

MAINE STATE LEGISLATURE

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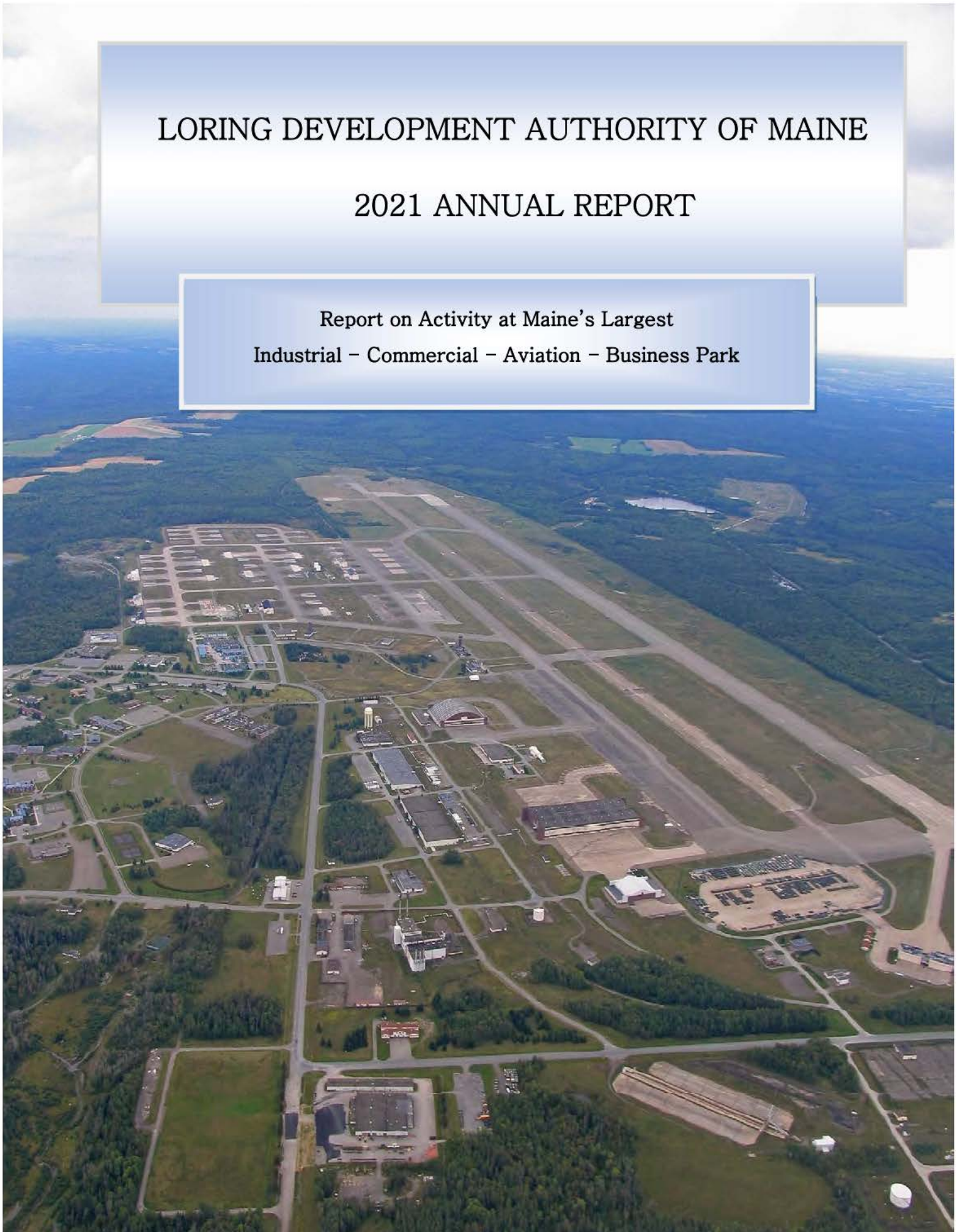


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LORING DEVELOPMENT AUTHORITY OF MAINE

2021 ANNUAL REPORT

Report on Activity at Maine's Largest
Industrial – Commercial – Aviation – Business Park



**Paragraph 13080-L
Fiscal Year 2021 Annual Report
July 1, 2020 – June 30, 2021**

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PARAGRAPH 1A: DESCRIPTION OF THE AUTHORITY’S OPERATIONS

Loring Development Authority (LDA) is responsible for the redevelopment of the properties of the state’s largest industrial park, Loring Commerce Centre, formerly Loring Air Force Base, in support of new job creation and new economic activity. LDA manages the 3,700-acre business-commercial and industrial park including a 1,600-acre aviation complex; serves as landlord to leasehold businesses and supplies municipal-type services to residents and businesses that collectively employ approximately 750 people and occupy 1 million square feet of space in numerous major buildings. LDA operates a water treatment plant, water distribution system, and a wastewater collection system; maintains and plows 26 miles of roadways; performs grounds maintenance on hundreds of acres of developed and developable property; and through arrangements with the Town of Limestone and others, secures fire, ambulance, and law enforcement services and contracts for wastewater treatment. The LDA works with prospective businesses to develop opportunities to reuse additional facilities and properties, create additional employment and economic activity both at Loring and in the broader region.

Businesses at Loring represent industrial, manufacturing, agriculture, forestry, energy, telecommunications, commercial, back-office, education, recreation, conservation and aviation sectors. A profile of the employers at Loring, included at the end of this report, illustrates the significant level and diversity of economic activity generated by the reuse of facilities at Loring Commerce Centre.

Loring Development Authority of Maine
Fiscal Year 2021 Annual Report
July 1, 2020 – June 30, 2021

**PARAGRAPH 1B: AUDITED FINANCIAL STATEMENTS FOR
FISCAL YEAR 2021**

The attached Independent Auditor's Report was approved by the Loring Development Authority Board of Trustees on October 13, 2021.

LORING DEVELOPMENT AUTHORITY OF MAINE

FINANCIAL STATEMENTS

JUNE 30, 2021

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LORING DEVELOPMENT AUTHORITY OF MAINE

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Years Ended June 30, 2021 and 2020

UNAUDITED

The management of the Loring Development Authority of Maine (LDA) is providing the following discussion and analysis of the financial activities for the year ended June 30, 2021. The LDA is a component unit of the State of Maine with a mission to create jobs and positive economic growth by redevelopment of approximately 3,700 acres of the former Loring Air Force Base located in Limestone, Maine.

Report Layout

The management's discussion and analysis is intended to make reports more understandable, easier to read, comprehensible and to explain significant changes and financial positions between the current and prior year.

Financial Highlights

- Total net position decreased by \$1,332,677. Operations decreased net position by \$1,669,430. Revenues were up due to an increase in state assistance while expenses were down due to decreases in salaries, utilities and uncollectable accounts.
- Total revenues of \$1,626,608 are comprised of 16% from lease revenue, 41% from state assistance, 17% from federal grants, 17% from water and sewer fees and 5% from other LDA operations.
- Due to a challenging economic environment net jobs have declined over the past fiscal year.
- The annual Caretaker grant revenue for the maintenance and operation of essential services and facility maintenance ceased in September 2004. The LDA now relies on lease income, state assistance and other operations to support these operations. The LDA's cost for facility maintenance, operations of water distribution and sewer collection systems, maintenance of a network of roads, parking lots, airfield pavements, together with services for wastewater treatment, fire, police and ambulance protection was approximately \$1.9 million in fiscal year 2021.

Basic Financial Statements

The LDA's financial reports are prepared using proprietary fund (enterprise fund) accounting which is the same basis as private-sector business enterprises and utilizes the accrual basis of accounting. The accrual basis of accounting records income as it is earned and costs as incurred. The basic financial statements include the following:

Statements of Net Position

Statements of Revenues, Expenses and Changes in Net Position

Statements of Cash Flows

LORING DEVELOPMENT AUTHORITY OF MAINE

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Years Ended June 30, 2021 and 2020

UNAUDITED

The Statements of Net Position exhibits the balance of current and capital assets less current liabilities and a net asset balance. As required by GASB 34, the LDA has included the estimated fair market value of net assets (structures, vehicles and equipment, aviation facilities, roads and accessory facilities, special use structures and land) which were given to the LDA at no cost by the United States Air Force. The carrying value of total capital assets for the current year is \$54,046,878 as compared to a capital asset balance of \$55,098,271 for the prior year ending June 30, 2020.

Table 1 provides condensed data of the Statements of Net Position for the fiscal years ended 2021 and 2020.

Table 1

Net Position

	<u>2021</u>	<u>2020</u>
Current assets	\$ 1,006,904	\$ 1,251,725
Net capital assets	54,046,878	55,098,271
Notes receivable, net of current portion	<u>50,101</u>	<u>300,000</u>
Total Assets	<u>55,103,883</u>	<u>56,649,996</u>
Deferred Outflows of Resources	<u>8,807</u>	<u>23,422</u>
Current Liabilities	2,394,538	2,123,734
Long-term Liabilities	<u>1,098,317</u>	<u>1,304,143</u>
Total Liabilities	3,492,855	3,427,877
Deferred Inflows of Resources	<u>168,817</u>	<u>461,846</u>
Total Net Position	\$ <u>51,451,018</u>	\$ <u>52,783,695</u>

The Statements of Revenues, Expenditures and Changes in Net Position reports the federal and state assistance and operations revenue, less operating costs in order to reflect the change in net position value for the current year in combination with the prior year's net position value to reflect the net position balance as of June 30, 2021.

LORING DEVELOPMENT AUTHORITY OF MAINE

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Years Ended June 30, 2021 and 2020

UNAUDITED

Table 2 shows the changes in net position for the fiscal years 2021 and 2020.

