Annual Report
Maine Municipal Bond Bank

2018

Maine
Municipal
Bond
Bank

Maine Municipal Bond Bank

Michael R. Goodwin, *Executive Director*
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The Honorable Paul R. LePage
Governor of the State of Maine
State House Station #1
Augusta, ME 04333

Dear Governor LePage:

On behalf of the Commissioners and staff of the Maine Municipal Bond Bank, I am pleased to provide you with our 2018 year-end Annual Report.

The Maine Municipal Bond Bank was established by the legislature in 1972. Since its inception the Bond Bank has issued in excess of $5 billion for funding to meet the needs of Maine's municipalities. During its forty-six year history the Bond Bank has never experienced a default.

Within the 2018 fiscal year, the Bond Bank sold $131,955,000 under its General Bond Resolution Program. Those sales provided towns, cities, school systems, and utility districts with lower cost capital funding to meet their municipal needs. The Bond Bank also sold one refunding issue in the amount of $82,710,000 providing $8,682,922 in total savings credits to underlying borrowers.

The Bank and the Department of Education have successfully committed $8,469,568.54 from the State Revolving Loan Fund for school renovation projects.

The Maine Clean Water Revolving Loan Fund and the Maine Drinking Water Revolving Fund provided loans totaling $33,608,290 to finance 36 loans in fiscal year 2018.

The Transportation Grant Anticipation Fund did not issue GARVEE bonds in fiscal year 2018.

The Transportation Infrastructure Fund issued did not issue TRANSCAP refunding bonds in fiscal year 2018.

We are proud of our accomplishments within fiscal year 2018 and look forward to continuing our commitment of providing a service that benefits the growing needs of the State of Maine.

Sincerely,

Philip E. Harriman
Chairman

BAKER
NEWMAN
NOYES

Maine Municipal Bond Bank

Basic Financial Statements, Management's Discussion and Analysis and Required Supplementary Information

Year Ended June 30, 2018
With Independent Auditors' Report

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MAINE MUNICIPAL BOND BANK

BASIC FINANCIAL STATEMENTS, MANAGEMENT'S DISCUSSION AND ANALYSIS AND REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2018

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Maine Municipal Bond Bank

Report on the Financial Statements

We have audited the accompanying financial statements, consisting of the General Operating Account, General Tax-Exempt Fund Group, Grant Anticipation Fund Group, Transportation Infrastructure Fund Group, Qualified School Construction Fund Group, Liquor Operation Revenue Fund Group, Clean Water and Drinking Water Revolving Loan Fund Groups and Operating Fund Group and the School Facilities Fund Group of Maine Municipal Bond Bank (the Bond Bank), which comprise the statements of net position as of June 30, 2018, and the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements. The Bond Bank is a component unit of the State of Maine.

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.

Auditors' 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. 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 auditors' 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 audit opinion.

Board of Commissioners
Maine Municipal Bond Bank

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Bond Bank, as well as the individual fund groups referred to above, as of June 30, 2018, and the respective changes in net position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in notes 2 and 11, the Bond Bank adopted the provisions of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions,* as of July 1, 2017. Our opinion is not modified with respect to this matter.

Other Matter

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Required Supplementary Information, as listed in the table of contents, 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.

Baker Newman & Noyes LLC

Portland, Maine
August 30, 2018

MAINE MUNICIPAL BOND BANK

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2018

As financial management of the Maine Municipal Bond Bank (the "Bond Bank"), we offer readers of these financial statements this narrative, overview and analysis of the financial activities of the Bond Bank for the fiscal year ended June 30, 2018. This discussion and analysis is designed to assist the reader in focusing on the significant financial issues and activities of the Bond Bank and to identify any significant changes in financial position. Readers should consider the information presented here only in conjunction with the basic financial statements as a whole.

Financial Highlights

- Revenues for the Bond Bank's General Operating Account were $604,741 for fiscal year 2018, a decrease of $102,641 or 14.5% from fiscal year 2017. This was primarily attributed to a decrease in authority fees and arbitrage rebate computation date credits in fiscal year 2018.

- Net position in the Bond Bank's General Operating Account increased $522,544 in fiscal year 2018. This increase is the net result of Operating Revenues totaling $604,741, Operating Transfers totaling $1,341,066 and Operating Expenses totaling $1,423,263. Operating Transfers from the General Tax-Exempt Fund Group are mandated by the Bond Bank's annual operating budget. At June 30, 2018, the Bond Bank's General Operating Account had a total net position of $28,805,709.

- The Bond Bank's gross principal amount of bonds outstanding at June 30, 2018 of $1,483,121,380 represents a net decrease of $13,259,459 from the balance at June 30, 2017. This decrease was the net result of the General Tax Exempt Resolution issuing Series 2017CD, and 2018A bonds, totaling $214,665,000, less the scheduled debt service principal payments of $139,424,459 and in-substance defeased bonds totaling $88,500,000. Refer to note 4 to the financial statements for a detail of bonds payable activity in 2018.

- The Bond Bank committed loans to local governmental units during fiscal year 2018 totaling $199,736,042, which was an 8.02% decrease from loans committed in fiscal year 2017. The Bond Bank provided borrowers participating in the Drinking Water Revolving Loan Fund Program, the Clean Water Revolving Loan Fund Program, and the School Facilities Revolving Loan Fund Program $9,550,360 in potential loan forgiveness in fiscal year 2018, which was a 45.2% increase over fiscal year 2017.

- The Bond Bank adopted the provisions of Governmental Accounting Standards Board Statement No. 75 as of July 1, 2017. This resulted in a decrease of $325,583 to the net position of the General Operating Account as of July 1, 2017. Refer to note 11 of the accompanying financial statements.

Overview of the Bond Bank

The Bond Bank was created in 1972 by an Act of the Maine Legislature, as a public body corporate and politic and is constituted as an instrumentality, exercising public and essential governmental functions of the State. The Bond Bank was initially established to issue bonds for the purpose, among other things, of providing funds to enable it to lend money to counties, cities, towns, school administrative districts, community school districts or other quasi-municipal corporations (the "governmental units") within the State of Maine. The provision of funds is accomplished by the direct purchase from such governmental units of their bonds, notes or evidence of debt payable from taxes, charges for services or assessments.

For financial statement reporting purposes, the Bond Bank is considered a component unit of the State of Maine. However, the Bond Bank does not receive any State appropriations for its operations. The Bond Bank does receive grant monies from the State to fund the revolving loan funds for clean water, drinking water and school facilities fund groups. The Bond Bank may also administer pass-through grants from time-to-time for various state agencies within its General Operating Account. The Bond Bank periodically receives allocations of the State's tax-exempt bond cap and is a member of the State's Tax Cap Allocation Committee.

The Bond Bank administers the Grant Anticipation Fund Group under which the Bond Bank issues bonds or notes for the purpose of making advances to finance qualified transportation projects approved by the State of Maine Department of Transportation. These bonds or notes are repaid from future federal highway grant monies received by the State of Maine.

The Bond Bank administers the Transportation Infrastructure Fund Group under which the Bond Bank issues bonds or notes for the purpose of making advances to finance qualified transportation projects approved by the State of Maine Department of Transportation. These bonds or notes are repaid from a portion of allocated fees and taxes (i.e., motor fuel taxes, title fees, registration fees, excise fuel taxes, vanity license plate fees, etc.) collected by the State of Maine, and paid to the Bond Bank monthly or quarterly.

