

## Islesboro Economic Sustainability Corporation

### Board of Directors Meeting

Monday, August 9<sup>th</sup>, 2021 – 3:30PM at Town Office and via Zoom  
Public Welcome

Join Zoom Meeting

<https://us06web.zoom.us/j/89179232582?pwd=b2lrbFk3dHNNHUklYUkwxdEEza3pSdz09>

Meeting ID: 891 7923 2582

Passcode: 279736

Dial by your location: +1 312 626 6799 US (Chicago), +1 929 205 6099 US (New York), +1 301 715 8592 US (Washington DC), +1 346 248 7799 US (Houston), +1 669 900 6833 US (San Jose), +1 253 215 8782 US (Tacoma)

### Agenda (Board Book Attachment Materials Will be Posted on [www.sustain04848.com](http://www.sustain04848.com))

- All Participants on Call to Mute Their Lines
- Call to Order & Establish Quorum when everyone can hear and be heard.
- Opening Comments - RogerH
- Approve Minutes of June 30<sup>th</sup>, 2021 - *attached*
- Recurring Reports
  - Financial Reports - Balance Sheet, Profit and Loss, Loan Program - *attached*
  - Fundraising Status Report – *attached*
    - Recap Summer Progress
- Business:
  - Approve BTR Engagement Letter – *attached*
  - 111-113-115 Main Property Discussion
    - Recap status & progress & issues to date – TomT leads
      - House remodel progress.
      - Gas Pump modernization issue.
      - Garage Update
    - To Do List?
  - Housing Update
  - Review To Do List for Actions
- Other Business?
- Wrap Up Comments
- Adjourn

## Islesboro Economic Sustainability Corporation

### Board of Directors Meeting June 30<sup>th</sup>, 2021 - Minutes

Agenda (Board Book Attachment Materials Will be Posted on [www.sustain04848.com](http://www.sustain04848.com))

- All Participants on Call to Mute Their Lines
- Call to Order & Establish Quorum when everyone can hear and be heard.
  - *Board members present: Roger Heinen, Glad Jones, Tom Tutor, Lois Chiles, Gabe Pendleton, Bonnie Hughes. Public present: Arch Gillies, Laura Giardino, Maria Forney*
- Opening Comments - RogerH
- Approve Minutes of March 25<sup>th</sup>, 2021
  - *Tom Tutor made the motion to approve the minutes. Seconded and approved without objection.*
- Recurring Reports
  - Financial Reports - Balance Sheet, Profit and Loss, Loan Program
  - Fundraising Status Report
- Business:
  - 111-113-115 Main Property Discussion
    - Recap status & progress & issues to date – TomT
      - House remodel progress.
      - Gas Pump modernization issue.
    - To Do List?
    - *Tom Tutor lead the discussion with an update on the progress of the remodeling of the home. Progress is slow but steady with Earl Grindle and Bill Schoppe working hard. Store will need some work if/when we can line up contractors – back porch and entry area. J. Linscott continues to pursue moving the garage. Discussed future uses and fit up of property. We will need a plan for our specific property and continue to work with ICC on how to contribute to this town center. We need to find off-island funding source to help with gas pump. RogerH to get in touch with EMDC people.*
  - Essential Services and Business Survey Results Discussion
    - To Do List?
      - What can we do to support other groups working on these? i.e. Housing
      - *Discussion ensued.*
        - *Housing? THE current hot button issue on the island. We must continue to contribute to the discussions with IAP and the town – all seeking answers. Consensus that we should help entrepreneurs if they attack building full-time houses and rentals. All agreed with Glad’s comment asking if this is perception or reality. More and better data is necessary. We should work with others to get that going and be prepared to fund the data gathering if needed.*