Table 2

Changes in Net Position

	<u>2021</u>	<u>2020</u>
Revenues:		
Program Revenues		
State Assistance	\$ 665,974	\$ 503,306
General Revenues		
Lease and Other	<u>617,260</u>	<u>601,244</u>
Total Operating Revenues	<u>1,283,234</u>	<u>1,104,550</u>
Operating Expenses:		
Salaries and Benefits	432,477	565,737
Travel	1,599	2,600
Contracted Services	569,757	482,930
Depreciation	969,774	972,344
Legal and Audit	6,063	9,591
Marketing	7,547	1,110
Supplies and Expenses	65,104	84,961
Maintenance	197,458	202,072
Utilities	572,466	606,308
Uncollectable Accounts	-	13,814
Other General and Administrative	<u>130,419</u>	<u>122,629</u>
Total Operating Expenses	<u>2,952,664</u>	<u>3,064,096</u>
Loss from Operations	<u>(1,669,430)</u>	<u>(1,959,546)</u>
Other Revenues & Expenses		
Other	<u>336,753</u>	<u>139,259</u>
Change in Net Position	\$ <u>(1,332,677)</u>	\$ <u>(1,820,287)</u>

The Statements of Cash Flows are included, which discloses net cash provided by, or used in operating activities, noncapital financial activities, and from capital and related financing activities. From these statements, the reader can obtain comparative information on the sources and uses of cash for the reported years.

LORING DEVELOPMENT AUTHORITY OF MAINE

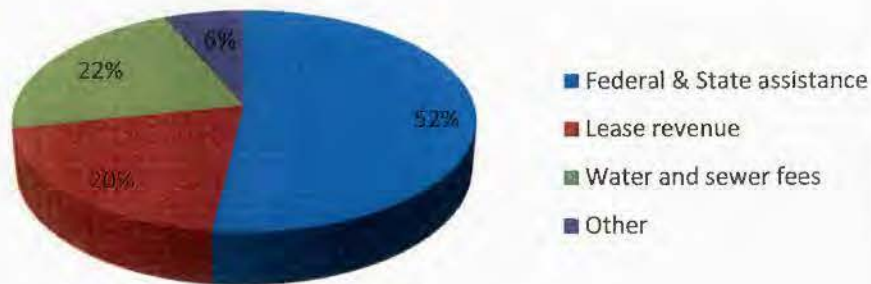
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Years Ended June 30, 2021 and 2020

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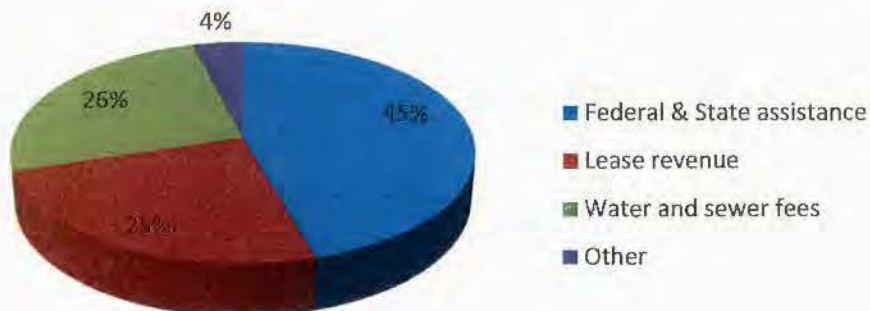
The Loring Development Authority's Funds

The Loring Development Authority's Funds are accounted for using the accrual basis of accounting. Total revenues and other sources amounted to \$1,626,608 in 2021 and \$1,250,717 in 2020. Operating revenues for the two years as represented in the tables below totaled \$1,283,234 in 2021 and \$1,104,550 in 2020. Federal and state grants and assistance represents 52% and 45% of the LDA's operating revenues for the last two years.

2021 Operating Revenues



2020 Operating Revenues



LORING DEVELOPMENT AUTHORITY OF MAINE

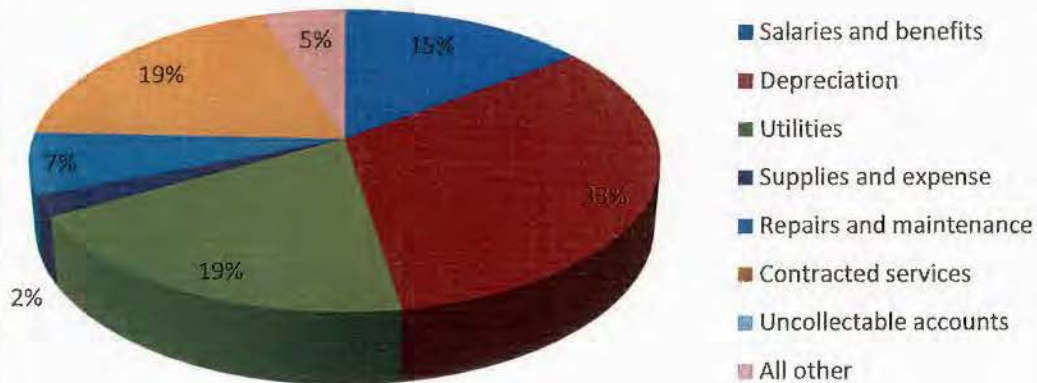
MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Years Ended June 30, 2021 and 2020

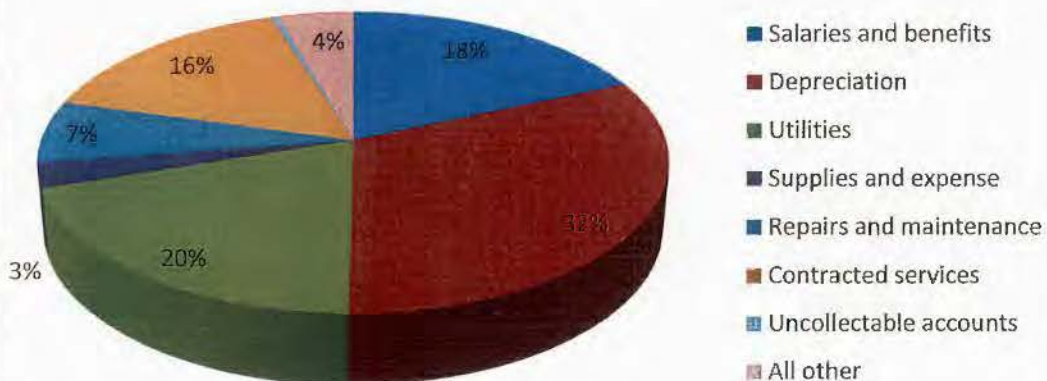
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Operating expenses amounted to \$2,952,664 in 2021 and \$3,064,096 in 2020. The following charts reflect the expenditures for the fiscal years ended June 30, 2021 and 2020.

2021 Expense Distribution



2020 Expense Distribution



LORING DEVELOPMENT AUTHORITY OF MAINE

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Years Ended June 30, 2021 and 2020

UNAUDITED

Capital Assets

At the end of fiscal year 2021, the Loring Development Authority had land, buildings, improvements, structures and facilities of \$70,242,283. A significant portion of these assets were donated to LDA by the U.S. Air Force or purchased. Net of depreciation, these assets were recorded at \$54,046,878. Table 3 shows capital assets, net of accumulated depreciation.

Table 3

**Capital Assets at June 30
(Net of Depreciation)**

	<u>2021</u>	<u>2020</u>
Land	\$ 10,444,599	\$ 10,467,199
Buildings	12,283,915	12,747,432
Equipment and Improvements	5,669,879	5,804,266
Special Use Structures	4,972,340	5,233,128
Aviation Facilities	15,410,879	15,466,615
Roadways and Accessories	3,265,266	3,379,631
Pipeline	<u>2,000,000</u>	<u>2,000,000</u>
Total Net Capital Assets	\$ <u>54,046,878</u>	\$ <u>55,098,271</u>

Budgeting

The LDA provides an annual budget for control and internal purposes only. No legally adopted budget is maintained.

Debt

The Loring Development Authority had an operating Line of Credit debt of \$1,700,000 with \$1,700,000 outstanding as of June 30, 2021.

The LDA entered into a short-term lending agreement in March 2021 with Northern Maine Development Commission, receiving funds in the amount of \$100,000 secured by second and third mortgages on real estate. The balance at June 30, 2021 is \$100,000 and is payable in full in September 2021.

The LDA took on bonded debt of \$454,720 in 2010 for the purpose of upgrading sewer lines. As of June 30, 2021 the balance on this debt is \$215,992.

The LDA entered into a loan agreement with USDA Rural Development in the year ended June 30, 2010. The \$330,000 proceeds from the note were used to pay off the construction line of credit which provided funds for the sewer upgrade project. The balance as of June 30, 2021 is \$282,221.

LORING DEVELOPMENT AUTHORITY OF MAINE

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Years Ended June 30, 2021 and 2020

UNAUDITED

The LDA entered into a lending agreement with Northern Maine Development Commission, receiving funds in the amount of \$200,000 secured by assets. The balance at June 30, 2021 is \$32,219.

The LDA entered into a lending agreement with Northern Maine Development Commission in May 2020, receiving funds in the amount of \$200,000 secured by assets. The balance at June 30, 2021 is \$164,350

In December 2014 the LDA entered into a mortgage agreement with Katahdin Trust Company, receiving funds in the amount of \$254,000 secured by a real estate. The balance at June 30, 2021 is \$135,779.

In December 2020 the LDA entered into an agreement with the U.S. Small Business Administration, receiving funds in the amount of \$150,000 through the Economic Injury Disaster Loan Program. The balance at June 30, 2021 is \$150,000.

On January 2, 2019 the Authority entered into an agreement with the Maine Military Authority (MMA) by which the Authority received equipment valued at \$207,000. Under the terms of the agreement the Authority can not sell or transfer ownership of the assets for a period of ten (10) years. During the ten (10) year period the Authority is obligated to pay 25% of any lease revenue received for the use of the equipment.

As of June 30, 2021 the equipment is not leased and no payments on the note are anticipated in the current term.

