

To the Board of Trustees
Midcoast Regional Redevelopment Authority
Brunswick, Maine

We have audited the financial statements of Midcoast Regional Redevelopment Authority, a component unit of the State of Maine, as of and for the year ended December 31, 2010, and have issued our report thereon dated May 18, 2011. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 20, 2011. Professional standards also require that we communicate to you the following information related to our audit.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Midcoast Regional Redevelopment Authority are described in Note 1 to the financial statements. No significant new accounting policies were adopted, with the exception of Governmental Accounting Standards Board (GASB) Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, and the application of existing policies was not changed during the year ended December 31, 2010. 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. We did not consider any estimates to be significant to the financial statements.

Certain financial statement disclosures are particularly sensitive because of their significance to the financial statement users. We did not consider any disclosures to be sensitive and significant to the financial statement users.

Corrected and Uncorrected Misstatements

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

The attached schedule summarizes an uncorrected misstatement of the financial statements. Management has determined that its effect is immaterial to the financial statements taken as a whole. In addition, none of 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, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditors' 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 May 18, 2011.

Management Consultations 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 auditors' 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 the relevant facts. To our knowledge, there were no such consultations with other accountants.

Difficulties Encountered in Performing the Audit

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

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 to our retention.

This information is intended solely for the use of the Board of Trustees and management of Midcoast Regional Redevelopment Authority and is not intended to be and should not be used by anyone other than these specified parties.



Augusta, Maine
May 18, 2011

Midcoast Regional Redevelopment Authority
 December 31, 2010
 A Listing of Passed Differences

Account Title and Description	Type see below**	Acct #	Current Asset	Long-Term Asset	Current Liability	Long-Term Liability	Revenue	Functional Expense	Other Inc./Exp	Other Expense	Change in Net Assets	Beg. of Year Net Assets	End of Year Net Assets
Net Assets													
Task 1 - EDAM/MTI	1	32000										\$ 1,904	\$ (1,904)
To show the effect of reversing py amount applicable to a/p for vendor payments made in 2010.	1	50451-k					\$ (1,904)				\$ (1,904)	\$	\$ (1,904)
Debit / (Credit)													
								\$ (1,904)			\$ (1,904)	\$ 1,904	\$ (1,904)
Final Financial Statement								\$ 1,407,826			\$ 204,103	\$ 10,162	\$ 193,941
% effect on Financial Statement, if adjustment(s) were posted								-0.14%			-0.93%	18.74%	-0.99%

** = all overstatements and understatements should have considered the following

- 1.) Known misstatement(s)
- 2.) Likely effect of misstatement(s)
- 3.) Misstatements projected from a substantive audit sampling procedure
- 4.) Significant unexplained differences from an analytical procedure
- 5.) Differences between a client's estimate and MP&Co.'s acceptable range for the estimate