- *Tradespeople availability? Discussion ensued. Related to housing, training & promoting the benefit of going into the trades. Work with other orgs doing this.*
- Community input?
  - Discuss details for a Key Donor Discussion in July to solicit opinions and be somewhat a recognition/thankyou.
    - *Arch suggested we focus on presenting good needs, success stories and survey data to the key donors (July 9<sup>th</sup> AM at Lois'), prospective donors (tbd but maybe a dinner at Lois') and community at large. Discussion re putting together an update/survey data article in the IIN. Roger reported an invitation to speak at the Islesboro Frum August 1 – good. Discussion re a broad community outreach for \$s. Not critical. Rather continue 1x1 fundraising toward \$2M and maintain low-key ask of community at every opportunity.*
  - Larger Public Island discussion?
  - IIN Articles?
  - Update Job Spec for Two Open Board Seats to Advise Select Board
    - *Discussion ensued and approved without objection.*
- Other Business?
  - *Glad led a discussion of how we could capitalize and leverage Governor Mills coming to the island in late July. Meet and greet at the Island Market? Great idea!*
- Wrap Up Comments
  - *We have a lot to be proud of re our success to date. Look to survey data to spark entrepreneurial action and identify IESC to do.*
- Adjourn – *Motion, seconded and approved without objection.*

# Islesboro Economic Sustainability Corporation

## Balance Sheet

As of August 2, 2021

	TOTAL
<b>ASSETS</b>	
Current Assets	
Bank Accounts	
Checking (5715)	138,203.10
MoneyMarket (5798)	218,116.08
<b>Total Bank Accounts</b>	<b>\$356,319.18</b>
Other Current Assets	
Charles Schwab 6827-0461	
Charles Schwab Cash	33,943.25
Charles Schwab Securities	466,078.15
<b>Total Charles Schwab 6827-0461</b>	<b>500,021.40</b>
Receivable from Town	0.00
Receivables	0.00
Undeposited Funds	0.00
<b>Total Other Current Assets</b>	<b>\$500,021.40</b>
<b>Total Current Assets</b>	<b>\$856,340.58</b>
Fixed Assets	
Accumulated Depreciation	-4,421.00
Garage - 115 Main Road	39,000.00
House - 111 Main Road	172,893.00
Island Market Building	230,224.00
Land - 111/113/115 Main Road	112,109.70
<b>Total Fixed Assets</b>	<b>\$549,805.70</b>
Other Assets	
Notes Receivable	72,040.91
<b>Total Other Assets</b>	<b>\$72,040.91</b>
<b>TOTAL ASSETS</b>	<b>\$1,478,187.19</b>
<b>LIABILITIES AND EQUITY</b>	
Liabilities	
<b>Total Liabilities</b>	
Equity	
Retained Earnings	1,483,170.13
Net Income	-4,982.94
<b>Total Equity</b>	<b>\$1,478,187.19</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$1,478,187.19</b>

# Islesboro Economic Sustainability Corporation

## Income by Category

July 1, 2020 - August 2, 2021

	GARAGE	HOUSE	ISLAND MARKET	LOANS	NOT SPECIFIED	TOTAL
<b>Income</b>						
Donations		20,000.00			271,336.91	\$291,336.91
Interest Received				182.64	1,108.83	\$1,291.47
Rental Income	300.00		8,650.00		1,750.00	\$10,700.00
<b>Total Income</b>	<b>\$300.00</b>	<b>\$20,000.00</b>	<b>\$8,650.00</b>	<b>\$182.64</b>	<b>\$274,195.74</b>	<b>\$303,328.38</b>
<b>GROSS PROFIT</b>	<b>\$300.00</b>	<b>\$20,000.00</b>	<b>\$8,650.00</b>	<b>\$182.64</b>	<b>\$274,195.74</b>	<b>\$303,328.38</b>
<b>Expenses</b>						
Depreciation	390.00	1,729.00	2,302.00			\$4,421.00
Fuel		667.80				\$667.80
Insurance			6,242.83		1,368.00	\$7,610.83
Legal & Professional Services	323.00		513.00		14,612.11	\$15,448.11
Office Supplies & Software					688.60	\$688.60
Other Business Expenses					504.92	\$504.92
Property Tax	375.00	1,107.00	1,473.75		0.00	\$2,955.75
Repairs & Maintenance		26,338.69				\$26,338.69
Utilities	152.66	286.05	360.00			\$798.71
<b>Total Expenses</b>	<b>\$1,240.66</b>	<b>\$30,128.54</b>	<b>\$10,891.58</b>	<b>\$0.00</b>	<b>\$17,173.63</b>	<b>\$59,434.41</b>
<b>NET OPERATING INCOME</b>	<b>\$ (940.66)</b>	<b>\$ (10,128.54)</b>	<b>\$ (2,241.58)</b>	<b>\$182.64</b>	<b>\$257,022.11</b>	<b>\$243,893.97</b>
<b>NET INCOME</b>	<b>\$ (940.66)</b>	<b>\$ (10,128.54)</b>	<b>\$ (2,241.58)</b>	<b>\$182.64</b>	<b>\$257,022.11</b>	<b>\$243,893.97</b>