Future Developments

The LDA is working to compensate for the loss of state funding. The LDA has developed collaborations with other economic development groups which have proven effective at identifying development prospects and has begun working with private developers who are interested in purchasing real estate. Meanwhile, as development has continued and vacant buildings have been returned to productive uses, fewer facility-maintenance resources will be needed. As listed in the financial highlights, the LDA has also secured resources from the Air Force to upgrade the water treatment plant and water distribution infrastructure and has consolidated waste water systems with a local sewer treatment district. Over the longer term, LDA's continued development will create more revenue from real estate operations that will be available to invest in repairing, replacing and upgrading infrastructure as well as further development efforts.

COVID-19 has also created additional challenges as potential tenants have paused their expansion plans due to the uncertainty created by the pandemic.



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Barbara E. McGuire, CPA, CGMA
Timothy P. Poitras, CPA, CGMA

To the Board of Trustees of the
Loring Development Authority of Maine

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the business-type activities of the Loring Development Authority of Maine, as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 entity's internal control. Accordingly, we express no such opinion. 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 financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unmodified and adverse audit opinions.

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Business-Type Activities	Unmodified
Aggregate Discretely Presented Component Units	Adverse

Basis for Adverse Opinion on Aggregate Discretely Presented Component Unit

The financial statements referred to above do not include financial data for the Authority's legally separate component unit, Loring Industries, LLC. Accounting principles generally accepted in the United States of America require financial data for those component units to be reported with the financial data of the Authority unless the Authority also issues financial statements for the financial reporting entity that include the financial data for its component units. The Authority has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the assets, liabilities, net position, revenues, and expenses of the aggregate discretely presented component units would have been presented as \$532,674, \$169,291, \$363,383, \$0 and \$115,998, respectively.

Adverse Opinion

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on Aggregate Discretely Presented Component Unit" paragraph, the financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component unit of the Loring Development Authority of Maine, as of June 30, 2021, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Loring Development Authority of Maine, as of June 30, 2021 and 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Substantial Doubt about the Organization's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the Organization will continue as a going concern. As discussed in Note 21 to the financial statements, the Organization has suffered recurring significant reductions in revenues, has a net deficiency in net assets, and has stated that substantial doubt exists about its ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding those matters also are described in Note 21. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages I through VII and the Schedule of Changes in Net OPEB Liability and Schedule of Employer's Share of OPEB Contributions on Page 24 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 28, 2021 on our consideration of Loring Development Authority of Maine's internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Loring Development Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Loring Development Authority of Maine's internal control over financial reporting and compliance.

Chester M. Kearney

Presque Isle, Maine
September 28, 2021

LORING DEVELOPMENT AUTHORITY OF MAINE

STATEMENTS OF NET POSITION

JUNE 30, 2021 AND 2020

ASSETS

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash and temporary investments (Note 3)	\$ 87,681	\$ 319,151
Due from State of Maine (Note 9)	100,000	3,306
Accounts receivable, net	511,799	564,895
Current portion of notes receivable	302,699	355,375
Inventory	4,725	8,998
	<u>1,006,904</u>	<u>1,251,725</u>
FIXED ASSETS (Note 13)		
Capital assets	70,242,283	70,403,238
Less accumulated depreciation	<u>(16,195,405)</u>	<u>(15,304,967)</u>
	<u>54,046,878</u>	<u>55,098,271</u>
OTHER ASSETS		
Notes receivable (Note 12)	50,101	300,000
	<u>50,101</u>	<u>300,000</u>
TOTAL ASSETS	<u>\$ 55,103,883</u>	<u>\$ 56,649,996</u>
DEFERRED OUTFLOWS OF RESOURCES		
Prepaid expense	1,400	13,893
Deferred outflows related to OPEB (Note 21)	<u>7,407</u>	<u>\$ 9,529</u>
	<u>\$ 8,807</u>	<u>\$ 23,422</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	\$ 408,027	\$ 192,432
Accrued expenses	56,746	75,556
Short-term debt (Note 15)	100,000	
Line of credit (Note 8)	1,700,000	1,680,000
Current portion of long-term debt	<u>129,765</u>	<u>175,746</u>
	<u>2,394,538</u>	<u>2,123,734</u>
LONG-TERM DEBT		
Notes Payable (Note 14)	980,561	1,237,892
Less Current Portion	<u>(129,765)</u>	<u>(175,746)</u>
	850,796	1,062,146
Due to State of Maine (Note 15)	<u>207,000</u>	<u>207,000</u>
	<u>1,057,796</u>	<u>1,269,146</u>
OPEB LIABILITY (Note 21)	<u>40,521</u>	<u>34,997</u>
TOTAL LIABILITIES	<u>\$ 3,492,855</u>	<u>\$ 3,427,877</u>
DEFERRED INFLOWS OF RESOURCES		
Grants authorized and unexpended (Note 9)	21,946	293,738
Unearned lease revenue (Note 7)	100,507	100,507
Deferred inflows related to OPEB (Note 21)	39,953	58,561
Prepaid rent	<u>6,411</u>	<u>9,040</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>\$ 168,817</u>	<u>\$ 461,846</u>
NET POSITION		
Invested in capital assets, net of related debt	53,173,666	53,903,424
Unrestricted	<u>(1,722,648)</u>	<u>(1,119,729)</u>
TOTAL NET POSITION	<u>\$ 51,451,018</u>	<u>\$ 52,783,695</u>

See notes to financial statements

LORING DEVELOPMENT AUTHORITY OF MAINE

STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION

YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
OPERATING REVENUES		
State assistance (Note 9)	\$ 665,974	\$ 503,306
Lease revenue	254,894	272,254
Water and sewer fees	280,035	284,733
Other	82,331	44,257
	<u>1,283,234</u>	<u>1,104,550</u>
OPERATING EXPENSES		
Salaries and benefits	432,477	565,737
Depreciation	969,774	972,344
Utilities	572,466	606,308
Supplies and expense	65,104	84,961
Repairs and maintenance	197,458	202,072
Contracted services	569,757	482,930
Legal and audit	6,063	9,591
Insurance	47,682	46,442
Communications	14,015	14,071
Travel	1,599	2,600
Interest expense and bond bank fees	68,722	62,116
Marketing	7,547	1,110
Uncollectable accounts	-	13,814
	<u>2,952,664</u>	<u>3,064,096</u>
LOSS FROM OPERATIONS	<u>(1,669,430)</u>	<u>(1,959,546)</u>
NON-OPERATING REVENUES/(EXPENSES)		
Federal and State assistance for capital projects (Note 9)	271,792	127,621
Gain on sale of surplus property	57,968	1,058
Loss on asset disposal	(6,621)	(6,908)
Interest income	2,652	5,051
OPEB Expense recovery (Note 21)	10,962	12,437
	<u>336,753</u>	<u>139,259</u>
CHANGE IN NET POSITION	(1,332,677)	(1,820,287)
NET POSITION - BEGINNING OF YEAR	<u>52,783,695</u>	<u>54,603,982</u>
NET POSITION - END OF YEAR	<u>\$ 51,451,018</u>	<u>\$ 52,783,695</u>

See notes to financial statements

LORING DEVELOPMENT AUTHORITY OF MAINE

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 585,396	\$ 438,297
Cash received from governmental assistance	569,280	1,165,399
Cash received from other sources	82,331	44,257
Cash paid for salaries and benefits	(451,287)	(570,338)
Cash paid for contract services	(569,757)	(482,930)
Cash paid for goods and services	(679,573)	(868,774)
Interest paid	(68,722)	(62,116)
Net cash used in operating activities	<u>(532,332)</u>	<u>(336,205)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Net advances on line of credit	20,000	285,000
Proceeds from short-term debt	100,000	-
Proceeds from long-term debt	150,000	200,000
Interest received	2,652	5,051
Net cash provided by non-capital financing activities	<u>272,652</u>	<u>490,051</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Payments for capital acquisitions and construction	-	(137,853)
Payments on long-term debt	(407,331)	(267,409)
Payments received on note receivable	302,575	2,455
Sale of property	132,966	1,058
Net cash provided by (used in) capital financing activities	<u>28,210</u>	<u>(401,749)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(231,470)</u>	<u>(247,903)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>319,151</u>	<u>567,054</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>87,681</u></u>	<u><u>319,151</u></u>
RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH USED IN OPERATING ACTIVITIES		
Loss from operations	<u>(1,669,430)</u>	<u>(1,959,546)</u>
Adjustments to reconcile loss from operations to net cash used in operating activities		
Depreciation	969,774	972,344
OPEB Expense Recovery	10,962	12,437
Changes in assets and liabilities		
Operating accounts receivable, net	53,096	(102,777)
Operating funds due from other governments	(96,694)	662,093
Inventory	4,273	1,438
Prepaid expenses	12,493	(12,493)
Accounts payable	215,595	123,250
Prepaid rent	(2,629)	1,877
Accrued expenses	(18,810)	(4,601)
Unearned lease revenue	-	(17,790)
Deferred outflows related to OPEB	2,122	(3,476)
OPEB Liability	5,524	(47,773)
Deferred inflows related to OPEB	(18,608)	38,812
	<u>1,137,098</u>	<u>1,623,341</u>
Net cash provided used in operating activities	<u><u>\$ (532,332)</u></u>	<u><u>\$ (336,205)</u></u>

See notes to financial statements

LORING DEVELOPMENT AUTHORITY OF MAINE

NOTES TO FINANCIAL STATEMENTS

(1) HISTORY OF THE ORGANIZATION

On July 12, 1991, the President of the United States accepted the recommendation of the Base Closure and Realignment Commission to close Loring Air Force Base (Loring) located in the Town of Limestone, Maine, Town of Caswell, Maine, and the City of Caribou, Maine, as well as nine off-site locations used for housing, communications and water distribution. The effective date of closure was September 30, 1994. The Loring base property, which excludes any off-site locations, consists of approximately 8,700 acres of land, 3.1 million square feet of existing facility space and an aviation complex, which includes a 12,100 foot runway, related aviation facilities and operating systems.

