3,000.00	\$44.18	\$88.36	\$0.00	\$0.00	\$0.00
Operational Services	subscriptions, conferences	\$21,300.00	\$700.00	\$0.00	\$0.00	\$0.00	\$0.00	\$20,600.00
Support Services	excluding technical and intelligence	\$376,500.00	\$145,960.20	\$56,406.45	\$50,718.95	\$0.00	\$50,718.95	\$249,281.05
Technical Services	grants verification & validation	\$177,775.00	\$146,318.75	\$70,031.25	\$24,456.25	\$0.00	\$24,456.25	\$121,862.50
Broadband Intelligence	data collection, analysis & mapping	\$900,000.00	\$929,201.39	\$529,294.19	\$514,375.44	\$0.00	\$514,375.44	\$414,825.95
Research Services	business models & ROI evaluations	\$250,000.00	\$140,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$250,000.00
Planning Grants		\$246,125.00	\$86,625.00	\$32,750.00	\$30,250.00	\$0.00	\$30,250.00	\$213,375.00
Planning Services	including community mapping services	\$200,000.00	\$12,500.00	\$9,500.00	\$0.00	\$0.00	\$0.00	\$200,000.00
Digital Inclusion		\$100,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Grant Matches		\$750,000.00	\$50,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Infrastructure Fund	separate from restricted grants	\$225,312.50	\$75,000.00	\$75,000.00	\$27,986.96	\$0.00	\$27,986.96	\$197,325.54
Miscellaneous	covers likely deviations	\$50,000.00	\$42.00	\$42.00	\$0.00	\$0.00	\$0.00	\$20,000.00
<b>TOTAL</b>		\$3,725,530.50	\$2,009,456.21	\$979,023.85	\$728,550.50	\$9,646.44	\$738,108.58	\$1,941,644.84
<b>BALANCE</b>		\$210,925.15			\$2,130,207.66	\$700,313.58	\$2,047,386.68	\$887,558.54

**ConnectMaine Authority Financials**  
FY22 Solix ConnectME Fund

Rev. 10.18.21

FINANCIALS	DETAIL	PROPOSED	OBLIGATED	ENCUMBERED	Q1	Q2	Q3	ACTUAL	REMAIN
REVENUE	Carryforward	\$381,041.70	\$1,143,865.22	\$1,143,865.22	\$1,143,865.22			\$1,143,865.22	
Fund	Assessment Fees	\$1,800,000.00			\$449,540.74			\$449,540.74	\$1,350,459.26
NBRC	excludes match	\$1,250,000.00	\$1,250,000.00	\$509,630.30	\$481,215.90	\$0.00	\$0.00	\$0.00	\$768,784.10
NTIA	excludes match & infrastructure	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Interest		\$0.00			\$913.38			\$913.38	
<b>SUBTOTAL</b>		\$3,431,041.70	\$2,393,865.22	\$1,653,495.52	\$2,075,535.24	\$0.00	\$0.00	\$2,075,535.24	\$2,119,243.36
<b>EXPENSES</b>		\$0.00							
Refunds	Closures	\$0.00						\$0.00	
Withdrawals	excluding NECEC	\$0.00						\$0.00	
Financial	Solix, audit, bank charges	\$70,000.00	\$65,000.00	\$10,000.00	\$7,500.00			\$7,500.00	\$57,500.00
Travel	future reimbursements	\$0.00						\$0.00	
Operational Services	subscriptions, conferences	\$20,600.00						\$0.00	\$20,600.00
Support Services	excluding technical and intelligence	\$300,000.00	\$120,460.20	\$56,406.45	\$50,718.95	\$0.00	\$0.00	\$50,718.95	\$249,281.05
Technical Services	grants verification & validation	\$177,775.00	\$146,318.75	\$70,031.25	\$24,456.25	\$0.00	\$0.00	\$24,456.25	\$121,862.50
Broadband Intelligence	data collection, analysis & mapping	\$900,000.00	\$929,201.39	\$529,294.19	\$514,375.44	\$0.00	\$0.00	\$514,375.44	\$414,825.95
Research Services	business models & ROI evaluations	\$250,000.00	\$140,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$250,000.00
Planning Grants		\$243,625.00	\$84,125.00	\$32,750.00	\$30,250.00			\$30,250.00	\$213,375.00
Planning Services	including community mapping services	\$200,000.00	\$12,500.00	\$9,500.00				\$0.00	\$200,000.00
Digital Inclusion		\$100,000.00						\$0.00	
Grant Matches		\$750,000.00	\$50,000.00					\$0.00	
Infrastructure Fund		\$225,312.50	\$75,000.00	\$75,000.00	\$27,986.96			\$27,986.96	\$197,325.54
Miscellaneous	covers likely deviations	\$30,000.00						\$0.00	
<b>TOTAL</b>		\$3,267,312.50	\$1,622,605.34	\$782,981.89	\$655,287.60	\$0.00	\$0.00	\$655,287.60	\$1,724,770.04
<b>BALANCE</b>		\$163,729.20			\$1,420,247.64	\$0.00	\$0.00	\$1,420,247.64	\$394,473.32

**ConnectMaine Authority Financials**

FY22 State Account

Rev. 10.13.21

FINANCIALS	DETAIL	PROPOSED	OBLIGATED	ENCUMBERED	Q1	Q2	Q3	ACTUAL	REMAIN
REVENUE	Carryforward	\$505,413.95	\$783,222.92		\$783,222.92	\$709,960.02		\$709,960.02	\$709,960.02
Fund	Assessment Withdrawal	\$0.00							
Refunds		\$0.00							
<b>SUBTOTAL</b>		\$505,413.95	\$783,222.92		\$783,222.92	\$709,960.02	\$0.00	\$709,960.02	\$709,960.02
<b>EXPENSES</b>									
Financial	DAFS	\$11,600.00	\$11,600.00	\$2,900.00	\$2,574.00			\$2,574.00	\$9,026.00
Website	InformE, OIT & Sewall	\$79,275.00	\$79,275.00	\$5,225.00	\$406.52	\$25.00		\$431.52	\$78,843.48
Administration	Salaries, etc.	\$263,563.00	\$263,153.87	\$187,740.78	\$69,947.46	\$9,621.44		\$79,568.90	\$108,171.88
Cellphones		\$1,080.00	\$1,080.00	\$90.00	\$246.56			\$246.56	\$833.44
Travel	Central Fleet	\$3,000.00	\$3,000.00	\$44.18	\$88.36				
Operational Services	subscriptions, conferences	\$700.00	\$700.00						
Support Services	program & technical, data & maps	\$76,500.00	\$25,500.00						
Planning Grants		\$2,500.00	\$2,500.00						
Miscellaneous	covers likely deviations	\$20,000.00	\$42.00	\$42.00				\$0.00	\$20,000.00
<b>TOTAL</b>		\$458,218.00	\$386,850.87	\$196,041.96	\$73,262.90	\$9,646.44	\$0.00	\$82,820.98	\$216,874.80
<b>BALANCE</b>		\$47,195.95	\$396,372.05		\$709,960.02	\$700,313.58	\$0.00	\$627,139.04	\$493,085.22

**ConnectMaine Authority Financials**

FY22 State Bond Spending

Rev. 10.18.21

FINANCIALS	DETAIL	PROPOSED	OBLIGATED	ENCUMBERED	Q1	Q2	Q3	Q4	ACTUAL	REMAIN
REVENUE	Carryforward	\$2,000,000.00	\$2,000,000.00	\$211,000.00	\$211,000.00	\$211,000.00			\$211,000.00	\$1,789,000.00
Bonds	FY21	\$13,000,000.00	\$3,000,000.00	\$1,789,000.00	\$1,789,000.00	\$1,789,000.00			\$1,789,000.00	\$11,211,000.00
SUBTOTAL		\$15,000,000.00	\$5,000,000.00	\$2,000,000.00	\$2,000,000.00	\$2,000,000.00	\$0.00	\$0.00	\$2,000,000.00	\$13,000,000.00
EXPENSES										
Bond Fees		\$10,000.00							\$0.00	\$10,000.00
Infrastructure Bond		\$14,990,000.00	\$2,027,986.96	\$2,027,986.96	\$2,027,986.96	\$2,027,986.96			\$2,027,986.96	\$12,962,013.04
TOTAL		\$15,000,000.00	\$2,027,986.96	\$2,027,986.96	\$2,027,986.96	\$2,027,986.96	\$0.00	\$0.00	\$2,027,986.96	\$12,972,013.04
BALANCE		\$0.00			\$27,986.96	\$27,986.96	\$0.00	\$0.00	\$27,986.96	\$27,986.96

**ConnectMaine Authority Financials**

Northern Borders Regional Commission Grant

FY21 Q4 thru FY24 Q2

Rev. 10.18.21

FINANCIALS	DETAIL	FY21	PROPOSED	OBLIGATED	ENCUMBERED	Q1	Q2	ACTUAL	REMAIN
REVENUE	Carryforward		\$77,775.00	\$46,318.75	\$46,318.75				
NBRC	excludes match	\$1,250,000.00	\$1,250,000.00	\$1,250,000.00	\$509,630.30	\$481,215.90	\$0.00	\$481,215.90	\$768,784.10
	From ConnectME Fund	\$100,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>SUBTOTAL</b>		\$1,350,000.00	\$1,327,775.00	\$1,296,318.75	\$555,949.05	\$481,215.90	\$0.00	\$481,215.90	\$768,784.10
<b>EXPENSES</b>									
Broadband Intelligence	data collection, analysis & mapping	\$0.00	\$900,000.00	\$900,000.00	\$500,092.80	\$485,174.05		\$485,174.05	\$414,825.95
Technical Services	grants verification & validation	\$53,681.25	\$177,775.00	\$146,318.75	\$70,031.25	\$24,456.25		\$24,456.25	\$121,862.50
Research Services	business models & ROI evaluations	\$0.00	\$250,000.00	\$140,000.00				\$0.00	\$250,000.00
<b>TOTAL</b>		\$53,681.25	\$1,327,775.00	\$1,186,318.75	\$570,124.05	\$509,630.30	\$0.00	\$509,630.30	\$786,688.45
<b>BALANCE</b>		\$1,296,318.75	\$0.00	\$110,000.00				<b>\$28,414.40</b>	