## **IESC Board Fundraising Report – 8/1/21**

- Town Reports \$1,525,772.17 Raised to Date
  - 76 Contributions from 59 Donors
    - 10 from \$1 to \$499
    - 8 from \$500 to \$999
    - 14 from \$1,000 to 1,999
    - 4 from \$2,000 to \$4,999
    - 17 at \$5,000
    - 1 at \$7,500
    - 2 at \$10,000
    - 1 at \$15,000
    - 4 from \$20,000 to \$24,999
    - 7 at \$25,000
    - 2 at \$50,000
    - 5 at \$100,000
    - 1 at \$500,000

# Islesboro Economic Sustainability Corporation

## Outstanding Loan Balances

All Dates

DATE	AMOUNT	BALANCE
Loans		
Apelquist Loan		
08/02/2020	50,000.00	50,000.00
08/31/2020	-823.17	49,176.83
09/29/2020	-823.51	48,353.32
11/05/2020	-823.85	47,529.47
12/05/2020	-824.20	46,705.27
01/05/2021	-824.54	45,880.73
02/12/2021	-824.88	45,055.85
03/06/2021	-825.23	44,230.62
04/16/2021	-825.57	43,405.05
05/07/2021	-825.91	42,579.14
06/02/2021	-826.26	41,752.88
07/07/2021	-826.60	40,926.28
08/01/2021	-826.95	40,099.33
<b>Total for Apelquist Loan</b>	<b>\$40,099.33</b>	
Babbidge Loan		
12/28/2020	21,205.50	21,205.50
02/12/2021	-349.09	20,856.41
03/06/2021	-349.24	20,507.17
04/16/2021	-349.39	20,157.78
04/30/2021	-349.58	19,808.20
06/04/2021	-349.73	19,458.47
07/07/2021	-349.87	19,108.60
<b>Total for Babbidge Loan</b>	<b>\$19,108.60</b>	
Reidy Loan		
04/30/2021	13,500.00	13,500.00
06/04/2021	-222.25	13,277.75
06/25/2021	-222.34	13,055.41
08/01/2021	-222.43	12,832.98
<b>Total for Reidy Loan</b>	<b>\$12,832.98</b>	
<b>Total for Loans</b>	<b>\$72,040.91</b>	
<b>TOTAL</b>	<b>\$72,040.91</b>	

# Berry·Talbot·Royer

CERTIFIED PUBLIC ACCOUNTANTS



July 22, 2021

To the Board of Directors  
Islesboro Economic Sustainability Corporation  
150 Main Street  
Islesboro, Maine 04848

The following represents our understanding of the services we are to provide Islesboro Economic Sustainability Corporation (the Corporation).

