

MAINE STATE LEGISLATURE

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January 26, 2015

Honorable Michael D. Thibodeau
President
Maine Senate
3 State House Station
Augusta, Maine 04333

Honorable Mark W. Eves
Speaker of the House of Representatives
Maine House of Representatives
2 State House Station
Augusta, Maine 04333

Dear President Thibodeau and Speaker Eves:

Pursuant to 5 M.R.S.A., Section 12023, please consider this the letter of transmittal for the attached "Report to Legislature for 2014" on behalf of the quasi-independent state entity, Small Enterprise Growth Board, due February 1, 2015.

Please contact me if you have any questions or need additional information.

Thank you.

Sincerely,

A handwritten signature in black ink that reads "Terri Wark". The signature is written in a cursive, flowing style.

Terri Wark
Office Operations Manager
Small Enterprise Growth Board
d/b/a Maine Venture Fund

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The Fund's mission is to provide resources to attract, support, and help develop eligible small businesses with the potential for substantial growth and success that will contribute to the prosperity of Maine.

**QUASI-INDEPENDENT STATE ENTITY – SMALL ENTERPRISE GROWTH BOARD
REPORT TO LEGISLATURE
FOR 2014**

In compliance with P. L. 2011, c. 616 and the requirements of 5 MRSA § 12023 (2), the Small Enterprise Growth Board (“SEGB” or “Board”), the governing body of the Small Enterprise Growth Fund, now doing business as Maine Venture Fund (“MVF” or “Fund”), respectfully submits its Quasi-Independent State Entity Report for 2014 as follows:

A) A list of all procurements exceeding \$10,000 in the preceding year for which competitive procurement was waived under the policies adopted pursuant to § 12022 (3), including procurements exceeding \$10,000 that were made under contracts previously entered into for which competitive procurement was not required.

*Baker, Newman, Noyes, Accountants & Advisors
280 Fore Street, Portland, ME 04101
Cost for Fiscal Year 2014: \$12,500*

BNN has performed the Fund’s annual financial audit since 1996. The audit generally occurs from mid July to early August of the following fiscal year after the accounting firm submits its Communication Letter and Letter of Engagement to the SEGB. The Fund conducted a request for proposal (RFP) in 2007, contacting approximately six accounting firms, resulting in no change due to lack of competitive accounting firm pricing. A second RFP was conducted in the spring of 2014, sent to six accounting firms and resulting in responses from three, but resulting in no change due to lack of competitive pricing.

B) A list of all persons to which the entity made contributions greater than \$1,000 in the preceding year and the total amount contributed to each.

The Fund, along with two other investor groups, CEI Community Ventures and Masthead Ventures, all investors in the now defunct company, Foneshow, Inc., agreed to and shared the expenses incurred in the shutting down of said portfolio company. Each group paid a percentage, which was based on their investment in the company. The Fund paid CEI Community Ventures \$6,557, a 25% share, CEI Community Ventures paid 50% and Masthead Ventures paid 25% of the total costs of \$26,258, which covered invoices from vendors, legal fees, accounting firm fees, Federal and State taxes, and general shutting down costs.

C) A description of changes made in the preceding year to the written policies and procedures required by §12022 or to the procedures used by the governing body to monitor compliance with those policies and procedures.

There were no changes in the procedures used by the SEGB to monitor compliance with the Fund’s policies and procedures for the year 2014.