The Bond Bank administers the Qualified School Construction Fund Group Resolution under which the Bond Bank issues bonds which are exempt from State of Maine income taxes (but not federal income taxes) and makes loans to qualified governmental units for the construction, rehabilitation, or repair of a public school facility, or for the acquisition of land on which such a facility is to be constructed. Interest payments are made semi-annually by the borrowers and are net of any federal subsidy payments that are received from the US Department of the Treasury. Principal payments are made annually to the Bond Bank by the borrowers and are deposited into a sinking fund. The sinking fund will be used to pay off the bonds on the final maturity date.

The Bond Bank administers the Liquor Operations Fund Group under which the Bond Bank issues bonds which are exempt from State of Maine income taxes (but not federal income taxes) for the purpose of making advances to the State of Maine to make payments to health care providers for services provided prior to December 1, 2012 under the MaineCare program. The bonds are repaid from a portion of future liquor revenues collected by the State Bureau of Alcoholic Beverages and Lottery Operations, and paid to the Bond Bank monthly.

The Bond Bank administers the Federal Clean Water Act and Drinking Water Act Revolving Loan Funds. Each of the Revolving Loan Funds periodically receives capitalization grants from the Environmental Protection Agency and matching funds from the State of Maine. Additionally, both of the revolving loan funds received *American Recovery and Reinvestment Act of 2009* (ARRA) grant awards in 2009. The State of Maine Department of Environmental Protection approves low interest revolving loans to eligible borrowers, under the Clean Water Act Fund, that may be comprised of bond proceeds and federal and state equity monies or solely equity monies. The Drinking Water Revolving Loan Fund operates similar to the Clean Water Revolving Loan Fund whereby the Maine Department of Human Services (Office of Drinking Water) approves low interest revolving loans, under the *Drinking Water Act*, to eligible borrowers that may be comprised of bond proceeds and federal and state equity monies or solely equity monies.

Under the base Clean Water and Drinking Water Revolving Loan Program, a portion of each federal capitalization grant may be provided to borrowers as loan forgiveness. Beginning in fiscal year 2010 federal grants, the programs have provided a maximum of 30% of the federal grants awarded as additional subsidies, which includes loan forgiveness, to eligible borrowers.

The Bond Bank administers the School Facilities Revolving Loan Fund, which is capitalized by monies received from the State of Maine. The Department of Education approves qualified projects that are eligible for interest-free revolving loans, subject to the Bond Bank's approval, to school administrative units for renovation and maintenance of school facilities. Borrowers are eligible to receive a minimum of 30% and a maximum of 70% loan forgiveness.

As the result of the Bond Bank issuing tax-exempt debt, it is required to prepare arbitrage rebate calculations for each series of tax-exempt bonds outstanding and remit payment to the Internal Revenue Service every five years. The Bond Bank contracts with an arbitrage consultant to maintain and prepare all rebate calculations that will be filed with the Internal Revenue Service.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Bond Bank's financial statements, which is comprised of the basic financial statements, notes to the financial statements, and required supplementary information. Since the Bond Bank operates under separate resolutions, the financial statements reflect individual fund activity.

Basic Financial Statements

The basic financial statements are designed to provide readers with a broad overview of the Bond Bank's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Bond Bank's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Bond Bank is improving or deteriorating. Net position increases when revenues exceed expenses.

The statement of revenues, expenses and changes in net position presents information showing how the Bond Bank's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Supplementary Information

In addition to the financial statements and the accompanying notes, this report also presents certain required supplementary information, as listed in the table of contents, to provide readers with a broader insight into the financial standing of the Bond Bank.

Financial Analysis

Net position may serve, over time, as a useful indicator of a government's financial position. In the case of the Bond Bank, net position totaled $720,904,610 at June 30, 2018. This represents an increase of $14,704,977 or 2.1% over the previous fiscal year (as restated). Most of this increase is due to revenues exceeding expenses in the Sewer and Water Fund Groups as federal and state matching grants are received to fund revolving loans to eligible borrowers. Restricted net position totals $652,335,976 and unrestricted net position totals $68,230,488 and net investment in capital assets totals $338,146 at June 30, 2018. The largest portion of the Bond Bank's net position is its investment in loans to governmental units and investments held by trustee included in the Sewer and Water Fund Group (provided by grants).

The Bond Bank's financial position and operations for the past two years are summarized below based on information included in the basic financial statements.

MAINE MUNICIPAL BOND BANK
Statements of Net Position
June 30, 2018 and 2017

	2018	2017 (As restated)	Percentage Change
Current assets:			
Cash	$ 382,770	$ 201,783	89.7%
Investments held by trustee	305,797,538	262,483,323	16.5
Operating investments	24,373,945	23,981,368	1.6
Loans receivable from governmental units	135,999,759	129,141,752	5.3
Advances to State of Maine	52,609,180	50,448,743	4.3
Accrued investment income receivable	1,002,529	630,951	58.9
Accrued interest and fees receivable on loans to governmental units and advances to the State of Maine	13,242,815	13,412,793	(1.3)
Undisbursed federal letter of credit payments	17,647,523	13,204,599	33.6
Due from other funds	5,970,547	5,963,850	0.1
Other assets	153,689	222,700	(31.0)
Total current assets	557,180,295	499,691,862	11.5
Noncurrent assets:			
Investments held by trustee	174,573,231	174,379,734	0.1
Loans receivable from governmental units	1,352,585,612	1,326,116,387	2.0
Advances to State of Maine	325,655,189	378,264,370	(13.9)
Property and equipment, net of depreciation	338,146	410,300	(17.6)
Total noncurrent assets	1,853,152,178	1,879,170,791	(1.4)
Total assets	2,410,332,473	2,378,862,653	1.3
Deferred outflows of resources:			
Unamortized refunding benefits rebated to governmental units	58,002	170,658	(66.0)
Unamortized deferred loss on refundings	32,045,054	34,557,431	(7.3)
OPEB adjustments	74,082	6,888	975.5
Pension contributions	496,465	716,675	(30.7)
Total deferred outflows of resources	32,673,603	35,451,652	(7.8)

	2018	2017 (As restated)	Percentage Change
Current liabilities:			
Accounts payable and accrued liabilities	$ 322,207	$ 488,105	(34.0)%
Due to other funds	5,970,547	5,963,850	0.1
Accrued interest payable	12,445,847	12,905,559	(3.6)
Unearned grant revenue	4,987,896	3,982,496	25.2
Undisbursed loans	22,437,781	31,823,642	(29.5)
Accrued interest rebate payable to U.S. Government	245,108	371,364	(34.0)
Due to State of Maine	76,744,654	54,819,027	40.0
Bonds payable, net	165,542,045	154,968,790	6.8
Total current liabilities	288,696,085	265,322,833	8.8
Noncurrent liabilities:			
Accrued interest rebate payable to U.S. Government	1,011,602	855,796	18.2
Bonds payable, net	1,430,277,729	1,439,767,076	(0.7)
Accrued pension and other post-employment benefit liabilities	1,735,445	1,917,133	(9.5)
Total noncurrent liabilities	1,433,024,776	1,442,540,005	(0.7)
Total liabilities	1,721,720,861	1,707,862,838	0.8
Deferred inflows of resources:			
Pension adjustments	380,605	251,834	51.1
Total deferred inflows of resources	380,605	251,834	51.1
Net position:			
Net investment in capital assets	338,146	410,300	(17.6)
Restricted	652,335,976	633,831,139	2.9
Unrestricted	68,230,488	71,958,194	(5.2)
Total net position	$ 720,904,610	$ 706,199,633	2.1%