On July 13, 1993, the Maine State Legislature enacted Public Law Chapter 474, establishing the Loring Development Authority of Maine (LDA), a public municipal corporation. The LDA is entrusted with investigating the acquisition of the properties within the geographical boundaries of Loring, and the subsequent redevelopment and management of property so acquired.

On April 4, 1997, the United States Air Force transferred approximately 3,700 acres of land, associated facilities, infrastructure and personal property to the LDA via the execution of Economic Development Conveyance (EDC) and Lease in Furtherance of Conveyance documents. This EDC document, which is a mechanism used by the Federal government to transfer former military installations to local reuse authorities for job creation and economic development purposes, transferred control of the Loring property to the LDA through a no-cost, 55-year lease, with commitments from the Air Force to transfer title to the property upon receiving environmental clearance from the Environmental Protection Agency. The conveyance documents also include a provision that provided the LDA with an average of \$2.7 million annually through September 30, 2004 to fund its municipal type functions including, but not limited to, fire and emergency services, police protection, water and waste water systems, as well as protection and maintenance of buildings, grounds and roadways. This funding expired September 30, 2004. The lease given to the LDA in 1997 was superseded in 2001 with a Quit Claim deed conveying 2,805 of the original 3,700 acres in fee title and in 2004 when the remainder of the property was conveyed by deed. The LDA also acquired a 185 mile pipeline in 2005 and a 142,000 square-foot building used by the Defense Finance and Accounting Service, subject to a leaseback arrangement.

Consistent with the LDA's enabling legislation, as amended, the Board of Trustees is comprised of thirteen (13) voting members, each of whom are nominated by the Governor of the State of Maine and confirmed by the Maine Senate. Of the thirteen (13), one is a commissioner of a department of state government, designated by the Governor to serve on the LDA Board. No less than seven of the Board of Trustees must be residents of Aroostook County and be nominated by one of the primary impacted communities, as defined in the enabling legislation. In addition, no less than four of the Board of Trustees must live outside of Aroostook County. The enabling legislation also imposes term limits on the Trustees of two consecutive four-year terms. The Board of Trustees have elected a Chair, Vice-Chair, Secretary and Treasurer to serve terms of one year. The fiscal year for the LDA runs from July 1 through June 30. The financial information of the LDA is reported as a component unit as part of the financial statements of the State of Maine.

LORING DEVELOPMENT AUTHORITY OF MAINE

NOTES TO FINANCIAL STATEMENTS (cont'd.)

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The LDA prepares its financial statements on the accrual basis of accounting. Under the accrual basis of accounting, revenue is recognized when earned and measurable and expenses are recognized when incurred and measurable.

The LDA is comprised of business-type activities only. As prescribed by Section Sp20 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, *Special Purpose Governments*, only the financial statements required for enterprise funds are presented.

Measurement focus

Proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and liabilities associated with the operation of these funds are included on the Statements of Net Position. The Statements of Revenues, Expenditures, and Changes in Net Position presents the increases (i.e. revenues) and decreases (i.e. expenses) in net total assets. The Statements of Cash Flows provides information about how the Authority finances and meets the cash flow needs of its proprietary activities.

Use of estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Budgetary information

GASB #34 requires that budgetary comparison schedules be presented only for the general fund and each major special revenue fund that has a legally adopted annual budget. The LDA currently does not legally adopt an annual budget and therefore has not presented one in these financial statements.

Cash and cash equivalents

The LDA has defined cash and cash equivalents to include cash on hand, demand deposits and cash with fiscal agents. Currently, the LDA treats all their cash as a cash equivalent because they can deposit or withdraw cash at any time without prior notice or penalty.

Defining operating revenues and expenses

The LDA's proprietary funds distinguish between operating and non-operating revenues and expenses. Operating revenues and expenses of the LDA consist of federal and state assistance for non-capital transactions as well as revenue derived from rental activities and the costs of providing rental property, including depreciation and excluding interest costs. All other revenues and expenses are reported as non-operating.

LORING DEVELOPMENT AUTHORITY OF MAINE

NOTES TO FINANCIAL STATEMENTS (cont'd.)

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

Deferred Outflows of Resources

The LDA reports decreases in net assets that relate to future periods as deferred outflows of resources in a separate section of its statement of net position. Deferred outflows of resources as of June 30, 2021 consist of prepaid utility expenses and items relating to other post-employment benefits.

Deferred Inflows of Resources

The LDA reports a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net assets that applies to future periods. The LDA will not recognize the related revenues until a future event occurs. The LDA's deferred inflows of resources are detailed in Note #7 and Note #9.

New Accounting Policies

The Authority has adopted the provisions of Statement No. 88 of the Governmental Accounting Standards Board (GASB) Accounting Board – Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements. GASB 88 expands required disclosure for long-term debt and other long-term obligations. Adoption of this standard does not impact previously issued financial statements.

(3) CASH AND TEMPORARY INVESTMENTS

Deposits with financial institutions are subject to custodial credit risk. Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority's investment policy is to invest in regional banks and federal securities and to insure the funds to as great a degree as possible. The Authority's checking deposits at year-end were covered by Federal Depository Insurance Corporation (FDIC) or collateralized by U.S. Governmental Agency securities held in the Authority's name.

The Authority's cash balances in the financial statements are \$87,681 and \$319,151 as of June 30, 2021 and 2020, respectively.

The Authority's cash is categorized to give an indication of the level of risk assumed by the Authority at year-end. These categories are defined as follows:

- Category #1 – Insured or collateralized with securities held by the Authority or by its agency in the Authority's name.
- Category #2 – Collateralized with securities held by the pledging financial institution's trust department or agent in the Authority's name.
- Category #3 – Uncollateralized, which includes any bank balance that is collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the Authority's name.

LORING DEVELOPMENT AUTHORITY OF MAINE

NOTES TO FINANCIAL STATEMENTS (cont'd.)

(3) CASH AND TEMPORARY INVESTMENTS (cont'd.)

As of June 30, 2021 and 2020 the Authority's entire cash and temporary investment balances are classified as Category 1.

(4) COMPENSATED ABSENCES

Authority employees are granted vacation and sick leave in varying amounts. Upon termination, an employee is paid the full amount of accumulated vacation days not taken. Sick leave is not payable upon termination.

The Authority's financial liability for accrued vacations at June 30, 2021 and 2020 is \$23,951 and \$21,192, respectively.

(5) PENSION PLAN

The Authority has instituted a Model Simplified Employee Pension Plan for all eligible Authority employees in accordance with Section 408(K) of the Internal Revenue Code. All Authority contributions to the employee's individual retirement account are 100% vested to the employee on the date of the contribution. Employee contributions to the plan are discretionary, subject to Internal Revenue Code limitations. Employer contributions to the plan, at 5% of regular gross wages, totaled \$17,017 and \$21,580 for the years ended June 30, 2021 and 2020.

(6) RENTAL OF FACILITIES

The Authority has leased land and buildings at Loring to various third parties under non-cancellable operating leases requiring fixed payments through 2026. The leases provide for varying terms and conditions.

As of June 30, 2021, the future minimum lease payments for the next 5 years are as follows:

<u>Fiscal year ending June 30:</u>	<u>Amount</u>
2022	546,253
2023	78,069
2024	55,242
2025	49,006
2026	49,430
	<u>\$778,000</u>

(7) DEFERRED INFLOWS OF RESOURCES

The Authority received advances of rent and other receipts, which have been characterized as deferred inflows in the accompanying Statement of Net Position.

As of June 30, 2021 and 2020 the amount included as deferred inflows was \$100,507. The balance as of June 30, 2021 consisted of a \$100,000 partial payment of a fee for an exclusive negotiation period received from CSJ Green Eco-Energy development company, a \$500 due diligence fee with Synergen Solar and the remaining \$7 is an advance on a property insurance claim. These amounts are expected to be recognized as revenue in 2022.

LORING DEVELOPMENT AUTHORITY OF MAINE

NOTES TO FINANCIAL STATEMENTS (cont'd.)

(7) DEFERRED INFLOWS OF RESOURCES (cont'd.)

The Authority records a deferred inflow of resources related to OPEB obligations; this amount is further detailed in Note 21.

(8) LINE OF CREDIT AND SHORT-TERM DEBT

The Authority has a variable rate operating line of credit with Machias Savings Bank with interest payable at 70% of "Wall Street Prime", currently 2.275%, with a maximum limit of \$1,500,000. On March 23, 2020 the limit of the line of credit was extended to \$1,700,000 for a 2-month period, automatically reverting to \$1,500,000 on July 31, 2020. As of June 30, 2021, the line of credit balance was \$1,700,000, leaving \$0 available for use and was not in compliance as it is over-extended by \$200,000. The line is secured by the Authority's accounts and notes receivable and other general intangibles but could be subject to additional collateral pending negotiations with the bank to bring it into compliance.

On March 12, 2021 the Authority was advanced \$100,000 from Northern Maine Development Commission to be used as working capital. The balance was due in full on or before September 12, 2021 including interest accrued at 4% per annum. On September 23, 2021 the parties signed a modification agreement which extended the maturity date to March 15, 2022.

(9) PUBLIC SECTOR FUNDING

The LDA is currently funded through the following public sources:

(A) State of Maine:

Tax Increment Financing – On July 5, 1996, the State Legislature enacted LD 1741 establishing the Loring Job Increment Financing Fund (Fund). The Fund, which has a term of thirty years, was created to establish a supplemental source of funding to subsidize future municipal service costs. This Fund will receive state income tax withholding revenues which can be attributed to incremental jobs created at Loring and will be based upon 50% of the State income tax withholding from these incremental jobs. State contributions to the Fund will be made on an annual basis and are payable by July 31 of each year. The LDA has realized revenues of \$515,974 and \$503,306 for the years ending June 30, 2021 and 2020, respectively.

Department of Transportation (DOT) – The state of Maine DOT awarded the Authority a grant of \$1,000,000 for airport facility renovations. \$0 was spent in the year ended June 30, 2021 and 2020. \$7,825 of the balance was unexpended as of June 30, 2021 and is recorded as grants authorized and unexpended.