**ConnectMaine Authority Financials**  
 NTIA Public Private Partnership and Tribal Grants

Rev. 10.18.21

FINANCIALS	DETAIL	PROPOSED	OBLIGATED	ENCUMBERED	Q1	Q2	ACTUAL	REMAIN
REVENUE	Carryforward							
NTIA	excludes match						\$0.00	\$0.00
Match	From ConnectME Fund	\$700,000.00	\$585,123.00		\$0.00	\$0.00	\$0.00	\$700,000.00
SUBTOTAL		\$700,000.00	\$585,123.00	\$0.00	\$0.00	\$0.00	\$0.00	\$700,000.00
EXPENSES								
Support Services	excluding technical and intelligence	\$20,000.00	\$100,000.00	\$46,156.25	\$40,468.75		\$40,468.75	\$59,531.25
Broadband Intelligence	data collection, analysis & mapping	\$30,000.00	\$28,701.39	\$28,701.39	\$28,701.39		\$28,701.39	\$0.00
Technical Services	grants verification & validation							
Research Services	business models & ROI evaluations	\$0.00						
Infrastructure PPP								
TOTAL		\$50,000.00	\$128,701.39	\$74,857.64	\$69,170.14	\$0.00	\$69,170.14	\$59,531.25
BALANCE			\$456,421.61				\$69,170.14	



# CONNECTMAINE

ConnectMaine Authority Members: Nick Battista, Jasmine Bishop, Fred Britain, Susan Corbett, Heather Johnson, Jeff Letourneau, Liz Wyman

Office of the State Controller  
Financial Reporting & Analysis  
[April.D.Newman@maine.gov](mailto:April.D.Newman@maine.gov); [Melissa.Perkins@maine.gov](mailto:Melissa.Perkins@maine.gov)

15 October 2021

RE: DRAFT FINANCIAL STATEMENTS TRANSMITTAL

Dear Ms. Newman and Ms. Perkins:

This transmittal is furnished to you in response to your request for certain representations by the ConnectMaine Authority in connection with the audit of the general purpose financial statements the State of Maine, which will include the financial statements of the the ConnectMaine Authority, “the Component Unit,” for the fiscal year ended 2021.

I represent to you the following on behalf of the Component Unit to the best of my knowledge and belief:

- The financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows of the Component Unit in conformity with accounting principles generally accepted in the United States of America. I confirm that I am responsible for the fair presentation in the financial statements of financial position, results of operations, and cash flows in conformity with generally accepted accounting principles.
- The financial statements contained herein represent the inclusion of all component units, and the disclosure of all joint ventures and other related organizations, if applicable.
- The financial statements are complete and only require acceptance by the Component Unit’s Board of Trustees. This acceptance is anticipated to occur on 20 October 2021. All disclosures contained herein have been audited by the Component Unit’s independent auditor in accordance with Generally Accepted Governmental Auditing Standards.
- No material instances of noncompliance with the provisions of The Office of Management and Budget (OMB) Circular A-133, based on the requirements of the Single Audit Act (as amended) have occurred.

Sincerely,

A handwritten signature in cursive script that reads 'Peggy Schaffer'.

Peggy Schaffer  
Executive Director

# DRAFT

## ConnectMaine Authority

(A component unit of the State of Maine)

Financial Statements

Year Ended June 30, 2021

**CONNECTMAINE**



**WIPFLI**

## Independent Auditor's Report

To the Authority Members  
ConnectMaine Authority  
Augusta, Maine

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, and major fund of ConnectMaine Authority (the "Authority"), a component unit of the State of Maine, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States; 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 opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States 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 opinions.

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and major fund of the ConnectMaine Authority, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States.

## Other Matters

### Required Supplementary Information

Accounting principles generally accepted in the United States require that the management's discussion and analysis on pages 3 through 5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The Combining Schedule of Revenues, expenditures and Change in Fund Balance - Special Revenue Fund, on page 17, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Combining Schedule of Revenues, Expenditures and Change in Fund Balance - Special Revenue Fund is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Schedule of Revenues, Expenditures and Change in Fund Balance - Special Revenue Fund is fairly stated in all material respects in relation to the basic 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 **October 15, 2021**, on our consideration of the ConnectMaine Authority's basic 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 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 the Authority'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 the Authority's internal control over financial reporting and compliance.

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## ConnectMaine Authority

### Management's Discussion and Analysis

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The following narrative overview and analysis is intended to assist the readers in understanding the financial activities of ConnectMaine Authority (the Authority) for the fiscal year ended June 30, 2021. Information contained within the discussion and analysis should be considered in conjunction with the basic financial statements when focusing on significant financial issues and identifying any significant changes in financial position.

#### Overview of the Authority

The Authority was created through the passage of 35-A MRSA §9202-A with the objective of stimulating investment in advanced communications technology infrastructure in unserved or underserved areas in the State of Maine. The Authority is governed by seven members, four of which are appointed by the Governor of the State of Maine.

In accordance with 35-A MRSA §9204-A (1), the Authority shall establish criteria defining unserved and underserved areas. The criteria will ensure that an area is not determined to be an unserved or underserved area if the effect of the determination would inhibit or impede private investment in any area or diminish the value of prior investment in advanced communications technology infrastructure within an area. The Authority defined the criteria, as well as other operation guidelines by adopting public rule 99-639 Chapter 101.

The Authority has created the first comprehensive geographic inventory of high-speed internet services statewide for use in identifying unserved and underserved areas based on the criteria defined in Chapter 101. The Broadband Mapping and Inventory Project assists the Authority in developing a Broadband Capacity Building Plan to support broadband growth, disseminate technical information about broadband availability, and further improve understanding of opportunities to enhance broadband throughout the State of Maine.

Under 35-A MRSA §9204-A (4), the Authority is directed to expand the availability of broadband service to residential and small business customers in unserved or underserved areas by identifying, developing and providing funding for broadband investments in unserved and underserved communities. To achieve this objective, the Authority has established a grant program entitled Funds for Broadband Infrastructure Projects. Additionally, under 35-A MRSA §9204-A (3), the Authority is directed to provide technical and financial assistance to communities in the State that include unserved and underserved areas to identify the need for broadband infrastructure and services and develop and implement plans to meet those needs. To achieve this objective, the Authority has established a grant program entitled Community Broadband Planning Grants.

#### Financial Highlights

The Authority's program revenues and expenditures in the Statement of Activities for the year ended June 30, 2021 were \$7,607,111 and \$7,178,150, respectively.

The Authority's net position as of June 30, 2021 was \$2,313,715. The term "net position" refers to the difference between assets, less deferred inflows of resources and liabilities. Net position was all restricted as of June 30, 2021. The change in net position for the year ended June 30, 2021 was an increase of \$428,961.

#### Overview of the Financial Statements

The financial statements are designed to provide readers with an overview of the Authority's financial resources,

# DRAFT

## ConnectMaine Authority

### Management's Discussion and Analysis (Continued)

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expenditures and remaining resources available for future periods.

The financial statements on pages 6 and 7 represent the Authority's Statement of Net Position and Statement of Activities, respectively. These statements focus on the net position remaining as an indicator of the Authority's financial health. The statements include all assets and liabilities using the accrual basis of accounting, which is an accounting method used by most private-sector companies.

The financial statements on pages 8 and 9 represent the Authority's Special Revenue Fund. The fund focuses on how money flows into and out of the Authority and balances left at the end of the reporting period on the modified accrual basis of accounting. The modified accrual basis of accounting measures cash and all other financial assets that can be readily converted into cash. Basically, the fund financial statements provide a short-term perspective on financial sources and any fund balance that can be spent in the near future on the Authority's programs.

The other supplemental schedule, Combining Schedule of Revenues, Expenditures and Change in Fund Balance - Special Revenue Fund, provides details that support the primary financial statements and offer the reader a breakdown of various expenditures by governmental activities.

#### Financial Analysis

A comparative analysis to the prior year for the Statement of Net Position and Statement of Activities is not presented as there are no adjustments between the fund financial statements and the government-wide financial statements.

#### Balance Sheet - Governmental Fund

	2021
<hr/>	
Assets	
Cash and cash equivalents	\$ 2,144,399
Other assets	908,595
Due from other governments	783,223
<b>Total Assets</b>	<b>3,836,217</b>
<hr/>	
Liabilities	
Accounts payable	522,502
<b>Total Liabilities</b>	<b>522,502</b>
<hr/>	
Deferred Inflows of Resources	
Unearned revenue	1,000,000
<hr/>	
<b>Fund Balance - Restricted</b>	<b>2,313,715</b>
<hr/>	
<b>Total Liabilities and Fund Balance</b>	<b>\$ 3,836,217</b>
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# DRAFT

## ConnectMaine Authority

### Management's Discussion and Analysis (Continued)

Unearned revenues are funds from New England Clean Energy Connect to provide grants to support the implementation and maintenance of high-speed broadband infrastructure in host communities. As of June 30, 2021, none of the funds received have been expended.

