

MAINE STATE LEGISLATURE

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Finance Authority of Maine

Procedures Pursuant to 10 MRSA Sec. 363

For the Year Ended December 31, 2013

**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED UPON PROCEDURES**

The Board of Directors of the
Finance Authority of Maine
Governor of the State of Maine
The Joint Standing Committee on Labor, Commerce,
Research and Economic Development

We have performed the procedures in Appendix A, which were agreed to by the Finance Authority of Maine, and the Joint Standing Committee on Labor, Commerce, Research and Economic Development (the Committee), solely to assist you with respect to the requirements of the State of Maine 10 MRSA Sec. 363, subsection 11. The Finance Authority of Maine is responsible for the preparation of the Analysis of Savings From and the Benefits of Tax Exempt Financing (the Schedule), as presented in Appendix B. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed and our findings are summarized in Appendix A.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on the Schedule. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Finance Authority of Maine, the Committee and the Governor of the State of Maine, and is not intended to be and should not be used by anyone other than those specified parties.

Portland, Maine
February 27, 2014



Limited Liability Company

FINANCE AUTHORITY OF MAINE
PROCEDURES PURSUANT TO 10 MRSA Sec. 363

We obtained the Analysis of Savings From and the Benefits of Tax-Exempt Financing Schedule for Commercial Financing prepared by the Finance Authority of Maine (the Authority) which details the bonds issued in 2013 and the use of such proceeds and performed the following:

1. Compared the tax exempt bond yield and amount of bonds issued to documents supplied to the Authority by appropriate third parties and found them to be in agreement.
2. Compared the percentages of the cost of issuance including fees, insurance and professional services, to an analysis prepared by the Authority illustrating the various costs of the issue and found them to be in agreement. We did not compare the various costs to third-party documentation.
3. Recalculated the total tax-exempt bond yield.
4. Compared the purpose and use of proceeds to the information set forth in documents supplied to the Authority by third parties and found them to be in agreement.
5. Compared the comparative market interest rate available to borrowers, which indicates the conventional interest rate available to the borrowers for loans of a similar nature for the respective time period, and found them to be in agreement. We verified the rate stated in Appendix B to the published Prime rate on the date of issuance of the loan. We did not compare the market interest rates as provided by the Authority to third-party documentation.
6. Recalculated the interest saved by utilizing the bond cap.

APPENDIX B

Finance Authority of Maine
 Analysis of Savings From and the Benefits of Tax-Exempt Financing – Commercial
 2013

FAME
Issue Company A

Purpose and use of proceeds	Purchase property and renovation
Amount of bonds	\$2,500,000
Term (years) of issuance	8.59
Variable or fixed interest rate	Variable
Tax-exempt bond yield ⁽¹⁾	1.29%
Cost of issuance including fees, insurance and professional services	<u>0.25</u>
Total tax-exempt bond yield	1.54
Comparative market interest rate available to borrowers	<u>3.25</u> ⁽²⁾
Interest rate saved by utilizing bond cap	<u>1.71</u> %

⁽¹⁾ Based on initial interest rate for variable interest rate bonds.

⁽²⁾ Comparative market rates estimated by the Authority based on Prime rate at the date of issuance.