(B) The United States Department of Defense – In 2009 the United States Air Force Real Property Agency made payment of \$1,500,000 to the Authority under an agreement relating to the Air Force's obligation to provide an alternative source of supply for Loring's drinking water. In 2015, upon recognizing that the initial funding was insufficient to complete the project and comply with the Safe Drinking Water Act an additional \$300,000 was approved and advanced. For the year ended June 30, 2021 the Authority expended \$271,792 of these funds on the water system while \$14,121 remains to be spent and is recorded as grants authorized and unexpended.

LORING DEVELOPMENT AUTHORITY OF MAINE

NOTES TO FINANCIAL STATEMENTS (cont'd.)

(10) CONCENTRATION OF RISK

Federal and State funding

The LDA received approximately 52% of its operating revenue from state funding for the year ended June 30, 2021. The ability to continue its operations is dependent on continued funding.

Accounts receivable

For the year ended June 30, 2021, approximately 47% of the Authority's accounts receivable was due from 1 customer. \$455,635 (100%) of this amount has been reserved as a doubtful account.

(11) ALLOWANCE FOR DOUBTFUL ACCOUNTS

Accounts receivable are shown on the Statements of Net Position net of the allowance for doubtful accounts. The allowance for doubtful accounts was \$455,635 for the years ended June 30, 2021 and 2020.

(12) NOTES RECEIVABLE

British Cycle Supply Company

On July 22, 2015 the Authority sold a building to the British Cycle Supply Company and received a promissory note in the amount of \$66,400. The note is payable to the Authority in monthly installments of \$429 including interest at 4.75% through July 2035 the original note contained a final balloon payment in the amount of \$55,595 due July 2020 which the borrower was unable to pay so the parties have agreed to extend the note term. The note is secured by the building. The note balance as of June 30, 2021 and 2020 is \$52,800 and \$55,375 respectively.

Penobscot Natural Gas

On September 24, 2010, pursuant to an amendment a sale/lease agreement with Loring Bio-energy, LLC (LBE), LDA transferred assets, including the former heat plant building and real estate, to and leased a pipeline extending from Loring to Searsport, Maine in exchange for a 0% interest note in the amount of \$3,000,000. The note is payable in 10 annual installments of \$300,000 with the first installment due and payable within 30 days after the buyer commences "substantial commercial activity" or June 30, 2013, whichever comes first.

In June 2012, LBE's secured creditor put the property, including the lease rights for the pipeline, up for bid at auction with Penobscot Natural Gas (PNG) being the successful bidder. PNG completed the acquisition of the foreclosed rights from LBE's lender, and negotiated an "Assumption Agreement" with the LDA. The Assumption Agreement, signed June 11, 2013, contains PNG's commitment to honor all future obligations under the LBE agreements, and also contains LDA's acknowledgement that PNG had cured existing LBE defaults and that PNG qualifies as a "permitted transferee" as defined in the LBE documents.

As of June 30, 2021 the outstanding balance due on the agreement is \$300,000.

LORING DEVELOPMENT AUTHORITY OF MAINE

NOTES TO FINANCIAL STATEMENTS (cont'd.)

(13) CAPITAL ASSETS

With the exception of the assets acquired from the United States Air Force, (see below) all capital assets are stated at cost (or estimated historical cost) and updated for additions and retirements during the year. Assets acquired with grants are also stated at cost. The Authority maintains a capitalization threshold of \$5,000. Improvements are capitalized; the cost of normal maintenance and repairs that do not add value to the asset or materially extend asset lives are not capitalized. Assets such as land and some land improvements are considered inexhaustible and are not being depreciated. Capital assets not in use are also not being depreciated.

Capital assets are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated lives</u>
Buildings and improvements	15-50 years
Equipment	3-5 years
Vehicles	3-5 years

On June 30, 2017 the Authority adjusted the values of buildings that were contributed by the United States Air Force to reflect revised estimates of the buildings' potential future use and value to the Authority. The adjustment reduced the original value by \$7,482,924. The total accumulated depreciation on these buildings was \$2,234,222 resulting in a recognized write down in the amount of \$5,248,702. In June 2019 an additional \$37,208 was written off.

Capital asset activity for the year ended June 30, 2021 was as follows:

CAPITAL ASSETS ACQUIRED BY LDA (HISTORICAL COST)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
<u>Capital Assets</u>				
Land	10,000			10,000
Equipment and improvements	<u>11,879,161</u>		<u>47,549</u>	<u>11,831,612</u>
Total at historical cost	<u>11,889,161</u>		<u>47,549</u>	<u>11,841,612</u>
<u>Less Accumulated Depreciation</u>				
Equipment and improvements	<u>3,861,625</u>	<u>465,837</u>	<u>38,820</u>	<u>4,288,642</u>
Total Accumulated Depreciation	<u>3,861,625</u>	<u>465,837</u>	<u>38,820</u>	<u>4,288,642</u>
Capital assets at historical cost, net	<u>8,027,536</u>	<u>(465,837)</u>	<u>(8,729)</u>	<u>7,552,970</u>

LORING DEVELOPMENT AUTHORITY OF MAINE

NOTES TO FINANCIAL STATEMENTS (cont'd.)

(13) CAPITAL ASSETS (cont'd.)

CAPITAL ASSETS ACQUIRED FROM U. S. AIR FORCE

	Beginning Balance	Additions	Retirements	Ending Balance
<u>Capital Assets</u>				
Land	<u>10,457,199</u>		<u>22,600</u>	<u>10,434,599</u>
Buildings				
In use	4,803,843		56,806	4,747,037
Leased	15,185,894			15,185,894
Not in use	<u>1,666,025</u>			<u>1,666,025</u>
	<u>21,655,766</u>		<u>56,806</u>	<u>21,598,956</u>
Equipment				
In use	136,500		34,000	102,500
Not in use	<u>89,000</u>			<u>89,000</u>
	<u>225,500</u>		<u>34,000</u>	<u>191,500</u>
Special use structures				
Water plant and distribution	<u>5,080,033</u>			<u>5,080,033</u>
Other facilities and improvements				
Aviation facilities				
Runways	9,472,226			9,472,226
Structures	6,105,861			6,105,861
Fuel pipeline	<u>2,000,000</u>			<u>2,000,000</u>
	<u>17,578,087</u>			<u>17,578,087</u>
Roadways and accessories	<u>3,517,496</u>			<u>3,517,496</u>
Capital assets from U.S. Air Force	<u>58,514,077</u>		<u>113,406</u>	<u>58,400,671</u>

LORING DEVELOPMENT AUTHORITY OF MAINE

NOTES TO FINANCIAL STATEMENTS (cont'd.)

(13) CAPITAL ASSETS (cont'd.)

	Beginning Balance	Additions	Retirements	Ending Balance
<u>Less Accumulated Depreciation</u>				
Buildings				
In use	2,307,601	94,602	6,516	2,395,687
Leased	<u>6,611,619</u>	<u>307,734</u>		<u>6,919,353</u>
	<u>8,919,220</u>	<u>402,336</u>	<u>6,516</u>	<u>9,315,040</u>
Equipment				
In use	<u>136,500</u>		<u>34,000</u>	<u>102,500</u>
Special use structures				
Water plant and distribution	<u>2,387,622</u>	<u>101,601</u>		<u>2,489,223</u>
Total Accumulated Depreciation	<u>11,443,342</u>	<u>503,937</u>	<u>40,516</u>	<u>11,906,763</u>
Capital assets acquired from U. S. Air Force, net	<u>47,070,735</u>	<u>(503,937)</u>	<u>(72,890)</u>	<u>46,493,908</u>
TOTAL CAPITAL ASSETS				
Capital assets	70,403,238		160,955	70,242,283
Less Accumulated Depreciation	<u>(15,304,967)</u>	<u>(969,774)</u>	<u>79,336</u>	<u>(16,195,405)</u>
	<u>55,098,271</u>	<u>(969,774)</u>	<u>(81,619)</u>	<u>54,046,878</u>

On April 4, 1997 the Authority received 3,700 acres of land, associated facilities, and personal property from the United States Air Force via a 55-year no cost lease. In accordance with generally accepted accounting principles all assets associated with this lease were capitalized at estimated fair market value. The Authority has since obtained this property in fee title.

During fiscal year 2005 the United States Air Force transferred to the Authority additional property consisting of a fuel pipeline and associated rights of way extending from Searsport, Maine to Limestone, Maine. The pipeline was not in service as of June 30, 2010 and the pipeline and associated easement rights were leased during the year ended June 30, 2011.

During fiscal year 2005 the United States Air Force transferred title to a building currently occupied by federal employees to the Authority. Transfer of the deed for this property was contingent upon the Authority's promise to lease the property back to the United States at no cost. The 50-year lease may be renewed, extended, or terminated by the United States at its option but the Authority is given no option to decline an extension or renewal or to terminate the lease. The United States Government may use this property for any government purpose and is not required to pay any taxes, assessments or similar charges. However, the United States Government is responsible for all costs and liabilities associated with the property as if it were the owner. Accordingly, this property is not included as a capital asset on these financial statements.

Management feels that the value of these assets could fluctuate significantly in the event that the operational status of the Authority changes.

LORING DEVELOPMENT AUTHORITY OF MAINE

NOTES TO FINANCIAL STATEMENTS (cont'd.)