You have requested that we audit the business-type activities of the Corporation, which comprise the statements of net position as of June 30, 2021, and the related statements of revenues, expenses, and changes in net position and statements of cash flows for the year then ended and the related notes, which collectively comprise the Corporation's basic financial statements as listed in the table of contents. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

Accounting principles generally accepted in the United States of America, (U.S. GAAP), as promulgated by the Governmental Accounting Standards Board (GASB) require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, 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. As part of this engagement, we will apply certain limited procedures to the required supplemental information (RSI) in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS). These limited procedures will primarily consist of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any assurance on the RSI. This RSI is required by U. S. GAAP and will be subjected to certain limited procedures but will not be audited:

## **Auditor Responsibilities**

We will conduct our audit in accordance with U.S. GAAS. 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 basic financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the basic financial statements, whether due to fraud or error, misappropriations of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements.

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 basic financial statements. If appropriate, our procedures will therefore include tests of documentary evidence that support the transactions recorded in the accounts, may include tests of the physical existence of inventories, and may include direct confirmation of receivables and certain other assets and liabilities by correspondence with selected creditors and financial institutions. As part of our audit process, we may request written representations from your attorneys, and they may bill you for responding. At the conclusion of our audit, we will also request certain written representations from you about the financial statements and related matters.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements (whether caused by errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations) may not be detected exists, even though the audit is properly planned and performed in accordance with U.S. GAAS.



Islesboro Economic Sustainability Corporation  
July 22, 2021  
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In making our risk assessments, we will consider internal controls relevant to the Corporation's preparation and fair presentation of the basic 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 Corporation's internal control. However, we will communicate in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the basic financial statements that we have identified during the audit. Our responsibility as auditors is, of course, limited to the period covered by our audit and does not extend to any other periods.

We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

Marc R. Roy, CPA is the engagement partner for the audit services specified in this letter. His responsibilities include supervising Berry Talbot Royer's services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report.

### **Compliance with Laws and Regulations**

As previously discussed, as part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we will perform tests of the Corporation's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

### **Management Responsibilities**

Our audit will be conducted on the basis that management acknowledge and understand that they have responsibility:

- a. For the preparation and fair presentation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America;
- b. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements; and
- c. To provide us with:
  - i. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters;
  - ii. Additional information that we may request from management for the purpose of the audit; and
  - iii. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.
- d. For including the auditor's report in any document containing basic financial statements that indicates that such basic financial statements have been audited by the entity's auditor;
- e. For identifying and ensuring that the entity complies with the laws and regulations applicable to its activities;
- f. For adjusting the basic financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period under audit are immaterial, both individually and in the aggregate, to the basic financial statements as a whole; and
- g. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
- h. For maintaining adequate records, selecting, and applying accounting principles, and safeguarding assets;

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- i. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant role in internal control, and others where fraud could have a material effect on the financials; and
- j. For the accuracy and completeness of all information provided.

As part of our audit process, we will request from management, written confirmation concerning representations made to us in connection with the audit.

### **Nonattest Services**

We will also assist in drafting the Corporation's financial statements and related notes in conformity with U.S. generally accepted accounting principles based on information provided by you. With respect to any nonattest services we perform, the Corporation's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities. We will not assume management responsibilities on behalf of the Corporation. However, we will provide advice and recommendations to assist the Corporation's management in performing its responsibilities.

### **Reporting**

We will issue a written report upon completion of our audit of Islesboro Economic Sustainability Corporation's basic financial statements. Our report will be addressed to the governing body of Islesboro Economic Sustainability Corporation. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement.

### **Other Matters**

#### *Engagement Fees*

Fees for our services will be \$6,700 which is based on an estimate of 65 hours at \$103/hour. However, if fewer hours are required, the fees will be calculated at the actual time spent at \$103/hour up to the maximum of \$6,700. Our fees are contingent upon timely cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the work performed. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Fees may be billed as we make progress on the engagement. Our invoices for these fees are payable on presentation.

In the event that this account becomes past due and Berry Talbot Royer, a collection agency, and/or an attorney seeks to collect such past due amount, then, in addition the amount past due, the Corporation shall pay to Berry Talbot Royer all collection costs, attorney's fees, court costs, or fees incurred by Berry Talbot Royer in order to recover past due amounts owed by the Corporation, together with interest up to the maximum rate allowed by law.

