

Common Wealth

Resource Management Corporation

26 January 2022

The Municipal Review Committee, Inc. (the MRC)
Attn.: Michael Carroll, Executive Director
20 Godfrey Drive, Suite 213
Orono, Maine 04473

RE: Joining Member Assets Managed by the MRC in the Fourth Quarter of 2022:
Revision to the Financial Statements

Dear Members of the Committee:

At its meeting on January 26, 2022, the MRC Board of Directors instructed that the MRC financial statements as of the end of the fourth quarter of 2021 be revised to include an adjustment that had been referenced in the prior asset management letter dated January 20, 2022, and that was discussed in open session at the Board meeting. In particular, the Board instructed that the value of the Interim Loan principal and interest be offset in its entirety by an allowance for non-payment.

The principal on the Interim Loan, due as of June 15, 2020, has not been repaid; indeed, the MRC has received no payments on the Interim Loan at all to date. Through 2021, the MRC included the unsecured loan as an asset on its balance sheet in anticipation of repayment as part of a pending Facility purchase arrangement. At this point, although the MRC continues to engage in discussions with potential purchasers of the Facility, the MRC does not anticipate that such purchase agreements would involve repayment of the interim loan with interest as presented in prior MRC financial statements. The Board indicated that MRC financial statements would be presented more fairly if an allowance for non-payment is included.

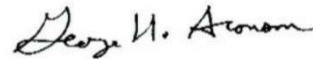
In accordance with the above, the attached Table 1 includes an allowance for non-payment of \$2,001,150.00 to offset the Interim Loan principal and interest amounts that have not been repaid, and the attached Table 2 includes an allowance for non-payment of Interim Loan amounts as an adjustment to the excess of additions over deductions. An explanation of the allowance is provided in Note 4 to Table 1. With the allowance, as of the end of the quarter, the MRC had total assets of **\$11,983,120.38** and a revised Net Position for the benefit of the Joining Members of **11,455,139.22**.

Also discussed at the meeting was the presentation on the financial statements of the Site owned by the MRC improved for development of the Hampden Facility, with book value of **\$6,214,505.22** on the basis of past expenditures for site acquisition and infrastructure development. Note that ownership of the access road to the Facility and certain other infrastructure features has been turned over to the Town of Hampden. The MRC has not performed an appraisal of the market value of the Site, which is likely less than the current book value. The MRC's Net Position would likely be reduced further if the value of the Site were based on an appraisal of market value rather than on

cost. In this circumstance, the MRC Board directed that the financial statements continue to be based on the book value of the Site until a supportable basis can be developed through an appraisal or otherwise, but that the circumstances be noted in a note to the balance sheet. Note 5 to the balance sheet provided as Table 1 is intended to meet this purpose.

If you have any questions, please feel free to contact me.

Sincerely,



George H. Aronson, Principal

Attachments: Revised Tables 1 through 2

Table 1								
Joint Venture of the Joining Members of the Municipal Review Committee, Inc.								
Governmental Funds Balance Sheet / Statement of Net Position								
Quarterly Basis through 4Q 2021, last audited 2Q 2019								
	Notes	Unaudited 1-Jan-22	Unaudited 1-Oct-21	Unaudited 1-Jul-21	Unaudited 1-Apr-21	Audit in progress 1-Jan-20	Audit in progress 1-Oct-20	
ASSETS								
Cash and cash equivalents								
D and D Account (First National Bank)		22,045.91	21,391.94	25,977.36	28,876.23	68,645.20	240,955.52	
Custody Account (Bangor Savings Bank)			-	-	-	233.07	483.07	
Accounts Receivable								
Receivable from Operating Account	1	-	-	-	-	-	-	
Tip Fees receivable for Joining Members MSW		134,265.96	518,926.63	339,053.45	532,067.06	737,006.14	744,475.65	
Tip fees receivable from Coastal for non-Charter JMs		611.01	611.01	611.01	611.01	611.01	611.01	
Reimbursements receivable for Facility costs		-	9,739.95	7,050.79	-	15,342.04	-	
Investments								
Tip Fee Stabilization Fund								
Account balance (at First National Wealth Management)	2	3,809,371.05	4,411,548.86	5,055,927.52	5,237,748.51	5,520,157.59	5,708,276.87	
Accrued income	2	5,441.64	14,092.99	12,319.58	9,207.90	19,715.64	18,976.56	
Account balance (at People's United Bank)								
Contingency Account (First National Bank WM)		269,574.05	239,770.80	335,570.69	286,756.15	368,794.83	126,394.18	
MRC Operating Budget Stabilization Fund (Peoples UB)								
Cash Collateral Account/Delivery Sufficiency Fund								
Account balance (at First National Wealth Management)	2	1,526,807.27	1,527,500.89	1,525,331.01	1,506,803.43	1,532,869.70	1,512,301.20	
Accrued income (at First National Wealth Management)	2	498.25	3,506.95	2,323.74	1,131.13	1,088.33	2,094.72	
Account balance (at People's United Bank)								
Promissory Note (Interim Loan to Coastal Resources of Maine LLC)								
Loan principal	4	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	
Accrued interest and cost reimbursement	4	501,150.00	428,317.00	356,275.00	284,233.00	212,983.00	139,358.00	
Allowance for non-payment	4	(2,001,150.00)						
Value of Hampden site and infrastructure	5	6,214,505.22	6,214,505.22	6,214,505.22	6,214,505.22	6,214,505.22	6,203,457.22	
TOTAL ASSETS		11,983,120.36	14,889,912.24	15,374,945.37	15,601,939.64	16,191,951.77	16,197,384.00	
LIABILITIES AND NET POSITION								
Liabilities								
Cash distributions payable, current quarter	6	146,036.62	167,311.84	151,651.68	126,636.89	149,421.48	158,796.36	
Other payables (Facility reimbursements, uncleared distribution checks, haul costs)	6	367.45	214,498.35	220,552.75	168,411.60	183,561.15	154,382.27	
Note proceeds set aside for pending requisitions		-	-	-	-	-	-	
Costs payable to disposal facilities for Joining Member MSW	6	381,577.07	152,213.75	538,431.07	489,450.13	645,642.37	326,998.78	
Statement of Net Position held for the benefit of Joining Members		11,455,139.22	14,355,888.30	14,464,309.87	14,817,441.02	15,213,326.77	15,557,206.59	
TOTAL LIABILITIES AND NET POSITION		11,983,120.36	14,889,912.24	15,374,945.37	15,601,939.64	16,191,951.77	16,197,384.00	