#### Statement of Revenues, Expenditures and Change in Fund Balance - Governmental Fund

	2021
Revenues	
Federal grants	\$ 5,940,920
Assessments	1,664,173
Other	2,018
<b>Total Revenues</b>	<b>7,607,111</b>
Expenditures	
Management	234,727
Contract services	6,940,573
Other	2,850
<b>Total Expenditures</b>	<b>7,178,150</b>
<b>Excess of Revenues over Expenditures</b>	<b>428,961</b>
<b>Fund Balance, Beginning</b>	<b>1,884,754</b>
<b>Fund Balance, Ending</b>	<b>\$ 2,313,715</b>

The Federal grant is for the Coronavirus Relief Funds and Northern Border Regional Commission. The 2021 management line item reflects staff compensation. Contract services is the category that includes planning and infrastructure grant awards. There is no 2020 comparison due to an audit not being performed for the year ended June 30, 2020.

#### Other Financial Information

The Authority has no capital assets.

The Authority had no borrowing activity during the year. The Authority was approved for \$15 million bonds to be used over the next several fiscal years.

The Authority has various commitments to vendors for fund administration, audit services, and grants for broadband planning and expansion with various end dates. The total amount of these commitments as of June 30, 2021 is approximately \$1,306,851.

This financial report is intended to provide readers with a general overview of ConnectMaine Authority's finances and show accountability for expenditures relating to its program activities. If you have questions regarding this report or need additional information, please contact the Director of ConnectMaine Authority.

# DRAFT

## ConnectMaine Authority

### Statement of Net Position

<i>June 30, 2021</i>	Governmental Activities
<b>Assets</b>	
Cash and cash equivalents	\$ 2,144,399
Accounts receivable	447,858
Grant receivable	460,737
Due from other governments	783,223
<b>Total Assets</b>	<b>3,836,217</b>
<b>Liabilities</b>	
Accounts payable	522,502
<b>Total Liabilities</b>	<b>522,502</b>
<b>Deferred Inflows of Resources</b>	
Unearned Revenue	1,000,000
<b>Net Position</b>	
Restricted for:	
Advanced communication technology infrastructure	\$ 2,313,715

See accompanying notes to financial statements.

# DRAFT

## ConnectMaine Authority

### Statement of Activities

Year Ended June 30, 2021

Functions/Programs	Program Revenues			Net (Expense) Revenue and Change in Net Position
	Expenses	Charges for Services	Operating Grants, Assessments, and Contributions	
Governmental Activities			Capital Grants and Contributions	Governmental Activities
General and administrative	\$ 306,273	\$	\$ 1,664,173	\$ 1,357,900
Grants for broadband expansion	6,683,398		5,940,920	(742,478)
Grants for community broadband planning	106,535			(106,535)
Mapping and inventory	3,500			(3,500)
Support Services	78,444			(78,444)
<b>Total Governmental Activities</b>	<b>7,178,150</b>	<b>-</b>	<b>7,605,093</b>	<b>426,943</b>
General revenues				2,018
Interest				
<b>Total general revenues</b>				<b>2,018</b>
Change in Net Position				428,961
Net Position, Beginning				1,884,754
<b>Net Position, Ending</b>				<b>\$ 2,313,715</b>

See accompanying notes to financial statements.

# DRAFT

## ConnectMaine Authority

### Balance Sheet - Governmental Fund

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<i>Year Ended June 30, 2021</i>	Special Revenue Fund
<b>Assets</b>	
Cash and cash equivalents	\$ 2,144,399
Accounts receivable	447,858
Grant receivable	460,737
Due from other governments	783,223
<hr/>	
<b>Total Assets</b>	<b>3,836,217</b>
<hr/>	
<b>Liabilities, Deferred Inflows of Resources and Fund Balance</b>	
<b>Liabilities</b>	
Accounts payable	522,502
<hr/>	
<b>Total Liabilities</b>	<b>522,502</b>
<hr/>	
<b>Deferred Inflows of Resources</b>	
Unearned Revenue	1,000,000
<hr/>	
<b>Fund Balance</b>	
Restricted for:	
Advanced communications technology infrastructure	2,313,715
<hr/>	
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 3,836,217</b>
<hr/>	

See accompanying notes to financial statements.

# DRAFT

## ConnectMaine Authority

### Statement of Revenues, Expenditures and Change in Fund Balance - Governmental Fund

<i>Year Ended June 30, 2021</i>	Special Revenue Fund
Revenues	
Assessments	\$ 1,664,173
Federal grants	5,940,920
Interest	2,018
<b>Total Revenues</b>	<b>7,607,111</b>
Expenditures	
Management	234,727
Purchased professional and technical services	
Contract services	
Broadband infrastructure grants	6,683,398
Community broadband planning grants	106,535
Mapping	3,500
Support Services	78,444
Fund Administration	68,696
Miscellaneous	2,850
<b>Total Expenditures</b>	<b>7,178,150</b>
Excess of Revenues Over Expenditures/Net Change in Fund Balance	428,961
Fund Balance, Beginning	1,884,754
<b>Fund Balance, Ending</b>	<b>\$ 2,313,715</b>

See accompanying notes to financial statements.

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## ConnectMaine Authority

### Notes to Financial Statements

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#### **Note 1: Summary of Significant Accounting Policies.**

Under the criteria of Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity," as amended by GASB Statement No. 61, "The Financial Reporting Entity: Omnibus," as outlined below under Reporting Entity, ConnectMaine Authority (the Authority) is considered a component unit of the State of Maine. Accordingly, the financial statements of the Authority will be incorporated into the State of Maine's financial statements.

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The GASB is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of these accounting policies are described below.

#### **Reporting Entity**

In evaluating the Authority as a reporting entity, management has addressed all potential component units for which the Authority may or may not be financially accountable and, as such, be includable within the Authority's financial statements. In accordance with GASB Statement No. 14, as amended by GASB Statement No. 61, the Authority is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization, or (2) there is a potential for the organization to provide specific financial benefit to or impose specific financial burden on the Authority. Additionally, the Authority is required to consider other organizations for which the nature and significance of their relationship with the Authority are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Based on the application of these criteria, there are no other entities that should be included as part of these financial statements.

The Authority was created through 35-A MRSA §9202 to stimulate investment in advanced communications technology infrastructure in unserved or underserved areas in the State of Maine. The Authority is governed by seven members, four of which are appointed by the Governor of the State of Maine.

In accordance with 35-A MRSA §9204-A (1), the Authority shall establish criteria defining unserved and underserved areas. The criteria will ensure that an area is not determined to be an unserved or underserved area if the effect of the determination would inhibit or impede private investment in any area or diminish the value of prior investment in advanced communications technology infrastructure within an area. The Authority defined the criteria, as well as other operation guidelines, by adopting public rule 99-639 Chapter 101.

The Authority created the first comprehensive geographic inventory of high-speed internet services statewide for use in identifying unserved and underserved areas based on the criteria defined in Chapter 101. The Broadband Mapping and Inventory Project assists the Authority in developing a Broadband Capacity Building Plan to support broadband growth, disseminate technical information about broadband availability, and further improve understanding of opportunities to enhance broadband throughout the State of Maine.

# DRAFT

## ConnectMaine Authority

### Notes to Financial Statements

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#### **Note 1: Summary of Significant Accounting Policies (Continued)**

##### **Reporting Entity (Continued)**

Under 35-A MRSA §9204-A (4), the Authority is directed to expand the availability of broadband service to residential and small business customers in unserved or underserved areas by identifying, developing and providing funding for broadband investments in unserved and underserved communities. To achieve this objective, the Authority has established a grant program entitled Funds for Broadband Infrastructure Projects. As of June 30, 2021, the Authority has awarded grants for 171 infrastructure projects, using an application and approval process, with plans designed to provide high-speed internet service to subscribers in unserved and underserved areas of Maine.

Under 35-A MRSA §9204-A (3), the Authority is directed to provide technical and financial assistance to communities in the State that include unserved and underserved areas to identify the need for broadband infrastructure and services and develop and implement plans to meet those needs. To achieve this objective, the Authority has established a grant program entitled Community Broadband Planning Grants. As of June 30, 2021, the Authority has awarded 32 planning efforts, using an application and approval process, with grants designed to assist municipalities, nonprofit organizations or local regional development programs in developing plans to expand broadband in unserved or underserved areas.

To provide funding for the Authority, 35-A MRSA §9211 established the ConnectME Fund as a non-lapsing fund for the purpose of supporting the activities and projects of the Authority. The Fund allows the Authority to assess a fee to every communications service provider on a competitively neutral basis. The assessment may not exceed 0.25% of the revenue received or collected for all communications services provided in the State of Maine by the communications service provider. The Authority has set the assessment rate at the maximum of 0.25%. Beginning January 1, 2020, the Authority imposed a surcharge of \$.10 per line or number.

35-A MRSA §9211-A establishes the Municipal Gigabit Broadband Network Access Fund for the purpose of providing grants to communities, regional partnerships and municipalities to support a municipal gigabit fiber-optic broadband network in their regions. There was no activity under this fund for the year ended June 30, 2021.

All revenues derived by the Authority from any assessment, transfer of funds, lease, assignment, rental agreement or other disposition or any other revenue must be used for the purpose of the Authority's objectives in accordance with 35-A MRSA §9213.

##### **Basis of Presentation**

The Authority's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provides a more detailed level of financial information.

# DRAFT

## ConnectMaine Authority

### Notes to Financial Statements

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#### **Note 1: Summary of Significant Accounting Policies** (Continued)

##### **Basis of Presentation** (Continued)

###### *Government-Wide Financial Statements*

The statement of net position and the statement of activities display information about the Authority's special-purpose activities. These statements reflect the financial activity of the Authority's governmental program. The governmental activity is generally financed through a federal operating grant and communication service provider assessments.