You acknowledge and agree that we are not required to continue work in the event of your failure to pay on a timely basis for services rendered as required by this engagement letter. You further acknowledge and agree that in the event we stop work or withdraw from this engagement as a result of your failure to pay on a timely basis for services rendered as required by this engagement letter, we shall not be liable to you for any damages that occur as a result of our ceasing to render services. Our services will conclude upon delivery of our auditor's report, as discussed above or upon our suspension of services or resignation from the engagement.

Islesboro Economic Sustainability Corporation  
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By your signature below, you acknowledge and agree that, upon the expiration of the seven-year period, we shall be free to destroy our records related to this engagement.

*Additional Services*

You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fee. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

*Ethical Conflicts*

In the unlikely event that circumstances occur, which we believe could create a conflict with either the ethical standards of our firm or the ethical standards of our profession in continuing our engagement, we may suspend our services until a satisfactory resolution can be achieved, or we may resign from the engagement without issuing our auditor's report. We will notify you of such conflicts as soon as practicable, and will discuss with you any possible means of resolving them prior to suspending our services.

*Electronic Communications*

In the interest of facilitating our services to the Corporation, we may communicate through various electronic media. Such communications may include information that is confidential to the Corporation. While we will use our best efforts to keep such communications secure in accordance with our obligations under applicable laws and professional standards, you recognize and accept that we have no control over the unauthorized interception of these communications once they have been sent and consent to our use of these electronic media during this engagement.

*Requests for Documents or Testimony*

In the event we are requested or authorized by you, or are required by governmental regulation, subpoena, or other legal process to produce our documents or our personnel as witnesses with respect to our engagement with the Corporation, you will, so long as we are not party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such requests.

*Indemnification*

The Corporation hereby indemnifies Berry Talbot Royer and its directors and employees and holds them harmless from all claims, liabilities, losses, and costs arising in circumstances where there has been knowing misrepresentation by a member of the Corporation's management, regardless of whether such person was acting in the Corporation's interest. This indemnification will survive termination of this letter.

*Dispute Resolution*

Berry Talbot Royer and the Corporation hereby agree that any dispute (other than our efforts to collect an outstanding invoice) that may arise regarding the meaning, performance, or enforcement of this engagement or any prior engagement that we have performed for you, will, prior to resorting to litigation, be submitted to mediation, and that both parties will engage in the mediation process in good faith once a written request to mediate has been given by either party to the engagement. The results of any such mediation shall be binding only upon agreement of each party to be bound. The costs of any mediation proceeding shall be shared equally by both parties.

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*Limitation of Liability*

In recognition of the relative risks and benefits of this agreement to both the Corporation and Berry Talbot Royer, both parties have discussed and have agreed on the fair allocation of risk between them. As such, the Corporation agrees, to the fullest extent permitted by law, to limit the liability of Berry Talbot Royer to the Corporation for any and all claims, losses, costs, and damages of any nature whatsoever, so that the total aggregate liability of Berry Talbot Royer to the Corporation shall not exceed Berry Talbot Royer's total fee for services rendered under this agreement.

The Corporation and Berry Talbot Royer intend and agree that this limitation apply to any and all liability or cause of action against Berry Talbot Royer, however alleged or arising, unless otherwise prohibited by law. Both parties agree that there is a one-year limitation period to bring a claim against Berry Talbot Royer for any act arising out of services rendered pursuant to this agreement by or on behalf of the Corporation. The one-year period will begin upon the date of Berry Talbot Royer's completion of this engagement.

We appreciate the opportunity to continue to be of service to Islesboro Economic Sustainability Corporation and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy, and return it to us.

Very truly yours,



Berry Talbot Royer  
Certified Public Accountants  
Falmouth, Maine

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**RESPONSE**

This letter correctly sets forth the understanding of Islesboro Economic Sustainability Corporation.

Management signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_