(14) LONG-TERM DEBT

As of June 30 long-term debt consisted of:

	<u>2021</u>	<u>2020</u>
Note payable to Northern Maine Development Commission, payable in monthly installments of \$1,506 including interest at 3% per annum, matures May 2023; secured by assets of the Authority.	32,219	49,037
Note payable to Northern Maine Development Commission, payable in monthly installments of \$3,857 including interest at 6% per annum, matures June 2025; secured by assets of the Authority.	164,350	200,000
Note payable to USDA Rural Development, payable in annual installments of \$14,860 including interest at 3.25% per annum, matures August 2050; secured by assets of the Authority	282,221	287,561
Note payable to US Small Business Administration, obtained through the EIDL program, payable in monthly installments of \$643 including interest at 2.75% per annum beginning January 2022, matures December 2050; unsecured	150,000	
Note payable to Machias Savings Bank, payable in monthly installments of \$12,587 including interest at 3.029% per annum, matures September 2020; secured by assets of the Authority		50,045
Bond payable to the Maine Municipal Bond Bank, payable in semi-annual installments of \$10,156 plus interest at 1% per annum, matures February 2046.		264,046
Note payable to Katahdin Trust Company, payable in monthly installments of \$3,615 including interest at 5.5% per annum, matures October 2020; secured by assets of the Authority.		14,248
Note payable to Katahdin Trust Company, payable in monthly installments of \$2,488 including interest at 6.5% per annum, matures December 2026; secured by real estate.	135,779	156,963
Bond payable to the Maine Municipal Bond Bank, payable in semi-annual installments of \$11,368 plus bond bank fees of \$569 per installment, matures October 2029. Interest rate is 0%.	<u>215,992</u>	<u>215,992</u>
	980,561	1,237,892
Less current portion	(129,765)	(175,746)
	<u>850,796</u>	<u>1,062,146</u>

LORING DEVELOPMENT AUTHORITY OF MAINE

NOTES TO FINANCIAL STATEMENTS (cont'd.)

(14) LONG-TERM DEBT (cont'd.)

Future long-term debt obligations are as follows for the year ended June 30, 2020:

	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
6/30/2022	129,765	26,047	155,812
6/30/2023	109,826	24,107	133,933
6/30/2024	98,697	20,164	118,861
6/30/2025	102,409	16,219	118,628
6/30/2026	59,122	13,339	72,461
2027-31	155,207	53,325	208,532
2032-36	66,007	46,844	112,851
2037-41	76,820	36,031	112,851
2042-46	89,415	23,436	112,851
2047-51	<u>93,293</u>	<u>8,676</u>	<u>101,969</u>
Total	<u>980,561</u>	<u>268,188</u>	<u>1,248,749</u>

Long-term debt activity for the year ended June 30, 2021 is as follows:

	<u>Beginning Balance</u>	<u>Advances</u>	<u>Payments</u>	<u>Ending Balance</u>
Long-Term Debt				
Note payable –NMDC	49,037		16,818	32,219
Note payable – NMDC	200,000		35,650	164,350
Note payable-USDA	287,561		5,340	282,221
Note payable – US SBA	0	150,000		150,000
Note payable –Machias Savings Bank	50,045		50,045	0
Bond payable – MMBB	264,046		264,046	0
Note payable-Katahdin Trust Company	14,248		14,248	0
Note payable-Katahdin Trust Company	156,963		21,184	135,779
Bond payable – MMBB	<u>215,992</u>	<u> </u>	<u> </u>	<u>215,992</u>
	<u>1,237,892</u>	<u>150,000</u>	<u>407,331</u>	<u>980,561</u>

Other Long-Term Obligations

OPEB liabilities	<u>34,997</u>	<u>5,524</u>	<u>40,521</u>
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LORING DEVELOPMENT AUTHORITY OF MAINE

NOTES TO FINANCIAL STATEMENTS (cont'd.)

(15) DUE TO STATE OF MAINE

On January 2, 2019 the Authority entered into an agreement with the Maine Military Authority (MMA) by which the Authority received equipment valued at \$207,000. Under the terms of the agreement the Authority can not sell or transfer ownership of the assets for a period of ten (10) years. During the ten (10) year period the Authority is obligated to pay 25% of any lease revenue received for the use of the equipment. As of June 30, 2021 the equipment is not leased and no payments on the note are anticipated in the current term.

(16) SUBSEQUENT EVENTS

Management has evaluated subsequent events occurring through September 28, 2021, the date the financial statements were available to be issued.

(17) FAIR VALUE OF FINANCIAL INSTRUMENTS

The Authority has a number of financial instruments, none of which are held for trading purposes. The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Authority estimates that the fair value of all financial instruments at June 30, 2021, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying Statement of Net Position. The estimated fair value amounts have been determined by the Authority using available market information and appropriate valuation methodologies. Considerable judgment is necessarily required in interpreting market data to develop the estimates of fair value, and, accordingly, the estimates are not necessarily indicative of the amounts that the Authority could realize in a current market exchange.

(18) TAXES

As a governmental entity, the Authority is not subject to Federal and State income taxes, accordingly, it is not necessary to consider the effects of any uncertain tax positions.

The Authority is subject to Federal and State payroll tax and is required to file the appropriate tax returns. Management believes that all required returns have been properly filed as of June 30, 2021. No examinations have been conducted by the Federal or State taxing authorities and no correspondence has been received from these authorities.

LORING DEVELOPMENT AUTHORITY OF MAINE

NOTES TO FINANCIAL STATEMENTS (cont'd.)

(19) SUMMARY OF ACTIVITIES

<u>Function</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Total</u>
General operations	<u>(2,941,702)</u>	<u>534,929</u>	<u>-</u>	<u>271,792</u>	<u>(2,134,981)</u>
General revenues:					
State appropriations					150,000
Loring Job Incremental Financing					515,974
Interest income					2,652
Sale of surplus property					51,347
Other income					<u>82,331</u>
Total general revenues					<u>802,304</u>
Change in net position					(1,332,677)
Net position - July 1, 2020					<u>52,783,695</u>
Net position - June 30, 2021					<u>51,451,018</u>

(20) SUMMARY OF NON-CASH INVESTING AND FINANCING ACTIVITIES

Non-cash investing and financing activities are as follows:	<u>2021</u>	<u>2020</u>
None	-	-

LORING DEVELOPMENT AUTHORITY OF MAINE

NOTES TO FINANCIAL STATEMENTS (cont'd.)

(21) OPEB OBLIGATIONS

Plan Description

The Authority provides health insurance to its employees through Maine Municipal Employees Health Trust (MMEHT). The Authority does not provide postemployment or postretirement healthcare benefits but is subject to an implicit benefit for its members in MMEHT.

Accounting Policies

The impact of experience gains and losses and assumption changes on the Total OPEB Liability (TOL) are recognized in the OPEB expense over the average expected remaining service life of all active and inactive members of the plan. As of the beginning of the measurement period this average was 4 years.

The table below summarizes the current balances of deferred outflows of resources and deferred inflows of resources along with the recognition over the next 5 years, and thereafter:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience		\$ 38,281
Payments subsequent to the measurement date	220	
Difference between projected and actual earnings on OPEB plan investments		
Changes of assumptions	<u>7,187</u>	<u>1,672</u>
	<u>\$ 7,407</u>	<u>\$ 39,953</u>

Amounts reported as deferred outflows and deferred inflows of resources will be recognized as OPEB expense as follows:

Year ended June 30:

2022	(9,325)
2023	(7,873)
2024	(7,873)
2025	(7,872)
2026	397
Thereafter	0

As of January 1, 2021, the plan membership data is comprised of 4 active members with only an implicit benefit.

LORING DEVELOPMENT AUTHORITY OF MAINE

NOTES TO FINANCIAL STATEMENTS (cont'd.)

(21) OPEB OBLIGATIONS (cont'd.)

Key Assumptions

Measurement Date:	January 1, 2021
Discount Rate:	2.12% per annum for year-end 2020/21 reporting 2.74% per annum for year-end 2019/20 reporting
Trend Assumptions:	Pre-Medicare Medical – Initial trend of 8.2% applied in FYE 2018 grading over 14 years to 4% per annum Pre-Medicare Drug – Initial trend of 9.6% applied in FYE 2018 grading over 14 years to 4% per annum Medicare Medical – Initial trend of 4.93% applied in FYE 2018 grading over 14 years to 4% per annum Medicare Drug – Initial trend of 9.6% applied in FYE 2018 grading over 14 years to 4% per annum
Administrative and Claims Expense:	3% per annum

Future Plan Changes

It is assumed that the current plan and cost-sharing structure remains in place for all future years.

Demographic Assumptions

Retiree continuation:	Retirees who are current Medicare participants: 100% Retirees who are Pre-Medicare, active participants: 75% Spouses who are Pre-Medicare, active participants: 50%
Rate of mortality:	Based on 104% and 120 % of the RP-2014 Total Dataset Healthy Annuitant Mortality Table, respectively, for males and females, using the RP-2014 Total Dataset Employee Mortality Table for ages prior to start of the Healthy Annuitant Mortality Table, both project from the 2006 base rates using RPEC-2015 model, with an ultimate rate of 85% for ages 20-85 grading down to an ultimate rate of 0% for ages 111-120 and convergence to the ultimate rate in the year 2020.
Marriage assumptions:	A husband is assumed to be 3 years older than his wife
Assumed rate of retirement:	For employees hired prior to July 1, 2014 Age 55-63 – 5% Age 64-69 – 20% Age 70 + - 100% For employees hired after July 1, 2014 Age 55-58 – 5% Age 59-64 – 20% Age 65-69 – 25% Age 70 + - 100%
Salary increases:	2.75% per year
Changes in assumptions:	Funding method was changed from Projected Unit Credit funding to Entry Age Normal funding method.

LORING DEVELOPMENT AUTHORITY OF MAINE

NOTES TO FINANCIAL STATEMENTS (cont'd.)

(21) OPEB OBLIGATIONS (cont'd.)

Discount Rate

The discount rate used to measure the OPEB liability was 2.12% based on a measurement date of January 1, 2021. This rate is assumed to be an index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher, for pay as you go plans.

The following table shows how the net OPEB liability (NOL) as of June 30, 2021 would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate. The current rate is 2.12%.

1% Decrease	Current Discount Rate	1% Increase
1.12%	2.12%	3.12%
\$46,731	\$40,521	\$35,368

A 1% decrease in the healthcare trend rate increases the NOL by approximately 15.3% while a 1% increase in the healthcare trend rate decreases the TOL by approximately 12.7%.