###### *Fund Financial Statements*

The fund financial statements provide information about the Authority's governmental fund. The Authority reports the following governmental fund:

###### *Special Revenue Fund*

The Special Revenue Fund is a governmental fund type used to account for federal, state and other financial programs where unused balances are returned to the grantor at the close of specified project periods, if necessary. Project accounting is employed to maintain integrity for the various sources of funds. Generally, revenues in the Special Revenue Fund are restricted or committed to expenditure for specified purposes.

#### **Measurement Focus and Basis of Accounting**

##### Government-Wide Financial Statements

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

##### Government Funds

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. General capital asset acquisitions are reported as expenditures in governmental funds.

# DRAFT

## ConnectMaine Authority

### Notes to Financial Statements

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#### **Note 1: Summary of Significant Accounting Policies (Continued)**

##### **Use of Estimates**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States 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 expenditures during the reporting period. Actual results could differ from those estimates.

##### **Accounts Receivable**

Accounts receivable consist of communication service provider assessments and have been adjusted for all known uncollectible accounts. No allowance for doubtful accounts is considered necessary at June 30, 2021.

##### **Unearned Revenue**

Unearned revenue consists of funds received from New England Energy Connect to establish a \$10 million NECEC Broadband Fund to provide grants to support the implementation and maintenance of high-speed broadband infrastructure in host communities. As of June 30, 2021, \$1 million has been received, and none of these funds have been expended.

##### **Fund Balances**

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Authority is bound to honor constraints on the specific purposes for which amounts in the governmental funds can be spent. The classifications used in the governmental fund financial statements are, as follows:

- **Nonspendable** – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. All amounts reported as nonspendable by the Authority are nonspendable in form. The Authority has not reported any amounts that are legally or contractually required to be maintained intact.
- **Restricted** – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation. The Authority's fund balance is restricted by legislation established by the State of Maine.
- **Committed** – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to rules established by the Authority Members. Commitments may be modified or rescinded only through approval of the Authority Members.

# DRAFT

## ConnectMaine Authority

### Notes to Financial Statements

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#### **Note 1: Summary of Significant Accounting Policies (Continued)**

##### **Fund Balances (Continued)**

- Assigned – includes amounts that the Authority intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance.
- Unassigned – includes negative residual fund balance that cannot be eliminated by the offsetting of assigned fund balance amounts within the special revenue fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Authority considers restricted funds to have been spent first. When an expenditure is incurred for which committed or assigned fund balances are available, the Authority considers amounts to have been spent first out of committed funds, then assigned funds as needed.

##### **Restriction on Net Position**

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. The restricted net position of the Authority is restricted by legislation established by the State of Maine. The Authority's restricted net position is restricted for the activities established in the governing law which formed the Authority. The Authority's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

#### **Note 2: Cash and Cash Equivalents**

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority does not have a formal deposit policy for custodial credit risk. The Authority's deposits are held in a checking account and an Insured Cash Sweep account at Androscoggin Savings Bank.

At June 30, 2021, the Authority's bank balances totaled \$2,144,399. Of this balance, a portion was held in a checking account that was fully insured by the Federal Deposit Insurance Corporation (FDIC). The remaining balance was held by Androscoggin Savings Bank in an Insured Cash Sweep account in which the bank, as agent and custodian, places the balance in deposit accounts in various FDIC-insured institutions with each deposit account below the FDIC maximum.

#### **Note 3: Economic Dependency**

Three communication service providers consist of 68% of the Authority's total assessment revenue for the year ended June 30, 2021.

#### **Note 4: Commitments**

The Authority has contracted with vendors to provide various services, including broadband expansion and high-speed internet mapping. The total commitment to the vendors as of June 30, 2021 was approximately \$1,306,851.

# DRAFT

## ConnectMaine Authority

### Notes to Financial Statements

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#### Note 4: Commitments (Continued)

The Authority awards grants to awardees to plan and provide high-speed internet service to customers in unserved areas in Maine. The Authority awards 25% of the grant to the awardee upon approval for infrastructure grants and awards 50% of the grant to the awardee upon approval for planning grants and subsequently reimburses the awardee for costs incurred up to the total award amount. As of June 30, 2021, the total amount of grants to be paid on approved agreements was approximately \$121,000.

#### Note 5: Contingencies

The Authority participates in a federal grant program, which is governed by various rules and regulations of the respective oversight agency. Costs charged to the program and claims for reimbursement are subject to audit and adjustment by the respective oversight agency. Therefore, to the extent that the Authority has not complied with rules and regulations governing the program, refunds of any money received may be required. In the opinion of the Authority, there is no significant contingent liability relating to compliance with the rules and regulations governing the program. Additionally, no determination has been made with respect to refunding of interest earned on federal funds. The amount of refund, if any, would be immaterial to the financial statements taken as a whole. Therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

#### Note 6: Transactions with the Primary Government

The Authority reimburses the State of Maine for salaries and benefits of its management personnel, as well as map hosting and certain administrative expenses. The total amount of expenditures to the State of Maine for the year ended June 30, 2021 is, as follows:

Office of Information Technology - management	\$ 234,727
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#### Note 7: Subsequent Events

The Authority has evaluated subsequent events through **October 15, 2021**, which is the date the financial statements were available to be issued.

# DRAFT

## **Supplementary Information**

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# DRAFT

## ConnectMaine Authority

### Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Special Revenue Fund

Year Ended June 30, 2021	General and Administrative	Grants for Broadband Expansion	Grants for Community Planning	Mapping	Coronavirus Relief Funds	Total
<b>Revenues</b>						
Federal Grants						
Assessments	\$ 1,664,173	\$ 460,737	\$ -	\$ -	\$ 5,480,183	\$ 1,664,173
Federal grants						5,940,920
Broadband sustainability fee						
Interest	2,018					2,018
<b>Total Revenues</b>	<b>1,666,191</b>	<b>460,737</b>	<b>-</b>	<b>-</b>	<b>5,480,183</b>	<b>7,607,111</b>
<b>Expenditures</b>						
Management	234,727					234,727
Purchased professional and technical services						
Contract services						
Broadband infrastructure grants		1,203,215			5,480,183	6,683,398
Community broadband planning grants			106,535			106,535
Mapping				3,500		3,500
Support Services	78,444					78,444
Fund administration	68,696					68,696
Miscellaneous	2,850					2,850
<b>Total Expenditures</b>	<b>384,717</b>	<b>1,203,215</b>	<b>106,535</b>	<b>3,500</b>	<b>5,480,183</b>	<b>7,178,150</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>1,281,474</b>	<b>(742,478)</b>	<b>(106,535)</b>	<b>(3,500)</b>	<b>-</b>	<b>428,961</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in		742,478	106,535	3,500		852,513
Transfers out	(852,513)					(852,513)
<b>Total Other Financing Sources (Uses)</b>	<b>(852,513)</b>	<b>742,478</b>	<b>106,535</b>	<b>3,500</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>428,961</b>					<b>428,961</b>
Fund Balance, Beginning	1,884,754					1,884,754
Fund Balance, Ending	\$ 2,313,715	\$ -	\$ -	\$ -	\$ -	\$ 2,313,715

# DRAFT

## ConnectMaine Authority

(A component unit of the State of Maine)

Single Audit Report

Year Ended June 30, 2021

**CONNECTMAINE**

# DRAFT

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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*

To the Authority Members  
ConnectMaine Authority  
Augusta, 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 the governmental activities and major fund of ConnectMaine Authority, a component unit of the State of Maine, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise ConnectMaine Authority's basic financial statements, and have issued our report thereon, dated **October 15, 2021**.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered ConnectMaine Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of ConnectMaine Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of ConnectMaine Authority'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.

# DRAFT

To the Authority Members  
ConnectMaine Authority

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the ConnectMaine Authority's financial statements are free from 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 financial statements. 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 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

South Portland, Maine  
October 15, 2021

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

To the Authority Members  
ConnectMaine Authority  
Augusta, Maine

### **Report on Compliance for Each Major Federal Program**

We have audited ConnectMaine Authority'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 ConnectMaine Authority's major federal programs for the year ended June 30, 2021. ConnectMaine Authority's major federal programs are identified in the summary of auditors' 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.

#### ***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of ConnectMaine Authority'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 the ConnectMaine Authority'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 ConnectMaine Authority's compliance.

#### ***Opinion on Each Major Program***

In our opinion, ConnectMaine Authority 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 June 30, 2021.

## Report on Internal Control over Compliance

Management of ConnectMaine Authority 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 the ConnectMaine Authority'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 ConnectMaine Authority'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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, and the major fund of ConnectMaine Authority as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise ConnectMaine Authority's basic financial statements. We issued our report thereon, dated **October 15, 2021**, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. 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 basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

# DRAFT

## Schedule of Expenditures of Federal Awards

Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Amount Provided to Subrecipient
<b>U.S. Department of Treasury</b>				
<u>Pass-Through State of Maine Department of Education</u> COVID19 – Coronavirus Relief Fund	21.019	N/A	<u>5,480,183</u>	
<b>Total U.S. Department of Treasury</b>			<u>5,480,183</u>	
<b>Election Assistance Commission</b>				
Northern Border Regional Development	90.601	N/A	<u>460,737</u>	
<b>Total Election Assistance Commission</b>			<u>460,737</u>	
<b>Total Expenditures of Federal Awards</b>			<u>\$ 5,940,920</u>	<u>\$ 0</u>

## Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2021

### NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of ConnectMaine Authority under programs of the federal government for the year ended June 30, 2021. 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 the ConnectMaine Authority, it is not intended to and does not present the financial position of the governmental activities, the business-type activities, the major fund, and the aggregate remaining fund information of ConnectMaine Authority, as of June 30, 2021, and respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### 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.
3. ConnectMaine Authority has not elected to use the 10% de minimis indirect cost rate as allowed under Uniform Guidance.