Total short and long-term investments held by trustee at June 30, 2018 increased $43,507,712 or 10.0% from June 30, 2017. The increase is primarily attributed to receipt of funds from the State of Maine in the Transportation Infrastructure and Liquor Operation Revenue Fund Groups in excess of required debt service payments on the related bonds payable. These amounts are due back to the State, see increase in Due to State below. Additionally, investments had a net decrease in fair value of $6,839,278 in 2018, as compared to a net decrease of $8,053,106 in 2017. The Bond Bank's investment portfolio is comprised of cash and cash equivalents, U.S. Government obligations (including treasury bills, notes, and bonds), U.S. Government-sponsored enterprises securities (i.e. FNMA, FMLMC), U.S. Treasury and U.S. Government-sponsored enterprise strips, guaranteed investment contracts and certificates of deposit. The Bond Bank's investments are carried at fair value. Unrealized gains and losses (primarily due to fluctuations in market interest rates) are recognized in the statements of revenues, expenses and changes in net position. A significant amount of the Bond Bank's investments are scheduled to mature to meet operating or debt service requirements and are normally held until maturity.

Loans (bond and equity) receivable from governmental units at June 30, 2018 increased $33,327,232 or 2.3% from June 30, 2017. The current year increase is attributed to new loans provided to governmental units in excess of scheduled repayments, which was in large part attributed to the loans made with proceeds from the 2017CD, and 2018A bonds. A total new loan commitment in 2018 of approximately $199,736,000 was a decrease of 8.0% from the 2017 commitments of approximately $217,155,000.

Advances to State of Maine decreased $50,448,744 or 11.8% from balances at June 30, 2017 due to continued repayments within the Transportations Fund Groups and Liquor Operation Revenue Fund Group. There were no new advances in any of these Fund Groups in fiscal 2018.

Unamortized refunding benefits rebated to governmental units decreased $112,656 or 66.0% from 2017. Unamortized deferred loss on refundings decreased $2,512,377 or 7.3% from 2017. The decreases are primarily due to current year amortization.

Undisbursed federal letter of credit payments increased $4,442,924 or 33.6% from fiscal year 2017. Fiscal year 2017 had several large loans which significantly drew down the federal letter of credit. Fiscal year 2018 experienced a reduced draw demand.

Unearned Grant revenue at June 30, 2018 increased $1,005,400 or 25.2% over the balance at June 30, 2017. The increase is primarily attributed to an increase of State of Maine matching funds in the Sewer and Water Fund Groups for fiscal years 2017 to 2018.

Undisbursed loans at June 30, 2018, decreased $9,385,861 or 29.5% over fiscal 2017. This decrease is primarily a timing issue between when grants are awarded, loans are committed and related funds are disbursed.

Due to State of Maine had a net increase of approximately $21,925,000 or 40.0% from 2017 to 2018. This increase is the net result of an increase in undisbursed liquor revenues in the Liquor Operation Revenue Fund Group of $17,920,000 and an increase in undisbursed fees and taxes collected in the Transportation Infrastructure Fund Group of $4,005,000 at June 30, 2018.

The Bond Bank's financial position improved as net assets increased 2.1% in fiscal year 2018. The Bond Bank continued to maintain a positive spread of income from investments, interest on loans to governmental units, fee revenue from State of Maine and grants over bond interest and operating expenses.

MAINE MUNICIPAL BOND BANK
Statements of Revenues, Expenses and Changes in Net Position
For the Years Ended June 30, 2018 and 2017

	2018	2017 (As restated)	Percentage Change
Interest on loans receivable from governmental units	$ 39,057,336	$ 37,611,173	3.8%
Program revenue from State of Maine	15,769,226	17,088,509	(7.7)
Interest income from investments	10,107,142	7,129,465	41.8
Net decrease in the fair value of investments	(6,839,278)	(8,053,106)	(15.1)
Grant revenue from Environmental Protection Agency	18,504,000	18,655,000	(0.8)
Grant revenue from State of Maine	4,677,121	3,828,960	22.2
Other income	1,312,637	1,851,251	(29.1)
Total operating revenue	82,588,184	78,111,252	5.7
Interest expense	53,606,755	51,267,655	4.6
Operating expenses (direct and shared)	6,280,922	6,203,360	1.3
Cost of issuance expenses	1,060,652	1,469,180	(27.8)
Loan forgiveness	6,822,222	6,257,188	9.0
Amortization of refunding benefits rebated to governmental units	112,656	186,304	(39.5)
Total operating expenses	67,883,207	65,383,687	3.8
Operating income	14,704,977	12,727,565	15.5
Net position, beginning of year, as previously reported	706,525,216	693,797,651	1.8
Effect of change in accounting principle on beginning of year net position	(325,583)	(325,583)	0.0
Net position, beginning of year, as restated	706,199,633	693,472,068	1.8
Net position, end of year	$ 720,904,610	$ 706,199,633	2.1%

The General Tax-Exempt Fund Group reimburses the Operating Fund for the annual budget approved by the Board of Commissioners.

Interest income from investments in 2018 increased 41.8% from 2017. This increase was the result of an improving short-term interest rate environment in fiscal year 2018 and an increase in investments of approximately $43,500,000 during fiscal year 2018.

Grant Revenue from State of Maine increased $848,161 in fiscal year 2018 from fiscal year 2017 or 22.2%. The increase is the result of the School Facilities Fund Group receiving grants in fiscal year 2018 totaling $976,321 as compared to $97,960 in fiscal 2017.

Other Income decreased $538,614 or 29.1% from fiscal year 2017. This was primarily attributed to a decrease in authority fees, arbitrage rebate computation date credits and amounts received to pay costs of issuance in fiscal year 2018.

Cost of issuance expenses decreased $408,528 in fiscal year 2018 from fiscal year 2017 or 27.8%. The decrease resulted from the Bond Bank issuing GARVEE Bonds in fiscal year 2017 which resulted in additional costs for rating agencies, legal and other costs, which did not occur in fiscal year 2018.

Loan forgiveness increased $565,034 or 9.0% in fiscal year 2018 from fiscal year 2017. Portions of the loans made to eligible borrowers under the Drinking Water and Clean Water Revolving Loan Fund Programs may be forgiven if certain continuing criteria are met as the borrowers repay the loans. The total amount forgiven under these programs in 2018 was $2,134,619 and $988,421 within the Drinking Water and Clean Water Revolving Loan Fund Program, respectively. Also, portions of the loans made to school administrative units under the School Facilities Fund Group are forgiven at the time the loans are disbursed to the units. The amount forgiven within the School Facilities Fund Group in 2018 was $3,699,182. Forgiveness expense will vary from year to year depending upon repayment and drawdown activity within the respective programs, and the amount of potential forgiveness loans that are made each year.