Changes in the healthcare trend affect the measurement of the TOL. Lower healthcare trend rates produce a lower TOL and higher healthcare trend rates produce a higher TOL. The table below shows the sensitivity of the TOL to the healthcare trend rate.

1% Decrease	Healthcare Trend Rates	1% Increase
\$35,039	\$40,521	\$47,196

A 1% decrease in the healthcare trend rate decreases the TOL by approximately 13.5% while a 1% increase in the healthcare trend rate increases the TOL by approximately 16.5%.

(22) COVID-19

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of multiple businesses. The disruptions have caused several potential tenants to delay their leases. At this time management cannot reasonably estimate the overall financial impact of the pandemic on its operations.

The LDA is working to compensate for the loss of state funding. The Authority is working with the legislature to restore funding, however, due to COVID-19 disruptions it is unknown if or when the funding will be restored. The LDA is seeking loans and grants that have been made available due to COVID-19.

LORING DEVELOPMENT AUTHORITY OF MAINE

NOTES TO FINANCIAL STATEMENTS (cont'd.)

(23) CONTINGENCIES

Going Concern

As indicated in the accompanying statement of net position, as of June 30, 2021, the Authority has deficit unrestricted net position totaling \$1,722,648. The deficit amounts to more than a year of operating revenue. The deficit is principally the result of declining revenues from the State of Maine and from leasing. Due to the reductions in revenue the Authority has relied on short and long-term financing to sustain operations.

These factors, as well as the uncertain conditions that the Authority faces regarding future revenues, create an uncertainty about the Authority's ability to continue as a going concern. Management of the Authority is developing a plan to reduce its liabilities through sales of assets and obtain additional financing to sustain operations. The ability of the Authority to continue as a going concern is dependent on additional contributions from the State of Maine and additional financing from outside sources. The financial statements do not include any adjustments that might be necessary if the Authority is unable to continue as a going concern.

The Authority is currently negotiating with a private developer who is interested in acquiring a substantial portion of the developable real estate, excluding the aviation facilities, located at the Loring Commerce Center. The real estate will be sold in parcels over a number of years provided that the developer meets certain benchmarks in each preceding year. The initial parcel would include land and buildings valued at \$7 million with the Authority receiving a down payment of \$3.5 million and the remaining \$3.5 million would be financed over a period of 10 years. The Authority would use the initial down payment to pay down accounts payable, the line of credit and other long-term debts while using the remaining funds to strengthen operational cash flow.

(24) COMPONENT UNIT

In February 2021 the Authority acquired a 100% membership interest in Loring Industries, LLC upon the death of the LLC's sole member. The member's heirs did not wish to obtain the LLC and disclaimed this portion of the estate. The Authority recognized the LLC as a valuable asset to redevelopment efforts and accepted the LLC to keep it operational.

Management has not presented any financial information related to Loring Industries, LLC in its financial statements for the year ended June 30, 2021.

REQUIRED SUPPLEMENTARY INFORMATION

LORING DEVELOPMENT AUTHORITY OF MAINE

SCHEDULE OF CHANGES IN NET OPEB LIABILITY

FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020	2019	2018
Total OPEB Liability				
Service cost (BOY)	\$ 2,452	\$ 1,365	\$ 1,574	\$ 2,175
Interest (includes interest on service cost)	1,022	3,404	3,011	3,819
Changes of benefit terms	-	(680)	-	-
Differences between expected and actual experience	-	(57,421)	-	(29,471)
Changes of assumptions	2,382	7,802	(6,685)	12,105
Benefit payments, including refunds of member contributions	(332)	(2,243)	(2,157)	(907)
Net Change in total OPEB Liability	\$ 5,524	\$ (47,773)	\$ (4,257)	\$ (12,279)
Total OPEB Liability - Beginning	\$ 34,997	\$ 82,770	\$ 87,027	\$ 99,306
Total OPEB Liability - Ending	\$ 40,521	\$ 34,997	\$ 82,770	\$ 87,027

LORING DEVELOPMENT AUTHORITY OF MAINE

SCHEDULE OF EMPLOYER'S SHARE OF OPEB CONTRIBUTIONS

FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020	2019	2018
Plan Fiduciary Net Position				
Contributions - Employer	332	2,243	2,157	907
Contributions - Member	-	-	-	-
Net investment income	-	-	-	-
Benefit payments, including refunds of member contributions	(332)	(2,243)	(2,157)	(907)
Administrative expense	-	-	-	-
Net change in plan fiduciary net positions	-	-	-	-
Total Fiduciary Net Position - Beginning	\$ -	\$ -	\$ -	\$ -
Total Fiduciary Net Position - Ending	\$ -	\$ -	\$ -	\$ -
Plan fiduciary net position as a percentage of the total OPEB liability	0%	0%	0%	0%
Covered employee payroll	251,783	251,783	402,382	402,382
Net OPEB liability as a percentage of covered employee payroll	16.1%	13.9%	20.6%	21.6%

Supplementary schedule starts with one year of information as of the implementation of GASB No. 75, but eventually will build up to 10 years of information. The schedule above shows changes in TOL and related ratios required by GASB No. 75.

See accompanying independent auditors' report and notes to financial statements.

ADDITIONAL REPORT



Chester M. Kearney
Certified Public Accountants

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207-764-3171 Fax 207-764-6362

Barbara E. McGuire, CPA, CGMA
Timothy P. Poitras, CPA, CGMA

To the Board of Trustees of the
Loring Development Authority of Maine

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Loring Development Authority of Maine as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Loring Development Authority of Maine's basic financial statements, and have issued our report thereon dated September 28, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Loring Development Authority of Maine's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Loring Development Authority of Maine's internal control. Accordingly, we do not express an opinion on the effectiveness of Loring Development Authority of Maine's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and other matters

As part of obtaining reasonable assurance about whether Loring Development Authority of Maine's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Chester M. Kearney

Presque Isle, Maine
September 28, 2021

**PARAGRAPH 1C: PROPERTY TRANSACTIONS DURING
FISCAL YEAR 2021**

PROPERTY TRANSACTIONS

LEASES AND SALES

GOLF COURSE SALE. 4 Birdies, LLC, purchased the nine-hole golf course and club house in July 2020. The company is owned by golf enthusiasts who made improvements to the operation and had a successful first season in 2020.

SYNERGEN SOLAR, LLC. SynerGen Solar, LLC exercised its lease option this year and began the construction phase of its project. The company now leases approximately 20-acres on the north side of Northcutt Road, where it will install an electrical power generating solar facility.

JASON DIONNE TRUCKING. LDA entered into a one-year lease with Jason Dionne, owner of Jason Dionne Trucking, for the lease of Building 8264 at Loring, in support of his trucking business.

LORING INDUSTRIES, LLC. LDA reacquired ownership of Loring Industries (LI) after the owner of the company passed away. LDA established LI with the intent of creating an opportunity to attract new business activity to Loring. LI was transferred to a new owner in 2017, who operated the business and created new manufacturing jobs; his untimely death left the company without an operator. LDA is now working to transfer the company to a new owner/operator.

SUPPLEMENTAL DEED FROM AIR FORCE AND DECLARATION OF ENVIRONMENTAL COVENANTS. LDA Trustees authorized the LDA President and CEO to accept a Supplemental Deed, given by the Air Force to LDA, and to execute a Declaration of Environmental Covenants. The documents define a set of land use restrictions that address the problem of soil vapor intrusion into certain buildings; identifying affected properties and requiring soil vapor intrusion to be addressed prior to commercial occupancy or new construction.

LICENSES

BLUSHIFT AEROSPACE. bluShift successfully completed a rocket demonstration launch from Loring, with thousands of people watching online. bluShift is part of the Maine Spaceport initiative.

QINETIQ. QinetiQ, a defense contractor, used the airfield at Loring to conduct testing of a new product for the US Army. Facility space was also leased in support of the testing operations.

APACHE BOATWORKS, K & S TIMING, LLC, CUMBERLAND MOTOR CLUB, INC. The runway at Loring was used by the three Maine organizations in support of their respective events, including land sailing, land speed racing, and motor cross.

**PARAGRAPH 1D: ACTIVITIES OF ANY SPECIAL UTILITY DISTRICT FORMED UNDER
SECTION 13080-G**

NONE

**PARAGRAPH 1E: LISTING OF PROPERTY ACQUIRED BY EMINENT DOMAIN UNDER
SECTION 13080-G**

NONE

PARAGRAPH 1F: LISTING OF BONDS ISSUED

NONE

**PARAGRAPH 1G: SUBSEQUENT EVENTS – JULY 1, 2021 TO OCTOBER 15, 2021 AND
PROPOSED ACTIVITIES FOR FISCAL YEAR 2021**

SUBSEQUENT EVENTS

A summary of the activities on the Loring Commerce Centre between July 1, 2021 and October 15, 2021 are provided below.

CONGRESSIONALLY DIRECTED SPENDING REQUEST. LDA submitted a \$3.1 million request through HUD including \$1.5 million for roads, \$1.2 million for demolition and \$400,000 for marketing. Senator Collins has supported a \$2.7 million request for roads and demolition, which are approved uses for HUD funding. The \$400,000 for marketing is not an approved use in that program. If approved, the funding would be federal FY22 funding.

SEWER REPLACEMENT PROJECT. LDA is moving forward with a \$3.6 million sewer replacement project with funding from the Community Development Block Grant program, Maine Department of Environmental Protection and the Northern Border Regional Commission. Approximately 20,000 feet of sewer collection line and manholes will be replaced, reducing the inflow and infiltration (I/I) of surface and ground water into the sewer collection system. In prior phases of sewer replacement work, approximately 22,000 feet of sewer lines and manholes were replaced.

4BIRDIES, LLC. 4Birdies, owner of the Limestone Country Club, was released from the LDA's option to repurchase the property and its right of first refusal. The release is intended to alleviate the concern of investors who are worried about the uncertainties created by the options.