### NOTE 3 – SUBRECIPIENTS

1. ConnectMaine Authority does not have any subrecipients or subrecipient expenses.

## Schedule of Expenditures of Federal Awards

Year Ended June 30, 2020

### Section I Summary of Auditors' 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  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 auditors' report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported  
in accordance with Section 2 CFR 200.516(a) of the  
Uniform Guidance? Yes  No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.019	Coronavirus Relief Funds

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 noted

### Section III Federal Award Findings

None noted

### Section IV Summary Schedule of Prior Year Findings

None noted

**ConnectME Authority**  
**Year End: June 30, 2021**  
**Working Trial Balance**

**WTB**

<b>Started</b>	<b>Completed</b> KF 10/13/2021	<b>Reviewed</b>
<b>Prtnr Approval</b> CAS 10/13/2021	<b>Concur Review</b>	

Account	Prelim	Adj's	Reclass	Rep	Rep 06/20	Amount	Chg	%Chg
10040 MUNI Cash - ConnectME	1,143,865.00	0.00	0.00	1,143,865.00	18,341.00	1,125,524.00	6137	
10050 MUNI Cash - NECEC	1,000,534.00	0.00	0.00	1,000,534.00	0.00	1,000,534.00	0	
ConnectME Authority	2,144,399.00	0.00	0.00	2,144,399.00	18,341.00	2,126,058.00	1592	
<b>1110.100 Cash</b>	<b>2,144,399.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2,144,399.00</b>	<b>18,341.00</b>	<b>2,126,058.00</b>	<b>1592</b>	
11300-08572 MUNI Accounts Receivable - ConnectME	23,696.00	0.00	0.00	23,696.00	(3,663.00)	27,359.00	(747)	
11350-08572 MUNI AR - ConnectME	424,162.00	0.00	0.00	424,162.00	418,796.00	5,366.00	1	
ConnectME Authority	447,858.00	0.00	0.00	447,858.00	415,133.00	32,725.00	8	
<b>1140.100 Trade</b>	<b>447,858.00</b>	<b>0.00</b>	<b>0.00</b>	<b>447,858.00</b>	<b>415,133.00</b>	<b>32,725.00</b>	<b>8</b>	
11300-08574- NBRC MUNI A/R - NBRC Grant	0.00	460,737.00	0.00	460,737.00	0.00	460,737.00	0	
ConnectME Authority	0.00	460,737.00	0.00	460,737.00	0.00	460,737.00	0	
<b>1140.199 Other receivables</b>	<b>0.00</b>	<b>460,737.00</b>	<b>0.00</b>	<b>460,737.00</b>	<b>0.00</b>	<b>460,737.00</b>	<b>0</b>	
1001-01 DAFS MUNI Due from State	783,223.00	0.00	0.00	783,223.00	0.00	783,223.00	0	
ConnectME Authority	783,223.00	0.00	0.00	783,223.00	0.00	783,223.00	0	
<b>1149.100 Due from other governments</b>	<b>783,223.00</b>	<b>0.00</b>	<b>0.00</b>	<b>783,223.00</b>	<b>0.00</b>	<b>783,223.00</b>	<b>0</b>	
20100-08572 MUNI AP Vouchers Payable	(520,002.00)	0.00	0.00	(520,002.00)	0.00	(520,002.00)	0	
26900-08572 MUNI Other Accruals - ConnectME	(2,500.00)	0.00	0.00	(2,500.00)	0.00	(2,500.00)	0	
ConnectME Authority	(522,502.00)	0.00	0.00	(522,502.00)	0.00	(522,502.00)	0	
<b>2150.100 Accounts payable</b>	<b>(522,502.00)</b>	<b>0.00</b>	<b>0.00</b>	<b>(522,502.00)</b>	<b>0.00</b>	<b>(522,502.00)</b>	<b>0</b>	
27200 MUNI Deferred Revenues	(347,107.00)	(652,893.00)	0.00	(1,000,000.00)	(347,107.00)	(652,893.00)	188	
ConnectME Authority	(347,107.00)	(652,893.00)	0.00	(1,000,000.00)	(347,107.00)	(652,893.00)	188	
<b>2190.100 Deferred revenue-other</b>	<b>(347,107.00)</b>	<b>(652,893.00)</b>	<b>0.00</b>	<b>(1,000,000.00)</b>	<b>(347,107.00)</b>	<b>(652,893.00)</b>	<b>188</b>	
30090-08572 MUNI Fund Balance - ConnectME	1,184,179.00	0.00	0.00	1,184,179.00	(353,824.00)	1,538,003.00	(435)	
30100-08572 MUNI Fund Balance - ConnectME	(1,270,546.00)	(347,107.00)	0.00	(1,617,653.00)	(1,270,546.00)	(347,107.00)	27	
3000-01 DAFS MUNI Fund balance	(1,451,280.00)	0.00	0.00	(1,451,280.00)	0.00	(1,451,280.00)	0	
ConnectME Authority	(1,537,647.00)	(347,107.00)	0.00	(1,884,754.00)	(1,624,370.00)	(260,384.00)	16	
<b>3600.10.60 Fund Balance</b>	<b>(1,537,647.00)</b>	<b>(347,107.00)</b>	<b>0.00</b>	<b>(1,884,754.00)</b>	<b>(1,624,370.00)</b>	<b>(260,384.00)</b>	<b>16</b>	
90110-08573 MUNI Revenue - NECEC	(1,000,000.00)	1,000,000.00	0.00	0.00	0.00	0.00	0	
ConnectME Authority	(1,000,000.00)	1,000,000.00	0.00	0.00	0.00	0.00	0	
<b>4500.140.50 Other</b>	<b>(1,000,000.00)</b>	<b>1,000,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>	
4100-01 CRF MUNI CRF grant revenue	0.00	(5,480,183.00)	0.00	(5,480,183.00)	0.00	(5,480,183.00)	0	
90010-00-08754 - NBRC MUNI Grant Revenue - NBRC	0.00	(460,737.00)	0.00	(460,737.00)	0.00	(460,737.00)	0	
ConnectME Authority	0.00	(5,940,920.00)	0.00	(5,940,920.00)	0.00	(5,940,920.00)	0	
<b>4500.150.00 Federal Sources</b>	<b>0.00</b>	<b>(5,940,920.00)</b>	<b>0.00</b>	<b>(5,940,920.00)</b>	<b>0.00</b>	<b>(5,940,920.00)</b>	<b>0</b>	
90010-08572 MUNI Settlement Revenue - ConnectME	(1,664,173.00)	0.00	0.00	(1,664,173.00)	(1,406,309.00)	(257,864.00)	18	
ConnectME Authority	(1,664,173.00)	0.00	0.00	(1,664,173.00)	(1,406,309.00)	(257,864.00)	18	
<b>4500.150.21 Assessments</b>	<b>(1,664,173.00)</b>	<b>0.00</b>	<b>0.00</b>	<b>(1,664,173.00)</b>	<b>(1,406,309.00)</b>	<b>(257,864.00)</b>	<b>18</b>	
90900-08572 MUNI Interest Income - ConnectME	(1,484.00)	0.00	0.00	(1,484.00)	(1,137.00)	(347.00)	31	
90900-08573 MUNI Interest Income - NECEC	(534.00)	0.00	0.00	(534.00)	0.00	(534.00)	0	
ConnectME Authority	(2,018.00)	0.00	0.00	(2,018.00)	(1,137.00)	(881.00)	77	
<b>4600.400.00 Interest</b>	<b>(2,018.00)</b>	<b>0.00</b>	<b>0.00</b>	<b>(2,018.00)</b>	<b>(1,137.00)</b>	<b>(881.00)</b>	<b>77</b>	

**ConnectME Authority**  
**Year End: June 30, 2021**  
**Working Trial Balance**

WTB-1

Started	Completed KF 10/13/2021	Reviewed
Prtnr Approval CAS 10/13/2021	Concur Review	