Requests for Information

This financial report is designed to provide a general overview of the Bond Bank's financial statements for all those with an interest in its finances. Questions concerning any of the information provided in this report or request for additional information should be addressed to the Executive Director, Maine Municipal Bond Bank, P.O. Box 2268, Augusta, Maine 04338-2268.

MAINE MUNICIPAL BOND BANK

STATEMENTS OF NET POSITION

June 30, 2018

	General Operating Account	General Tax-Exempt Fund Group	Transportation Fund Groups: Grant Anticipation Fund Group	Transportation Fund Groups: Transportation Infrastructure Fund Group
ASSETS				
Current assets:				
Cash	$ 382,770	$ –	$ –	$ –
Investments held by trustee (notes 3, 5 and 10)	–	42,568,369	–	46,830,491
Operating investments (notes 3 and 10)	24,373,945	–	–	–
Loans receivable from governmental units (note 4)	–	95,344,490	–	–
Advances to State of Maine (note 4)	–	–	17,015,370	14,298,810
Accrued investment income receivable	78,180	303,041	–	65,809
Accrued interest and fees receivable on loans to governmental units and advances to State of Maine	–	6,631,237	1,791,979	–
Undisbursed federal letter of credit payments	–	–	–	–
Due from other funds	5,357,500	–	–	–
Other assets	142,248	–	–	–
Total current assets	30,334,643	144,847,137	18,807,349	61,195,110
Noncurrent assets:				
Investments held by trustee (notes 3, 5 and 10)	–	120,836,236	–	11,030,468
Loans receivable from governmental units (note 4)	–	888,362,438	–	–
Advances to State of Maine (note 4)	–	–	107,243,610	126,325,094
Property and equipment, net of depreciation of $1,720,166	338,146	–	–	–
Total noncurrent assets	338,146	1,009,198,674	107,243,610	137,355,562
Total assets	30,672,789	1,154,045,811	126,050,959	198,550,672
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized refunding benefits rebated to governmental units (note 9)	–	49,877	–	–
Unamortized deferred loss on refundings (note 9)	–	24,550,857	–	7,202,387
OPEB adjustments (notes 8 and 11)	74,082	–	–	–
Pension contributions (note 8)	496,465	–	–	–
Total deferred outflows of resources	570,547	24,600,734	–	7,202,387

		Sewer and Water Fund Groups				
		Revolving Loan Fund Groups				
Qualified School Construction Fund Group	Liquor Operation Revenue Fund Group	Clean Water	Drinking Water	Operating Fund Group	School Facilities Fund Group	Total
$ –	$ –	$ –	$ –	$ –	$ –	$ 382,770
–	27,846,180	137,761,310	31,696,039	7,668,814	11,426,335	305,797,538
–	–	–	–	–	–	24,373,945
1,936,026	–	27,470,077	9,438,382	–	1,810,784	135,999,759
–	21,295,000	–	–	–	–	52,609,180
170,796	247,617	92,452	23,619	5,068	15,947	1,002,529
301,484	3,449,878	805,680	262,557	–	–	13,242,815
–	–	12,087,339	5,560,184	–	–	17,647,523
–	–	476,716	–	136,331	–	5,970,547
–	–	4,351	7,090	–	–	153,689
2,408,306	52,838,675	178,697,925	46,987,871	7,810,213	13,253,066	557,180,295
12,276,590	26,697,519	3,270,506	461,912	–	–	174,573,231
18,463,216	–	284,495,202	150,436,778	–	10,827,978	1,352,585,612
–	92,086,485	–	–	–	–	325,655,189
–	–	–	–	–	–	338,146
30,739,806	118,784,004	287,765,708	150,898,690	–	10,827,978	1,853,152,178
33,148,112	171,622,679	466,463,633	197,886,561	7,810,213	24,081,044	2,410,332,473
–	–	8,125	–	–	–	58,002
–	–	291,635	175	–	–	32,045,054
–	–	–	–	–	–	74,082
–	–	–	–	–	–	496,465
–	–	299,760	175	–	–	32,673,603

MAINE MUNICIPAL BOND BANK

STATEMENTS OF NET POSITION (CONTINUED)

June 30, 2018

	General Operating Account	General Tax-Exempt Fund Group	Transportation Fund Groups: Grant Anticipation Fund Group	Transportation Fund Groups: Transportation Infrastructure Fund Group
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	$ 321,577	$ –	$ –	$ –
Due to other funds	–	5,097,252	–	16,001
Accrued interest payable	–	7,534,378	1,791,979	2,288,942
Unearned grant revenue	–	–	–	–
Undisbursed loans	–	–	–	–
Accrued interest rebate payable to U.S. Government	–	245,108	–	–
Due to State of Maine	–	–	–	45,819,926
Bonds payable, net (note 4)	–	108,149,843	17,015,370	15,716,736
Total current liabilities	321,577	121,026,581	18,807,349	63,841,605
Noncurrent liabilities:				
Accrued interest rebate payable to U.S. Government	–	974,796	–	–
Bonds payable, net (note 4)	–	1,021,517,809	107,243,610	141,911,454
Accrued pension and other post-employment benefit liabilities (notes 8 and 11)	1,735,445	–	–	–
Total noncurrent liabilities	1,735,445	1,022,492,605	107,243,610	141,911,454
Total liabilities	2,057,022	1,143,519,186	126,050,959	205,753,059
DEFERRED INFLOWS OF RESOURCES				
Pension adjustments (note 8)	380,605	–	–	–
Total deferred inflows of resources	380,605	–	–	–
NET POSITION				
Net investment in capital assets	338,146	–	–	–
Restricted (notes 5, 6 and 7)	–	4,670,829	–	–
Unrestricted (notes 6 and 7)	28,467,563	30,456,530	–	–
Total net position	$28,805,709	$ 35,127,359	$ –	$ –

See accompanying notes to the financial statements.

Qualified School Construction Fund Group	Liquor Operation Revenue Fund Group	Sewer and Water Fund Groups			School Facilities Fund Group	Total
		Revolving Loan Fund Groups		Operating Fund Group		
		Clean Water	Drinking Water			
$ –	$ –	$ 630	$ –	$ –	$ –	$ 322,207
–	10,914	151,044	683,113	–	12,223	5,970,547
301,732	462,037	52,984	13,795	–	–	12,445,847
–	–	2,499,000	2,488,896	–	–	4,987,896
–	–	15,149,037	2,205,025	–	5,083,719	22,437,781
–	–	–	–	–	–	245,108
–	30,924,728	–	–	–	–	76,744,654
–	21,295,000	2,895,096	470,000	–	–	165,542,045
301,732	52,692,679	20,747,791	5,860,829	–	5,095,942	288,696,085
–	–	36,806	–	–	–	1,011,602
32,846,380	118,930,000	6,303,476	1,525,000	–	–	1,430,277,729
–	–	–	–	–	–	1,735,445
32,846,380	118,930,000	6,340,282	1,525,000	–	–	1,433,024,776
33,148,112	171,622,679	27,088,073	7,385,829	–	5,095,942	1,721,720,861
–	–	–	–	–	–	380,605
–	–	–	–	–	–	380,605
–	–	–	–	–	–	338,146
–	–	439,675,320	190,241,787	–	17,748,040	652,335,976
–	–	–	259,120	7,810,213	1,237,062	68,230,488
$ –	$ –	$ 439,675,320	$ 190,500,907	$ 7,810,213	$ 18,985,102	$ 720,904,610