FIRST CUT HAY, CO, LLC. LDA entered into a lease with First Cut Hay Co for space in the former commissary building at Loring. The company is making use of the warehouse space with overhead doors as it moves forward with its hay storage and processing operations.

POTATO STORAGE. LDA entered into license agreements with two local farmers who needed additional storage for their extraordinarily large crop of potatoes this year.

GREEN 4 MAINE PROPOSAL. LDA Trustees authorized the execution of a Purchase & Sale Agreement with Green 4 Maine and its principals, who initially anticipate the startup of three new businesses and the purchase of several buildings.

PROPOSED AND PROJECTED ACTIVITIES FOR FISCAL YEAR 2021

In addition to working to ensuring that our existing tenants remain viable business entities, the LDA intends to carry out the following activities in fiscal year 2021:

SUSTAINABILITY TASK FORCE. Move forward with recommendations of the Consultants in their Sustainability Task Force Report to the Governor.

MARKETING. Develop and begin to execute a new marketing plan for Loring, guided by the 2019 Strategic Plan developed by RKG Associates.

GREEN 4 MAINE (G4M). Work with the G4M principals, supporting the startup of three new businesses and the sale of several buildings. Moving forward with the G4M proposal is one of the recommendations of the task force report. G4M would become the master developer of the Loring properties with LDA providing public infrastructure support.

ACTIVE PROSPECTS. Continue supporting proposed development projects in cooperation with G4M and Loring Industries, including manufacturing prospects, fuel pipeline and corridor energy projects, renewable energy generation projects, aviation maintenance, and various aviation and aerospace operations at the Loring International Airport.

INFRASTRUCTURE IMPROVEMENT. Pursue funding for roadway, stormwater infrastructure, and facilities improvements, and complete the \$3.6 million wastewater collection system improvement project.

OPPORTUNITY ZONES. Take advantage of the Opportunity Zone designation. Loring, along with the town of Limestone, has been designated an Opportunity Zone. The new federal Opportunity Zone program is intended to attract new investments, providing tax incentives for investments made in designated areas. LDA is to be included with DECD and Maine & Company's marketing efforts to attract opportunity zone investors.

**PARAGRAPH 1H: FURTHER ACTIONS SUITABLE FOR ACHIEVING PURPOSES
OF THIS ARTICLE**

**The Loring Development Authority recommends that the following actions be considered
by the Governor and Legislature**

Approve, a 5-year extension of LD 1670 would help fill a funding gap for operations, while new businesses expand and generate revenue. In 2016, the 127th Legislature enacted LD 1670 which increased LDA's tax increment funding associated with Loring based jobs from 50% to 100% for one year. It was originally enacted with a 5-year duration with a review requirement, but was later amended so that the increase to 100% was for one year only. Last year, a Governor's bill that would have reinstated the 100% increase for 2 years was in the Revisor's office but was not considered because the legislature adjourned early due to the pandemic.

The increased funding is needed to address a cash shortfall, while new development is pursued. Expenditures for the year are greater than revenues. The pandemic has had an impact in the sense of the timing of expected new business. LDA received \$150,000 from the State DECD and secured a \$150,000 loan from SBA and a \$100,000 short-term loan from Northern Maine Development Commission (NMDC) to address the shortfall in FY21. A \$200,000, five-year term loan for working capital from NMDC helped address the shortfall in FY20. LDA is working with its bank to secure a USDA guaranteed CARES Act loan for operational funding going forward. The pandemic and other factors created much operational uncertainty, leaving LDA in a precarious cash position.

ATTACHMENT

LORING COMMERCE CENTRE TENANTS

APTIM. APTIM, an environmental engineering firm working for the Air Force Civil Engineering Center, occupies offices in the LDA office building.

Aroostook National Wildlife Refuge. The 4,700-acre refuge belongs to the National Wildlife Refuge System, a network of lands set aside specifically for the protection of wildlife and its habitat. Wetland, grassland and northern forest habitats for migratory birds and endangered species are protected on the refuge at Loring. Friends of the Aroostook National Wildlife Refuge support its programs through education, fundraising, recreational and volunteer projects.

Bangor Gas. Bangor Gas, a natural gas company and a subsidiary of Penobscot Natural Gas, leases the Loring to Searsport pipeline. The company has reactivated a portion of the pipeline to supply natural gas to customers along the corridor.

Bigelow Aerospace, LLC. Bigelow Aerospace is developing, constructing, launching and testing human-habitable space complexes, revolutionizing the space tourism industry. Bigelow has a radar installation at Loring.

British Cycle Supply Company. British Cycle Supply Company's operations include shipping, receiving, and warehousing classic British motorcycle parts that are acquired and sold worldwide. The company has another location in Nova Scotia, Canada.

CCI Utility and Construction Services, LLC. CCI is making use of space at Loring to store modular units and associated equipment and tools, in support of US Customs and Border Protection operations.

Consolidated Communications. Consolidated Communications leases a former communications site on Route 89 in Limestone where it set up a satellite tracking and communications station.

Defense Finance and Accounting Service (DFAS) Center. The DFAS center operates out of a first-class, 145,000 square foot facility where its employees have consistently performed with excellence since 1995. The center is responsible for finance and accounting services for military installations across the U.S. and in foreign countries; DFAS Limestone employs 558 people.

Equine Management, LLC. Equine Management, LLC from Kentucky purchased a 6,800 square foot building with the intent of refurbishing it and then leasing to a related company that would provide medical license training online and eventually on site.

First Cut Hay Co., LLC. A newly formed company, First Cut Hay, stores and processes hay and animal feed products at Loring.

Frontier Transport, LLC. Frontier Transport stores, processes, and transports agricultural and wood biomass products for local customers. The company with its partner Triple G Sales also offers a farm equipment storage in a leased facility at Loring.

Graphic Utilities. Graphic Utilities (GU) leases space in the Loring Applied Technology Center building. The company develops, manufactures and sells innovative ink products.

Inland Winds Property Management. Inland Wind's residential properties at Loring include three and four bedroom town homes and individual homes available for purchase or lease.

Jason Dionne Trucking. The company occupies building #8264 at Loring, in support of his trucking business.

Lattice Technologies, Inc. Lattice Technologies, a consulting firm performing services in the defense sector, now occupies an office at Loring.

Limestone Country Club. The Limestone Country Club, Loring's nine-hole golf course, is a favorite among many golfers in the area. Operators of the country club also host community and private events.

Limestone Rotary Club. The Limestone Rotary Club holds its weekly meetings at Loring. It is a very active club with dedicated members working together to improve their community.

Limestone Water & Sewer District. The Limestone Water & Sewer District owns and operates the wastewater treatment facility at Loring, providing service to all wastewater customers in Limestone, including Loring Commerce Centre. Four people work for the district at Loring.

Loring Holdings. Loring Holdings (LH), a multi-faceted energy company, is working to advance energy production and transmission in Maine using the Loring to Searsport pipeline corridor. LH, along with its partners, have proposed to build the "Maine Power Express" transmission project connecting renewable sources of power in Maine and Canada to southern New England via an underground and underwater transmission line. LH is also working on a biofuel project to be located at Loring.

Loring Industries, LLC. Loring Industries (LI) completed vehicle refurbishment projects and is pursuing business opportunities and capital investments with various partners.

Loring Job Corps Center (LJCC). The Loring Job Corps Center, part of the Job Corps New England Region and the National Job Corps system, provides academic programs and career vocational training in multiple industries for youth ages 16-24. The Center welcomed its first 380 students in January 1997. Career Systems Development Corp. operates LJCC and employs 167 people.

Loring Military Heritage Center. The Loring Military Heritage Center (LMHC), a museum of Loring Air Force Base history, was created by a group of enthusiastic and dedicated volunteers. An impressive collection of Loring memorabilia and artifacts is housed in the LMHC.

McDonald Enterprises. McDonald Enterprises is a small custom manufacturer of wood and metal products.

Maine Army National Guard. The Maine Army National Guard leases a 27-acre parcel of land at Loring where it has constructed a facility to warehouse its equipment.

New England Kenworth. New England Kenworth, with Loring Industries, operates a TRP store at Loring, warehousing and selling vehicle parts. Expansion plans include truck sales and services.

Pineland Farms Natural Meats. Pineland Farms Natural Meats, Inc. operates a beef cattle feedlot in Fort Fairfield and a composting operation at Loring. Pineland's goal is to generate 10,000 cubic yards or more of compost material a year. Pineland sells compost in bulk form to local farmers and in consumer-sized packaging at various retail outlets. Pineland employs two people at Loring.

Pioneer Wireless. Pioneer Wireless, a broadband telecommunications company, now leases office space in LDA's office building. The new location will help Pioneer capitalize on the Three Ring binder telecommunications infrastructure, enabling it to offer dark fiber, fiber optic and other advanced services to Loring customers.

SFE Manufacturing. SFE Manufacturing, operates an equipment fabrication business at Loring, serving commercial, industrial, and government customers. SFE employs approximately 18 people.

Straight-Line Fencing. Straight-Line Fencing, an existing company with fencing sales and installation services, is in the process of establishing manufacturing capacity for a new line of its own products.

S.W. Collins Company. S.W. Collins Company, a hardware and building materials supplier, located its commercial line operation in the Loring Applied Technology Center. The line features custom-built products for commercial customers, offering a wide range of highly refined wood products including custom-built cabinetry and cases. S.W. Collins employs five at Loring.

SynerGen Solar, LLC. SynerGen Solar, LLC exercised its lease option this year and began the construction phase of its project. The company now leases approximately 20-acres on the north side of Northcutt Road, where it will install an electrical power generating solar facility.

The Bunker Inn. The Bunker Inn, located in the former visiting officer's quarters, is open to the public with twenty suites available. People traveling for business or pleasure make use of this unique facility, with many repeat guests.

The Power Company. Based in Washington, Maine, the Power Company constructed two solar-voltaic systems at Loring; both have been in operation for several years. LDA purchases the electrical power generated by the solar systems at an overall cost advantage compared with the cost of electricity available through the traditional utility and energy providers.

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