Account	Prelim	Adj's	Reclass	Rep	Rep 06/20	Amount	Chg	%Chg
56500-08572 MUNI Misc. Expense - ConnectME	199.00	0.00	0.00	199.00	0.00	199.00	0	
5000-06 DAFS MUNI General Operations	1,586.00	0.00	0.00	1,586.00	0.00	1,586.00	0	
5000-08 DAFS MUNI Cell Phone	1,065.00	0.00	0.00	1,065.00	0.00	1,065.00	0	
ConnectME Authority	<b>2,850.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2,850.00</b>	<b>0.00</b>	<b>2,850.00</b>	<b>0</b>	
<b>4600.500.00 Miscellaneous</b>	<b>2,850.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2,850.00</b>	<b>0.00</b>	<b>2,850.00</b>	<b>0</b>	
5000-09 DAFS MUNI Grants/BBSF	740,460.00	0.00	(665,050.00)	75,410.00	0.00	75,410.00	0	
40000-08572-000GRANT MUNI ConnectME Disbursements	31,125.00	0.00	0.00	31,125.00	0.00	31,125.00	0	
ConnectME Authority	<b>771,585.00</b>	<b>0.00</b>	<b>(665,050.00)</b>	<b>106,535.00</b>	<b>0.00</b>	<b>106,535.00</b>	<b>0</b>	
<b>5000.020.03 Community broadband planning grants</b>	<b>771,585.00</b>	<b>0.00</b>	<b>(665,050.00)</b>	<b>106,535.00</b>	<b>0.00</b>	<b>106,535.00</b>	<b>0</b>	
5000-02 DAFS MUNI Personnel Services	234,727.00	0.00	0.00	234,727.00	0.00	234,727.00	0	
ConnectME Authority	<b>234,727.00</b>	<b>0.00</b>	<b>0.00</b>	<b>234,727.00</b>	<b>0.00</b>	<b>234,727.00</b>	<b>0</b>	
<b>5000.020.10 Personnel</b>	<b>234,727.00</b>	<b>0.00</b>	<b>0.00</b>	<b>234,727.00</b>	<b>0.00</b>	<b>234,727.00</b>	<b>0</b>	
40000-08572-DATA0000 MUNI ConnectME Disbursements	3,500.00	0.00	0.00	3,500.00	1,500.00	2,000.00	133	
ConnectME Authority	<b>3,500.00</b>	<b>0.00</b>	<b>0.00</b>	<b>3,500.00</b>	<b>1,500.00</b>	<b>2,000.00</b>	<b>133</b>	
<b>5000.020.11 Mapping</b>	<b>3,500.00</b>	<b>0.00</b>	<b>0.00</b>	<b>3,500.00</b>	<b>1,500.00</b>	<b>2,000.00</b>	<b>133</b>	
40000-08572 MUNI ConnectME Disbursements	66,728.00	0.00	(53,681.25)	13,046.75	0.00	13,046.75	0	
5000-07 DAFS MUNI Technology/Salary/Contracts through OIT	36,523.00	0.00	0.00	36,523.00	0.00	36,523.00	0	
5002-01 DAFS MUNI Support services	0.00	0.00	22,572.00	22,572.00	0.00	22,572.00	0	
40000-08572-TECHNICAL MUNI ConnectME Disbursements	52,621.00	0.00	(46,318.75)	6,302.25	0.00	6,302.25	0	
ConnectME Authority	<b>155,872.00</b>	<b>0.00</b>	<b>(77,428.00)</b>	<b>78,444.00</b>	<b>0.00</b>	<b>78,444.00</b>	<b>0</b>	
<b>5000.020.12 Support Services</b>	<b>155,872.00</b>	<b>0.00</b>	<b>(77,428.00)</b>	<b>78,444.00</b>	<b>0.00</b>	<b>78,444.00</b>	<b>0</b>	
74770-08572 MUNI Consultants Admin Fees - ConnectME	15,000.00	0.00	0.00	15,000.00	0.00	15,000.00	0	
5000-03 DAFS MUNI Professional Services/Solix	40,500.00	0.00	0.00	40,500.00	0.00	40,500.00	0	
5000-04 DAFS MUNI Professional Services/DAFS	13,196.00	0.00	0.00	13,196.00	0.00	13,196.00	0	
ConnectME Authority	<b>68,696.00</b>	<b>0.00</b>	<b>0.00</b>	<b>68,696.00</b>	<b>0.00</b>	<b>68,696.00</b>	<b>0</b>	
<b>5000.020.16 Professional Fees</b>	<b>68,696.00</b>	<b>0.00</b>	<b>0.00</b>	<b>68,696.00</b>	<b>0.00</b>	<b>68,696.00</b>	<b>0</b>	
5100-01 CRF MUNI CRF grant expenses	0.00	5,480,183.00	0.00	5,480,183.00	0.00	5,480,183.00	0	
ConnectME Authority	<b>0.00</b>	<b>5,480,183.00</b>	<b>0.00</b>	<b>5,480,183.00</b>	<b>0.00</b>	<b>5,480,183.00</b>	<b>0</b>	
<b>5000.020.25 CRF expenses</b>	<b>0.00</b>	<b>5,480,183.00</b>	<b>0.00</b>	<b>5,480,183.00</b>	<b>0.00</b>	<b>5,480,183.00</b>	<b>0</b>	
5000-11 DAFS MUNI Broadband grants	0.00	0.00	642,478.00	642,478.00	0.00	642,478.00	0	
40000-08574- NBRC MUNI NBRC-Match amounts	0.00	0.00	100,000.00	100,000.00	0.00	100,000.00	0	
40000-08574-000GRANT MUNI ConnectME Disbursements NBRC	445,818.00	0.00	0.00	445,818.00	0.00	445,818.00	0	
40000-08574-DATA0000 MUNI ConnectME Disbursements NBRC	14,919.00	0.00	0.00	14,919.00	0.00	14,919.00	0	
ConnectME Authority	<b>460,737.00</b>	<b>0.00</b>	<b>742,478.00</b>	<b>1,203,215.00</b>	<b>0.00</b>	<b>1,203,215.00</b>	<b>0</b>	
<b>5000.020.26 Tech Services</b>	<b>460,737.00</b>	<b>0.00</b>	<b>742,478.00</b>	<b>1,203,215.00</b>	<b>0.00</b>	<b>1,203,215.00</b>	<b>0</b>	
4000-01 DAFS MUNI Transfer	(400,000.00)	0.00	0.00	(400,000.00)	0.00	(400,000.00)	0	
ConnectME Authority	<b>(400,000.00)</b>	<b>0.00</b>	<b>0.00</b>	<b>(400,000.00)</b>	<b>0.00</b>	<b>(400,000.00)</b>	<b>0</b>	
<b>6100.100 Transfers in</b>	<b>(400,000.00)</b>	<b>0.00</b>	<b>0.00</b>	<b>(400,000.00)</b>	<b>0.00</b>	<b>(400,000.00)</b>	<b>0</b>	
40000-08572-DAFS0000 MUNI ConnectME Disbursements	400,000.00	0.00	0.00	400,000.00	2,943,949.00	(2,543,949.00)	(86)	
ConnectME Authority	<b>400,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>400,000.00</b>	<b>2,943,949.00</b>	<b>(2,543,949.00)</b>	<b>(86)</b>	
<b>6100.200 Transfers out</b>	<b>400,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>400,000.00</b>	<b>2,943,949.00</b>	<b>(2,543,949.00)</b>	<b>(86)</b>	
	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>	

Started	Completed	Reviewed
Prtnr Approval CAS 10/13/2021	KF 10/13/2021 Concur Review	

Account	Prelim	Adj's	Reclass	Rep	Rep 06/20	Amount Chg %Chg
	968,224.00			428,961.00	(1,538,003.00)	1,966,964.00 (128)

**ConnectME Authority**  
**Year End: June 30, 2021**  
**Adjusting Journal Entries**  
**Date: 7/1/2020 To 6/30/2021**

**AJE**

<b>Started</b>	<b>Completed</b> KF 10/13/2021	<b>Reviewed</b>
<b>Prtnr Approval</b> CAS 10/13/2021	<b>Concur Review</b>	

Number	Date	Name	Account No	Reference	Debit	Credit	Recurrence	Misstatement
1	6/30/2021	Deferred Revenues	27200 MUNI	PL. 2	347,107.00			
1	6/30/2021	Fund Balance - ConnectME	30100-08572 MUNI	PL. 2		347,107.00		
To remove deferred revenue for Sustainability fund - finished per Stephenie.								
2	6/30/2021	Deferred Revenues	27200 MUNI	PL. 4		1,000,000.00		
2	6/30/2021	Revenue - NECEC	90110-08573 MUNI	PL. 4	1,000,000.00			
To move NECEC funds to deferred revenue (no funds expended to date per Stephenie)								
4	6/30/2021	A/R - NBRC Grant	11300-08574- NBRC MUNI	PL. 7	460,737.00			
4	6/30/2021	Grant Revenue - NBRC	90010-00-08754 - NBRC MUNI	PL. 7		460,737.00		
To record receivable for NBRC grant funds expended during FY21.								
5	6/30/2021	CRF grant revenue	4100-01 CRF MUNI	WTB. 4		5,480,183.00		
5	6/30/2021	CRF grant expenses	5100-01 CRF MUNI	WTB. 4	5,480,183.00			
To record CRF activity from DAFS								
					<b>7,288,027.00</b>	<b>7,288,027.00</b>		
<b>Net Income (Loss)</b>			<b>428,961.00</b>					

**ConnectME Authority**  
 Year End: June 30, 2021  
 Reclassifying Journal Entries  
 Date: 7/1/2020 To 6/30/2021

RJE

Started	Completed KF 10/12/2021	Reviewed
Prtnr Approval CAS 10/13/2021	Concur Review	

Number	Date	Name	Account No	Reference	Debit	Credit	Recurrence	Misstatement
3	6/30/2021	ConnectME Disbursements	40000-08572 MUNI			53,681.25		
3	6/30/2021	NBRC-Match amounts	40000-08574- NBRC MUNI		100,000.00			
3	6/30/2021	ConnectME Disbursements	40000-08572-TECHNICAL MUNI			46,318.75		
		To reclass NBRC match amounts paid by ConnectME						
6	6/30/2021	Grants/BBSF	5000-09 DAFS MUNI			22,572.00		
6	6/30/2021	Support services	5002-01 DAFS MUNI		22,572.00			
		To reclass contract committments that are not grant payments per Stephenie						
7	6/30/2021	Grants/BBSF	5000-09 DAFS MUNI			642,478.00		
7	6/30/2021	Broadband grants	5000-11 DAFS MUNI		642,478.00			
		To reclass broadband grants from planning to agree to grant wkp PL. 6						
					<b>765,050.00</b>	<b>765,050.00</b>		
<b>Net Income (Loss)</b>			<b>428,961.00</b>					

October 20, 2021

Wipfli LLP  
30 Long Creek Drive  
South Portland, Maine 04106

This representation letter is provided in connection with your audit of the financial statements of the ConnectMaine Authority (the "Authority"), a component unit of the State of Maine, which comprise the respective financial position of the governmental activities and major fund as of June 30, 2021, and the respective changes in financial position for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your audit:

### **Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated June 22, 2021, including our responsibility for the preparation and fair presentation of the financial statements in accordance with GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
2. The financial statements referred to above are fairly presented in accordance with GAAP and include all properly classified funds and other financial information of the primary government and all component units required by GAAP to be included in the financial reporting entity.
3. We acknowledge our responsibility for 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.