MAINE MUNICIPAL BOND BANK

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the Year Ended June 30, 2018

	General Operating Account	General Tax-Exempt Fund Group	Transportation Fund Groups: Grant Anticipation Fund Group	Transportation Fund Groups: Transportation Infrastructure Fund Group
Operating revenues:				
Interest on loans receivable from governmental units	$ –	$32,754,861	$ –	$ –
Program revenue from State of Maine	–	–	4,040,257	5,670,008
Interest income from investments	329,162	5,581,957	–	710,698
Net (decrease) increase in the fair value of investments	(158,654)	(5,145,620)	–	(200,827)
Grant revenue from Environmental Protection Agency (note 6)	–	–	–	–
Grant revenue from State of Maine (notes 6 and 7)	–	–	–	–
Other income	434,233	–	–	–
Total operating revenues	604,741	33,191,198	4,040,257	6,179,879
Operating expenses:				
Interest expense	–	35,382,992	3,864,299	6,070,899
Operating expenses (direct and shared) (note 8)	1,423,263	18,201	175,958	108,980
Cost of issuance expenses	–	1,060,652	–	–
Loan forgiveness (notes 6 and 7)	–	–	–	–
Amortization of refunding benefits rebated to governmental units	–	73,111	–	–
Total operating expenses	1,423,263	36,534,956	4,040,257	6,179,879
Operating income (loss) before operating transfers	(818,522)	(3,343,758)	–	–
Operating transfers	1,341,066	(1,190,634)	–	–
Operating income (loss)	522,544	(4,534,392)	–	–
Net position, beginning of year, as previously reported	28,608,748	39,661,751	–	–
Effect on change in accounting principle on beginning of year net position (note 11)	(325,583)	–	–	–
Net position, beginning of year, as restated	28,283,165	39,661,751	–	–
Net position, end of year	$28,805,709	$35,127,359	$ –	$ –

See accompanying notes to the financial statements.

Qualified School Construction Fund Group	Liquor Operation Revenue Fund Group	Sewer and Water Fund Groups: Revolving Loan Fund Groups: Clean Water	Drinking Water	Operating Fund Group	School Facilities Fund Group	Total
$ 1,941,897	$ –	$ 3,303,115	$ 1,057,463	$ –	$ –	$ 39,057,336
–	6,058,961	–	–	–	–	15,769,226
474,720	943,905	1,416,307	341,309	69,665	239,419	10,107,142
(606,225)	(817,841)	146,192	17,481	5,891	(79,675)	(6,839,278)
–	–	10,263,000	8,241,000	–	–	18,504,000
–	–	2,052,600	1,648,200	–	976,321	4,677,121
–	–	–	–	878,404	–	1,312,637
1,810,392	6,185,025	17,181,214	11,305,453	953,960	1,136,065	82,588,184
1,810,392	6,095,343	296,402	86,428	–	–	53,606,755
–	89,682	808,711	2,650,055	240,440	765,632	6,280,922
–	–	–	–	–	–	1,060,652
–	–	988,421	2,134,619	–	3,699,182	6,822,222
–	–	34,088	5,457	–	–	112,656
1,810,392	6,185,025	2,127,622	4,876,559	240,440	4,464,814	67,883,207
–	–	15,053,592	6,428,894	713,520	(3,328,749)	14,704,977
–	–	69,253	149,614	(369,299)	–	–
–	–	15,122,845	6,578,508	344,221	(3,328,749)	14,704,977
–	–	424,552,475	183,922,399	7,465,992	22,313,851	706,525,216
–	–	–	–	–	–	(325,583)
–	–	424,552,475	183,922,399	7,465,992	22,313,851	706,199,633
$ –	$ –	$ 439,675,320	$ 190,500,907	$ 7,810,213	$ 18,985,102	$ 720,904,610

MAINE MUNICIPAL BOND BANK

STATEMENTS OF CASH FLOWS

For the Year Ended June 30, 2018

	General Operating Account	General Tax-Exempt Fund Group	Transportation Fund Groups: Grant Anticipation Fund Group	Transportation Fund Groups: Transportation Infrastructure Fund Group
OPERATING ACTIVITIES:				
Cash received from governmental units and State of Maine	$ –	$ 120,069,676	$ 20,173,670	$ 41,003,091
Cash payments to governmental units	–	(141,090,059)	–	–
Cash payments to State of Maine	–	–	–	(17,500,000)
Cash received from other income	434,233	–	–	–
Cash payments for operating expenses	(1,382,579)	(18,201)	(175,958)	(109,053)
Cash paid for bond issuance costs	–	(1,060,652)	–	–
Cash received from (paid to) other funds	1,338,024	(1,163,806)	–	(7,529)
Cash received from (paid for) other assets and liabilities	71,317	–	–	–
Net cash provided (used) by operating activities	460,995	(23,263,042)	19,997,712	23,386,509
NONCAPITAL FINANCING ACTIVITIES:				
Proceeds from bonds payable	–	247,952,385	–	–
Principal paid on bonds payable	–	(88,004,459)	(14,310,000)	(12,945,000)
Interest paid on bonds payable	–	(44,460,367)	(5,687,712)	(7,128,588)
Grant receipts from Environmental Protection Agency and State of Maine	–	–	–	–
Amount deposited to refunding escrow	–	(93,294,830)	–	–
Net cash (used) provided by noncapital financing activities	–	22,192,729	(19,997,712)	(20,073,588)
INVESTING ACTIVITIES:				
Purchase of investment securities	(24,100,994)	(220,219,668)	–	(209,311,443)
Proceeds from sale and maturities of investment securities	23,549,763	215,677,101	–	205,331,168
Income received from investments	305,747	5,856,968	–	667,354
Interest rebate paid to U.S. Government	–	(244,088)	–	–
Additions to property and equipment	(34,524)	–	–	–
Net cash (used) provided by investing activities	(280,008)	1,070,313	–	(3,312,921)
Increase in cash	180,987	–	–	–
Cash, beginning of year	201,783	–	–	–
Cash, end of year	$ 382,770	$ –	$ –	$ –

Qualified School Construction Fund Group	Liquor Operation Revenue Fund Group	Sewer and Water Fund Groups			School Facilities Fund Group	Total
		Revolving Loan Fund Groups		Operating Fund Group		
		Clean Water	Drinking Water			
$ 3,747,171	$ 51,586,276	$ 32,811,220	$ 10,299,577	$ –	$ 2,647,077	$ 282,337,758
–	–	(19,669,637)	(11,855,436)	–	(7,387,030)	(180,002,162)
–	(7,000,000)	–	–	–	–	(24,500,000)
–	–	–	–	878,404	–	1,312,637
–	(89,744)	(808,237)	(2,650,157)	(240,440)	(765,674)	(6,240,043)
–	–	–	–	–	–	(1,060,652)
–	1,295	74,207	132,892	(372,954)	(2,129)	–
–	–	–	(2,306)	–	–	69,011
3,747,171	44,497,827	12,407,553	(4,075,430)	265,010	(5,507,756)	71,916,549
–	–	–	–	–	–	247,952,385
–	(20,695,000)	(3,015,000)	(455,000)	–	–	(139,424,459)
(1,810,392)	(6,145,425)	(380,198)	(90,595)	–	–	(65,703,277)
–	–	10,071,165	8,696,111	–	976,321	19,743,597
–	–	–	–	–	–	(93,294,830)
(1,810,392)	(26,840,425)	6,675,967	8,150,516	–	976,321	(30,726,584)
(6,957,793)	(221,849,355)	(813,158,344)	(175,663,492)	(23,653,966)	(56,693,815)	(1,751,608,870)
4,547,614	203,490,181	792,698,307	171,260,741	23,322,605	60,982,893	1,700,860,373
473,400	701,772	1,376,517	327,665	66,351	242,357	10,018,131
–	–	–	–	–	–	(244,088)
–	–	–	–	–	–	(34,524)
(1,936,779)	(17,657,402)	(19,083,520)	(4,075,086)	(265,010)	4,531,435	(41,008,978)
–	–	–	–	–	–	180,987
–	–	–	–	–	–	201,783
$ –	$ –	$ –	$ –	$ –	$ –	$ 382,770