4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
6. Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of GAAP.
7. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
8. We agree with the adjusting journal entries proposed by you and which are given effect to in the financial statements.
9. Material concentrations, if any, have been properly disclosed in accordance with GAAP.
10. Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the balance sheet date and have been reduced to their estimated net realizable value.

#### **Information Provided**

11. We have provided you with:
  - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
  - b. Additional information that you have requested from us for the purpose of the audit.
  - c. Unrestricted access to persons within the Authority from who you determined it necessary to obtain audit evidence.
  - d. Minutes of the meetings of the Authority Members or summaries of actions of recent meetings for which minutes have not yet prepared.
12. All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards and state financial assistance.
13. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.

14. We have no knowledge of any fraud or suspected fraud affecting the Authority involving:
  - a. Management.
  - b. Employees who have significant roles in internal control, or
  - c. Others where the fraud could have a material effect on the financial statements.
15. We have no knowledge of any allegations of fraud or suspected fraud affecting the Authority's financial statements communicated by employees, former employees, regulators, or others.
16. We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
17. We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted a lawyer concerning litigation, claims, or assessments.
18. We have disclosed to you the identity of the Authority's related parties and all the related party relationships and transactions of which we are aware.
19. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
20. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
21. We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or fund equity.
22. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
23. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
24. We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.

25. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
26. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting noncompliance.
27. As part of your audit, you assisted with preparation of the financial statements and related notes and schedule of expenditures of federal awards and state financial assistance. We have designated an individual with suitable skill, knowledge, or experience to oversee your services and have made all management decisions and performed all management functions. We have reviewed, approved, and accepted responsibility for those financial statements and related notes and schedule of expenditures of federal awards and state financial assistance.
28. The Authority has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any material asset been pledged as collateral.
29. The Authority has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
30. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
31. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
32. The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34.
33. All funds that meet the qualitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial users.
34. Components of net position (net investment in capital assets; restricted; and unrestricted) and components of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
35. Provisions for uncollectible receivables have been properly identified and recorded.
36. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.

37. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
38. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
39. Deposits and investment securities are properly classified as to risk, and investments are properly valued and disclosed.
40. We have appropriately disclosed the Authority's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available and have determined that net position was properly recognized under the policy.
41. The Authority has identified all accounting estimates that could be material to the financial statements, including the key factors and significant assumptions underlying those estimates, and we believe the estimates are reasonable in the circumstances.
42. There are no estimates that may be subject to a material change in the near term that have not been properly disclosed in the financial statements. We understand that near term means the period within one year of the date of the financial statements. In addition, we have no knowledge of concentrations existing at the date of the financial statements that make the Authority vulnerable to the risk of severe impact that have not been properly disclosed in the financial statements.
43. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
44. We are responsible for the management's discussion and analysis and have chosen not to present it, which will require modification to the auditor's opinion.
45. With respect to the Schedule of Revenues, Expenditures, and Change in Fund Balance – Special Revenue Fund:
  - a. We acknowledge our responsibility for presenting the supplementary information in accordance with GAAP, and we believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

- b. If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

46. With respect to federal award programs:

- a. We are responsible for understanding and complying with and have complied 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) including requirements relating to preparation of the schedules of expenditures of federal award..
- b. We acknowledge our responsibility for presenting the schedules of expenditures of federal awards and state financial assistance in accordance with the requirements of the Uniform Guidance, and we believe the schedules of expenditures of federal awards, including their form and content, are fairly presented in accordance with the Uniform Guidance. The methods of measurement of the schedules of expenditures of federal awards have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the schedules of expenditures of federal awards.
- c. If the schedules of expenditures of federal awards are not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the schedules of expenditures of federal awards no later than the date we issue the supplementary information and auditor's report thereon.
- d. We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance, and included in the schedules of expenditures of federal awards and state financial assistance made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
- e. We are responsible for understanding and complying with, and have complied with, the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal and state programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major federal and state programs.
- f. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance requirements applicable to federal and state programs that provides reasonable assurance that we are managing our federal and state awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal and state programs. We believe the internal control system is adequate and is functioning as intended.

- g. We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal and state agencies or pass-through entities relating to major federal and state programs and related activities.
- h. We have received no requests from a federal agency to audit one or more specific programs as a major program.
- i. We have complied with direct and material compliance requirements, including when applicable, those set forth in the OMB Compliance Supplement, relating to federal awards and have identified and disclosed to you all amounts questioned and any known noncompliance with the requirements of federal awards.
- j. We have disclosed any communications from grantors and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- k. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- l. Amounts claimed or used for matching were determined in accordance with relevant guidelines in the Uniform Guidance.
- m. We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- n. We have made available to you all documentation related to the compliance with the direct material compliance requirements, including information related to federal and state program financial reports and claims for advances and reimbursements.
- o. We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- p. There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
- q. No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the date as of which compliance was audited.
- r. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.

- s. The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- t. We have charged costs to federal awards in accordance with applicable cost principles.
- u. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance and we have provided you with all information on the status of the follow-up on prior audit findings by federal and state awarding agencies and pass-through entities, including all management decisions.
- v. We are responsible for and have reviewed the auditee section of the Data Collection Form as required by the Uniform Guidance.
- w. We are responsible for preparing and implementing a corrective action plan for each audit finding.

Sincerely,

ConnectMaine Authority

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Peggy Schaffer, Executive Director

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Stephenie MacLagan, Assistant Director

# DRAFT

DATE, 2021

To the Authority Members  
ConnectMaine Authority  
Augusta, Maine

Dear Authority Members:

We have audited the financial statements of the governmental activities, major fund, and the aggregate remaining fund information of ConnectMaine Authority (the Authority) for the year ended June 30, 2021. Professional standards require that we provide you with the following information related to our audit:

**Our Responsibilities Under Auditing Standards Generally Accepted in the United States and Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).**

As stated in our engagement letter dated June 22, 2021 our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in accordance with accounting principles generally accepted in the United States. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered the Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal and state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance.

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also, in accordance with the Uniform Guidance, we examined, on a test basis, evidence about the Authority's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* applicable to each of its major federal programs for the purpose of expressing an opinion on the Authority's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the Authority's compliance with those requirements.

# DRAFT

## **Required Supplementary Information Accompanying Audited Financial Statements**

We applied certain limited procedures to the management's discussion and analysis, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

## **Supplementary Information Accompanying Audited Financial Statements**

We were engaged to report on the combining schedule of revenues, expenditures and change in fund balance – special revenue fund, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

## **Other Information in Documents Containing Audited Financial Statements**

The auditor's responsibility for other information in documents containing audited financial statements does not extend beyond the financial information identified in our report, and we have no obligation to perform any procedures to corroborate other information contained in a document. Our responsibility is to read the other information and consider whether such information, or the manner of its presentation, is materially inconsistent with information, or the manner of its presentation, appearing in the financial statements. We are not aware of any documents or other information containing audited financial statements and, furthermore, management has not requested us to devote attention to any documents containing audited financial statements.

In relation to the preceding paragraph, we remind Authority management of the following clause in the engagement letter:

If the Authority intends to reproduce or publish these financial statements, or any portion thereof whether in paper or electronic form, and make reference to our firm name in connection therewith, management agrees to provide us with proofs in sufficient time for our review and written approval before printing. If in our professional judgment the circumstances require, we may withhold our approval. The Authority agrees to compensate Wipfli for the time associated with such review.

# DRAFT

## Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter, dated June 22, 2021, accepted by Nick Battista, Chair.

## Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the period under audit.

We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. No significant accounting estimates are included in the financial statements.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements are as follows:

The disclosure of economic dependency in Note 3 to the financial statements describing that 68% of the Authority's assessment revenue is derived from three communication services providers. The disclosure was formulated based on a summary of assessment revenue received from each provider.

## Difficulties Encountered in Performing the Audit

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

## Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management.

# DRAFT

Management has corrected all such misstatements. In addition, the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

## **Disagreements With Management**

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

## **Management Representations**

We have requested certain representations from management that are included in the management representation letter dated **DATE**, a copy of which accompanies this letter.

## **Management Consultation With Other Independent Accountants**

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

## **Other Audit Findings or Issues**

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

## **Internal Control Matters**

In planning and performing our audit of the financial statements of the Authority, in accordance with auditing standards generally accepted in the United States, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

# DRAFT

Authority Members  
ConnectMaine Authority  
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Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore material weaknesses or significant deficiencies may exist that were not identified.

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.

This communication is intended solely for the information and use of management, Authority Members, others within the Authority, and includes a description of the scope of our testing of internal control over financial reporting and the results of that testing. The communication related to considering the Authority's internal control over financial reporting is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting. Accordingly, this communication is not suitable for any other purpose.

Sincerely,

Wipfli LLP  
Certified Public Accountants

Enclosure

# CONNECTMAINE

## Financial Policies & Procedures

2021

Revised for Approval in October

## Authority Members

Nick Battista, Chair  
Jasmine Bishop  
Fred Brittain  
Susan Corbett  
Heather Johnson  
Jeff Letourneau  
Liz Wyman

### Background

The ConnectMaine Authority is required to establish financial policies and procedures in accordance with M.R.S.A 5 §12022. If you have any questions concerning these guidelines, please contact the Executive Director.

### I. Membership Dues & Subscription Payments

ConnectMaine may join organizations that broadly support the mission and purpose of the ConnectMaine Authority, including national advocacy organizations. Invoices that total over \$5,000 per organization per year must be approved by the ConnectMaine Authority Chair, or the Chair's designee if the Chair is unable to sign a contract. Dues and subscriptions should meet the following criteria:

- Services, resources, and/or other benefits that are provided directly relate to the ConnectMaine's /mission and purpose;
- Services offered are specialized and unavailable by other means;
- Dues and subscriptions are specific to the organizations and are set by the organizations; and
- Invoicing clearly indicates the period of time covered by the dues or subscriptions.

### II. Gifts, Donations and Sponsorships

In accordance with M.R.S.A. 35-A §9205 & 9212, the ConnectMaine Authority has the power to:

- receive and accept from any source aid or contributions of money, property, labor or other things of value, to be held, used and applied to carry out the purposes of ConnectMaine, including, gifts or grants from any department or agency of the United States or the State;
- accept gifts and contributions for the purpose of designing, constructing, reconstructing, renovating or acquiring a project;
- place money of gifts, federal funds or other types of income in a special account for the purpose for which it is provided; and
- invest the money, subject to any limitations imposed by the donor.

### III. Travel

ConnectMaine follows the State of Maine policies outlined in the State Administrative & Accounting Manual. <https://www.maine.gov/osc/administration/saam>.

#### A. Meals

Per Diem meal rates are set every fiscal year by the General Services Administration agency of the United States Government. The rates are based on your destination state and city. If you would like to see the rates before you travel here is the website <https://www.gsa.gov/travel/plan-book/per-diem-rates>. Per Diem reimbursement will be paid upon your return. The breakdowns for individual meals are, breakfast is 20%, lunch is 24% and dinner is 51% of your per diem total. No receipts are required. You may also be reimbursed for meals if you travel to a night meeting. For night meetings, your reimbursement amount will be made based on your actual cost (not to exceed the per diem amount) and must be verified by a receipt.

# CONNECTMAINE

## B. Transportation

Mileage reimbursement is based on travel from the point of the start of your trip and the point where your trip ends. These points may be your home residence, work location or a meeting location. The current mileage rate is set by the General Services Administration agency of the United States Government annually and will be reimbursed upon return with review of your route. Taxi, bus, train, ferry & tolls are reimbursable but require a receipt. Parking for meetings, airports and bus stations will be reimbursed with a receipt. If traveling out-of-state, please follow the DAFS preapproval process. If airfare is required, flights will be booked through the State of Maine travel management website. Exception can be made if flights are not available or if lower costs are available.

## C. Lodging

ConnectMaine staff will be reimbursed for lodging expenses at actual costs up to the specific daily maximum allowable lodging rate in effect at the time of travel for the specific area or locality, unless it is approved by the Executive Director or Authorized by Subsection 10.30.20 in the SAAM manual.

## IV. Internal Controls

In accordance with M.R.S.A. 35-A §9205, the ConnectMaine Authority has the power to:

- make and execute contracts and other instruments; and
- enter into such transactions as necessary or convenient for the exercise of ConnectMaine's powers and functions.

### A. Contracts for Grants

Grants approved by vote of the ConnectMaine Authority for infrastructure or community planning shall be drafted by the Assistant Director. The contracts will identify specific services to be covered and include project milestones. Generally, there will be four even payments for infrastructure contracts: commencement at the beginning of the project, then two interim payments, and a final payment when the project is finished. All submissions for payment will include invoices that document detailed expenses for the project. Community planning grants will be in two payments: commencement when the planning process begins, and a final payment when the completion report is submitted to ConnectMaine.

### B. Procurement Policy

The purpose of this Procurement Policy (the "Policy") is to:

- assure that supplies, products and services are procured efficiently, effectively and at favorable prices;
- assure that quality, experience and service are given strong consideration along with pricing;
- promote open and free competition in contracting;
- provide safeguards for maintaining a procurement system of quality and integrity; and
- assure that ConnectMaine purchasing actions are in full compliance with applicable Federal standards and regulations and State and local laws.

The Policy applies to the ConnectMaine Authority, its members and staff. Unless otherwise stated in the Policy, the Executive Director, or whomever the Director authorizes in writing, shall serve as the Procurement Officer to administer all of ConnectMaine's procurement transactions. ConnectMaine will maintain records sufficient to detail, including the rationale for the method of procurement, contractor or vendor selection or rejection, the basis for the contract or vendor price, and such other information as ConnectMaine determines appropriate, maintaining such records for a minimum of five years.

# CONNECTMAINE

The contract term will be utilized in determining the total purchase amount, and the Executive Director may authorize any non-budgeted purchases under \$10,000, or non-budgeted contracts that obligate ConnectMaine to an amount under \$10,000 annually. Amounts over \$10,000 must be signed by the ConnectMaine Authority Chair, or the Chair's designee if the Chair is unable to sign a contract. ConnectMaine may enter into State and local intergovernmental agreements for procurement or use of common goods and service.

When acquiring supplies, products or services, ConnectMaine will obtain quotes based upon size of purchase. ConnectMaine may obtain these price quotations by telephone, email, fax, internet, verbally, as long as the information is documented, or as otherwise allowed by State or local laws. Except as provided below, ConnectMaine will make the award to the vendor providing the lowest acceptable quotation meeting required specifications. ConnectMaine may make the award based on factors in addition to price so long as it justifies its action in writing. Examples of these factors include:

- The item is available only from a single source, based on a reasonable review of available sources;
- An emergency for the requirement does not permit a delay resulting from competitive solicitation; or
- After solicitation of a number of sources, ConnectMaine determines that there are no other vendors that meet its needs.

## 1. Procurement < \$10,000

For purchases below \$10,000, ConnectMaine may solicit one quotation if ConnectMaine considers the price received reasonable.

## 2. Procurement > \$10,000 < \$50,000

For purchases from \$10,000 to \$50,000, ConnectMaine must obtain quotations from three qualified sources.

## 3. Procurement > \$50,000

For purchases above \$50,000, ConnectMaine will use requests for responses (RFR), requests for information (RFI) or requests for proposals (RFP) to identify all the evaluation factors and their relative importance. For the purposes of the Policy, all will be referred to as an RFP. ConnectMaine will identify criteria for evaluating proposals received and selecting awardees. ConnectMaine will make awards to the responsible firm whose proposal is most advantageous to the applicable program, with price and other factors considered. ConnectMaine may reject any and all proposals or be allowed to negotiate price and services beyond the original submittal.

## 4. Waiver to Procurement Policy

The Procurement Officer may seek an exception (waiver) to the processes set forth above. For purchases from \$10,000 to \$50,000, a waiver may be granted by the ConnectMaine Authority Chair or the Chair's designee. For purchases above \$50,000, a waiver may be granted by a vote of the ConnectMaine Authority. In order to qualify for an exception (waiver), one of the following conditions must exist:

- item or service is available only from a single source;
- benefits attained by Maine constituents or ConnectMaine could not be replicated by another source; or
- a public urgency or emergency exists, and the urgency will not permit delay beyond the time needed to employ competitive procurement.

ConnectMaine, as a state-funded instrumentality, inasmuch as possible, will do conduct business with instate firms. RFPs may be opened to out-of-state firms if Maine based firms are limited in capacity or inadequate in number to ensure that low-cost bids are available. "Presence" does not equal "headquartered in"; a firm that

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maintains business offices in Maine is considered to have presence, even if headquartered in another State or country.

RFPs should be distributed on a public, available to all basis. If the nature of certain needs is sufficiently narrow or specialized, that there is evidence to suggest that only a limited number of qualified vendors exist and a targeted, by-invitation is justified. In such cases, ConnectMaine will document the justification for a limited-scope solicitation, citing to include the cost justifications and the approach to be used to identify qualified vendors. This written justification should be able to withstand a challenge from a vendor not deemed to be qualified. RFPs that will be distributed to the public will be noticed on the Division of Purchasing page, sent out through ConnectMaine's distribution list, and accessible on ConnectMaine's website for the length of the proposal submission period. RFPs targeted to a limited number of vendors need not be advertised or put on the ConnectMaine's website. The final decision from any review committee is public information.

The following documentation will be required for each purchase:

- Name and address of vendor(s) or contractor(s)
- Price, quantity, specifications of product or service, and quality of product(s)
- Criteria for Decision Making
- Reasons for Decision if for not using price as deciding factor in Competitive Proposals

The length of a contractual agreement to provide supplies, services or product generally should not exceed five years for services rendered. Prior to the end of the contract ConnectMaine should begin the process for replacing the contract according to the Policy.

The Executive Director will administer the Policy and will assure all ConnectMaine expenditures comply with the Policy. The ConnectMaine Authority will vote to approve the selection of ConnectMaine's auditors. The Executive Director and Assistant Director will submit all required reports to the Maine State Legislature.

## C. Cash Receipts & Disbursements

The Executive Director or Assistant Director shall review all invoices and reports submitted by vendors and will seek additional documentation as necessary. The Executive Director shall review and approve invoices. Payments under \$10,000 can be approved by the Executive Director and payments over \$10,000 are sent to the ConnectMaine Authority Chair or the Chair's designee for approval. The Executive Director and Assistant Director shall review cashflow reports monthly to confirm accuracy.