MAINE MUNICIPAL BOND BANK

STATEMENTS OF CASH FLOWS (CONTINUED)

For the Year Ended June 30, 2018

	General Operating Account	General Tax-Exempt Fund Group	Transportation Fund Groups: Grant Anticipation Fund Group	Transportation Fund Groups: Transportation Infrastructure Fund Group
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	$ 522,544	$ (4,534,392)	$ –	$ –
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Interest income from investments	(329,162)	(5,581,957)	–	(710,698)
Net decrease (increase) in the fair value of investments	158,654	5,145,620	–	200,827
Loan forgiveness	–	–	–	–
Depreciation	106,678	–	–	–
Amortization of refunding benefits rebated to governmental units	–	73,111	–	–
Interest expense on bonds payable	–	35,382,992	3,864,299	6,070,899
Federal and State grants	–	–	–	–
Change in assets and liabilities:				
Loans receivable from governmental units and advances to State of Maine	–	(53,781,195)	15,925,563	13,828,181
Accrued interest and fees receivable on loans to governmental units and advances to State of Maine	–	5,951	207,850	–
Due to/from other funds	(3,042)	26,828	–	(7,529)
Other assets	71,317	–	–	–
Accrued pension and other post-employment benefit liabilities	100,099	–	–	–
Accounts payable and accrued liabilities	(166,093)	–	–	(73)
Due to State of Maine	–	–	–	4,004,902
Net cash provided (used) by operating activities	$ 460,995	$ (23,263,042)	$ 19,997,712	$ 23,386,509

See accompanying notes to the financial statements.

Qualified School Construction Fund Group	Liquor Operation Revenue Fund Group	Sewer and Water Fund Groups: Revolving Loan Fund Groups: Clean Water	Sewer and Water Fund Groups: Revolving Loan Fund Groups: Drinking Water	Sewer and Water Fund Groups: Operating Fund Group	School Facilities Fund Group	Total
$ –	$ –	$ 15,122,845	$ 6,578,508	$ 344,221	$ (3,328,749)	$ 14,704,977
(474,720)	(943,905)	(1,416,307)	(341,309)	(69,665)	(239,419)	(10,107,142)
606,225	817,841	(146,192)	(17,481)	(5,891)	79,675	6,839,278
–	–	988,421	2,134,619	–	3,699,182	6,822,222
–	–	–	–	–	–	106,678
–	–	34,088	5,457	–	–	112,656
1,810,392	6,095,343	296,402	86,428	–	–	53,606,755
–	–	(12,315,600)	(9,889,200)	–	(976,321)	(23,181,121)
1,805,077	20,695,000	9,781,761	(2,601,005)	–	(4,739,953)	913,429
197	(88,410)	56,707	(12,317)	–	–	169,978
–	1,295	4,954	(16,722)	(3,655)	(2,129)	–
–	–	–	(2,306)	–	–	69,011
–	–	–	–	–	–	100,099
–	(62)	474	(102)	–	(42)	(165,898)
–	17,920,725	–	–	–	–	21,925,627
$ 3,747,171	$ 44,497,827	$ 12,407,553	$ (4,075,430)	$ 265,010	$ (5,507,756)	$ 71,916,549

1. Organization

The Maine Municipal Bond Bank (the Bond Bank) is constituted as an instrumentality and a component unit of the State of Maine, organized and existing under and pursuant to M.R.S.A., Article 30-A, Title 5901 (the Act), as amended.

Under the Act, the Bond Bank is authorized to issue bonds for the purpose, among other things, of providing funds to enable it to lend money to counties, cities, towns, school administrative districts, community school districts, other quasi-municipal corporations or other eligible borrowers as designated by the Legislature (the governmental units) within the State of Maine. The provision of funds is accomplished by the direct purchase from such governmental units of their bonds, notes or evidence of debt payable from taxes, charges for services, grants or assessments. The Bond Bank is also authorized by the Legislature to issue bonds on behalf of the State of Maine to finance qualified transportation projects and payments to healthcare providers, to be repaid by taxes, fees and grant and liquor revenues.

The Bond Bank has an arrangement with related parties, Maine Health and Higher Educational Facilities Authority (MHHEFA) and Maine Governmental Facilities Authority (MGFA), whereby the Bond Bank allocates payroll and general overhead expenses from its operations to each Authority. The arrangement is approved annually by the Board of Commissioners through the budgetary approval process. At June 30, 2018, the General Operating Account has approximately $32,000 of amounts due from these related parties, which is included in other assets in the accompanying statements of net position.

The General Operating Account consists of the operating revenues and expenses incurred by the Bond Bank in administering each of the resolutions under which it is operating. The funds and accounts of these resolutions have been grouped within each of the resolutions and fund groups as described below.

The General Operating Account also administers various loan and grant programs in conjunction with the State of Maine. Additionally, the General Operating Account from time-to-time will provide loans to municipalities (governmental units) experiencing financial difficulties. At June 30, 2018, there were no such loans outstanding.

General Tax-Exempt Fund Group: This fund group consists of funds and accounts established under the Bond Bank's General Bond Resolution adopted July 11, 1973, as amended and supplemented by the First Supplemental Resolution adopted September 20, 1977, the Second Supplemental Resolution adopted July 18, 1984, the Third Supplemental Resolution adopted May 7, 1993, the Fourth Supplemental Resolution adopted June 25, 1993 and the Fifth Supplemental Resolution adopted September 18, 2003. Under these resolutions, the Bond Bank issues bonds on which the interest is exempt from State of Maine income taxes and either exempt or non-exempt from federal income taxes. The proceeds on the bonds are used to make loans to local governmental units. In addition, the Bond Bank issues taxable bonds that receive a federal interest subsidy payment on each debt service payment date. The total federal interest subsidy received in 2018 was approximately $883,900, and is included in interest on loans receivable from governmental units in the statement of revenues, expenses and changes in net position.

1. Organization (Continued)

Transportation Fund Groups: These fund groups consist of funds and accounts established under the Bond Bank's Grant Anticipation General Bond Resolution adopted December 10, 2004 and the Bond Bank's Transportation Infrastructure General Bond Resolution adopted September 24, 2008. Under these resolutions, the Bond Bank issues bonds or notes exempt from Federal and State of Maine income taxes for the purpose of making advances to the State of Maine Department of Transportation to finance qualified transportation projects. The Grant Anticipation bonds or notes are to be repaid from future federal highway grant monies received by the State of Maine and the Transportation Infrastructure bonds or notes are to be repaid from a portion of future fees and taxes collected by the State of Maine, which are paid to the Bond Bank monthly or quarterly. In addition, the Bond Bank issues taxable bonds that receive a federal interest subsidy payment on each debt service payment date. The total federal interest subsidy received in 2018 was approximately $385,600 and is included in program revenue from State of Maine in the Grant Anticipation Fund Group statement of revenues, expenses and changes in net position.

Qualified School Construction Fund Group: This fund group consists of funds and accounts established under the Bond Bank's General Bond Resolution adopted November 18, 2010. Under this resolution, the Bond Bank issues bonds which are exempt from State of Maine income taxes (but not federal income taxes) and makes loans to qualified governmental units. The bonds issued in this fund group receive a federal interest subsidy payment on each debt service payment date. The total federal interest subsidy received in 2018 was approximately $1,552,900 and is included in interest on loans receivable from governmental units in the statement of revenues, expenses and changes in net position.

Liquor Operation Revenue Fund Group: This fund group consists of funds and accounts established under the Bond Bank's State Liquor Operation Revenue Bonds Resolution adopted August 21, 2013. Under this resolution, the Bond Bank issues bonds which are exempt from State of Maine income taxes (but not federal income taxes) for the purpose of making advances to the State of Maine to make payments to health care providers for services provided prior to December 1, 2012 under the MaineCare program. The bonds are to be repaid from a portion of future liquor revenues collected by the State Bureau of Alcoholic Beverages and Lottery Operations and transferred to the Bond Bank monthly.

Sewer and Water Fund Groups: These fund groups consist of funds and accounts established under the Bond Bank's Sewer and Water General Bond Resolution adopted February 7, 1990, as amended and supplemented by the First Supplemental Resolution adopted March 6, 1991, by the Second Supplemental Resolution adopted August 21, 1998, and by the Third Supplemental Resolution adopted March 14, 2003. Under this resolution, the Bond Bank issues bonds exempt from federal and State of Maine income taxes for the purpose of making revolving loans to governmental units to finance wastewater collection, treatment system or water supply system projects. Under the Drinking Water Fund Group, eligible borrowers consist of public water systems, which include municipalities, districts, private for-profit and non-profit water systems. Some of these projects may be financed by grants from the Environmental Protection Agency and the State of Maine under the State Revolving Fund Program and the Drinking Water State Revolving Loan Fund Program. The Operating Fund Group collects fees paid by eligible borrowers of the Sewer and Water Fund Groups and pays administrative expenses to the Bond Bank and other expenses permitted within the resolution that are not covered under the Sewer and Water Revolving Fund Groups. The fees earned are recorded in other income on the statement of revenues, expenses and changes in net position.

1. Organization (Continued)

School Facilities Fund Group: This fund group consists of funds and accounts established under the Maine School Facilities Finance Program. Under this program, the Bond Bank receives appropriations from the State of Maine for the purpose of making loans to school administrative units for school repair and renovation. This fund group is not a part of any bond resolution.

2. Significant Accounting Policies

Proprietary Fund Accounting: As the Bond Bank's operations are financed and operated in a manner similar to private business enterprise, where the intent of the governing body is that the costs of providing goods or services is financed through user charges, it meets the criteria for an enterprise fund and, therefore, is accounted for under the accrual basis of accounting.

As discussed below, the Bond Bank complies with Governmental Accounting Standards Board (GASB) statements codified under GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidelines Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* (GASB 62).

The financial statements are prepared in accordance with GASB No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus – an amendment of GASB Statement No. 21 and No. 34*, and No. 38, *Certain Financial Statement Note Disclosures*.

Accounting Method: As stated above, the Bond Bank uses the accrual basis of accounting and, accordingly, recognizes revenues as earned and expenses as incurred.

Federal Income Taxes: It is the opinion of management that the Bond Bank is exempt from federal income taxes under Internal Revenue Code (IRC) Section 115, and that the Bond Bank has maintained its tax-exempt status and has no uncertain tax positions that require adjustment or disclosure in these financial statements. However, because the Bond Bank issues tax-exempt bonds, it is subject to the arbitrage rebate requirements of Section 148 of the IRC. Section 148 requires that any arbitrage profit earned on the proceeds of tax-exempt bonds issued after 1985 must be rebated to the federal government at least once every five years, with the balance rebated no later than 60 days after the retirement of the bonds.

Arbitrage rebate expense, which is presented as a reduction in the amount of interest income from investments, for the year ended June 30, 2018 was approximately $268,000 in the General Tax-Exempt Fund Group. Arbitrage rebate expense in any other Fund Group for the year ended June 30, 2018 was not significant.

Cash and Cash Equivalents: The Bond Bank considers all checking and savings deposits and highly liquid investments with maturities of three months or less to be cash equivalents.

Cash includes funds held in interest bearing demand deposit and savings accounts, which, at times, may exceed amounts guaranteed by the Federal Deposit Insurance Corporation. The Bond Bank has not experienced any losses in such accounts and management believes the Bond Bank is not exposed to any significant risk of loss on cash.

2. Significant Accounting Policies (Continued)

Investments: Investments are carried at fair value. See note 10. Changes in fair value are recorded as net increase or decrease in the fair value of investments on the statements of revenues, expenses and changes in net position. Interest earnings on long-term principal-only strips within the general tax-exempt fund group, transportation infrastructure fund group, clean water fund group, drinking water fund group and liquor operation revenue fund group of approximately $3,611,400, $216,900, $37,200, $2,600 and $38,600, respectively, have been recorded as interest income from investments in 2018. Reserve fund investments that are not expected to be utilized to fund bond principal and interest payments until after June 30, 2019 have been classified as long-term.

Undisbursed Federal Letter of Credit Payment: The Bond Bank has received federal capitalization grants under the Sewer and Water Bond Resolution's State Revolving Fund Program. The grants have been made available in the form of letters of credit which can only be drawn upon when needed for administrative and actual construction related costs.

Property and Equipment: The building and equipment are recorded at cost less accumulated depreciation. The provision for depreciation has been computed using the straight-line method.

Bond Discounts, Premiums and Issuance Costs: Costs associated with issuing debt, which are generally paid by means of fees collected from governmental units, are expensed in the year incurred. Original issue discounts or premiums associated with bond issues are deferred and are being amortized to interest expense over the life of the bond using the bonds outstanding method. For each issue, bond discounts (premiums) are presented as a reduction of (increase to) the face amount of bonds payable (note 4).

Deferred Outflows of Resources: In addition to assets, the statement of net position will sometimes report a separate section for *deferred outflows of resources*. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Bond Bank has three significant items that qualify for reporting in this category. The first, a deferred charge on refunding, results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second and third deferred charges relate to recognition of the net pension liability and net other postemployment benefit (OPEB) liability and can include: the differences between expected and actual experience, change in assumptions, the net difference between projected and actual earnings on pension and OPEB plan investments, and changes between the Bond Bank's contributions and proportionate share of contributions, and also Bond Bank contributions subsequent to the measurement date.

Deferred Inflows of Resources: In addition to liabilities, the statement of net position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The deferred inflows of resources recognized on the statement of net position relates to the net pension liability which includes the net difference between projected and actual earnings on pension plan investments and changes in proportion and differences between the Bond Bank's contributions.

2. Significant Accounting Policies (Continued)

Pension Plan: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources, and pension expense, information about the fiduciary net position of the Participating Local District (PLD) Defined Benefit Plan and additions to/deductions from PLD's fiduciary net position have been determined on the same basis as they are reported by PLD. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Postemployment Benefits Other Than Pensions (OPEB): For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources, and OPEB expense, information about the fiduciary net position of the Bond Bank's agent multiple-employer postemployment healthcare plan administered by the Maine Municipal Employees Health Trust (the healthcare plan) and additions to/deductions from the healthcare plan's fiduciary net position have been determined on the same basis as they are reported by the healthcare plan. For this purpose, the healthcare plan recognizes benefit payments when due and payable in accordance with the benefit terms.

Advanced Refundings: Advanced refundings are accounted for in accordance with the provisions of GASB Statement No. 23, *Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities*. In an advance refunding, the Bond Bank defeases bonds by placing cash received from the advanced refunding into an irrevocable escrow account to provide for all future debt service payments on defeased bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Bond Bank's financial statements. Under GASB Statement No. 23, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense over the remaining life of the old debt, or the life of the new debt, whichever is shorter, using the bonds outstanding method. The unamortized portion of the deferred amount is reported as a deferred outflow of resources. Amortization for the year ended June 30, 2018 was approximately $4,588,300, $1,417,900, $114,000 and $400 for the General Tax Exempt Fund Group, Transportation Infrastructure Fund Group, Clean Water and Drinking Water Revolving Loan Fund Groups, respectively.

The Board of Commissioners determines what percentage, if any, of the gains, losses and economic benefits of advanced refundings gets passed on to the respective governmental units. Refunding benefits for governmental units are distributed to the governmental units as a one-time, upfront, rebate or as reduced debt service payments generally allocated over the remaining life of the refunded bonds. If the refunding benefits are distributed as a one-time, upfront, rebate, the refunding benefits are deferred and amortized over the life of the refunded bonds (which is equivalent to the life of the loans receivable) using a method which approximates the effective interest method. The gains, losses and economic benefits of advance refundings completed within the Transportation Fund Groups inure to the State of Maine and not the Bond Bank.

2. Significant Accounting Policies (Continued)

Construction Funds: The Transportation Fund Groups and Sewer and Water General Bond Resolution require bond proceeds to be deposited into construction funds. Upon deposit into the construction funds, advances receivable from the State of Maine or a loan receivable from the governmental unit is recorded and the construction funds are excluded from the statement of net position. The Bond Bank maintains control over disbursement of these funds until the project is complete. There are no bond proceeds held in Clean Water or Drinking Water Construction funds as of June 30, 2018. The Transportation Fund Groups have a balance of approximately $46,000,000 of bond proceeds in construction funds as of June 30, 2018.

Grant Revenue: Grant revenue is recognized when the qualifying commitments have been made and all other grant requirements have been met.

Interfund Transactions: Quasi-external transactions are accounted for as revenues or expenses. Transactions that constitute reimbursements to a fund for expenses initially made from it that are properly applicable to another fund are recorded as expenses in the reimbursing fund and as reductions of expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Management Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires the Bond Bank to make estimates and assumptions that affect the amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Total Columns: The “total” columns contain the totals of the similar accounts of the various funds. Since the assets of the funds are restricted, the combination of the accounts, including assets therein, is for convenience only and does not indicate that the combined assets are available in any manner other than that provided for in the separate funds.

Recently Issued Accounting Pronouncements: In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The object of this statement is to improve accounting and financial reporting by governmental entities for postemployment benefits other than pensions (other postemployment benefits or OPEB). This Statement replaces the requirements of Statements No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB. The Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. It also identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to actuarial present value, and attribute present value to periods of employee service. The Statement also expands disclosures and required supplementary information about OPEB plans. The Bond Bank adopted this statement in its fiscal year ended June 30, 2018 financial statements. The impact and adoption of this statement is described in note 11.

2. Significant Accounting Policies (Continued)

In March 2017, GASB issued Statement No. 85, *Omnibus 2017*. The objective of this statement is to address practice issues that have been identified during the implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and OPEB). The requirements of this statement are effective for reporting periods beginning after June 15, 2017. The Bond Bank adopted this statement in fiscal 2018. The adoption of this statement had no material impact on the Bond Bank's 2018 financial statements.

3. Investments Held By Trustee and Operating Investments

The Bond Bank is authorized, under Maine statutes, to invest in obligations of the U.S. Treasury, certain U.S. Government-sponsored enterprises, state and local government agencies, guaranteed investment contracts, certificates of deposit and collateralized repurchase agreements. At June 30, 2018, investments are categorized as follows:

	Fair Value
General Operating Account	
Operating investments:	
U.S. Government-sponsored enterprises	$ 22,942,125
Cash equivalents	1,431,820
	$ 24,373,945
General Tax-Exempt Fund Group	
Investments held by trustee:	
Guaranteed investment contracts	$ 6,437,343
U.S. Government obligations	20,645,090
U.S. Government-sponsored enterprises	12,829,336
U.S. Treasury strips	23,778,995
U.S. Government-sponsored enterprise strips	79,084,034
Cash equivalents	20,629,807
	$ 163,404,605
Transportation Infrastructure Fund Group	
Investments held by trustee:	
U.S. Government-sponsored enterprises	$ 37,639,773
U.S. Treasury strips	10,037,211
Cash equivalents	10,183,975
	$ 57,860,959

3. Investments Held By Trustee and Operating Investments (Continued)

	Fair Value
Qualified School Construction Fund Group	
Investments held by trustee:	
U.S. Government obligations	$ 9,624,504
Cash equivalents	2,652,086
	$ 12,276,590
Liquor Operation Revenue Fund Group	
Investments held by trustee:	
U.S. Government obligations	$ 3,400,000
U.S. Treasury strips	1,287,184
U.S. Government-sponsored enterprises	25,371,556
Cash equivalents	24,484,959
	$ 54,543,699
Sewer and Water Fund Groups	
Investments held by trustee:	
Revolving Loan Fund Group – Clean Water:	
Guaranteed investment contracts	$ 1,364,666
U.S. Government obligations	17,241,595
U.S. Government-sponsored enterprises	89,887,301
U.S. Government-sponsored enterprise strips	1,119,492
Certificates of deposit	10,277,843
Cash equivalents	21,140,919
	$ 141,031,816
Revolving Loan Fund Group – Drinking Water:	
U.S. Government obligations	$ 2,499,180
U.S. Government-sponsored enterprises	19,186,611
U.S. Government-sponsored enterprise strips	76,769
Cash equivalents	10,395,391
	$ 32,157,951
Operating Fund Group:	
U.S. Government obligations	$ 299,754
U.S. Government-sponsored enterprises	2,193,007
Cash equivalents	5,176,053
	$ 7,668,814

3. Investments Held By Trustee and Operating Investments (Continued)

	Fair Value
School Facilities Fund Group	
Investments held by trustee:	
U.S. Government-sponsored enterprises	$ 5,875,569
Cash equivalents	5,550,766
	$ 11,426,335

The investments of the General Operating Account are to provide income to supplement administration of current programs, provide a source of capital for new programs and to reduce susceptibility to unanticipated expenditures or revenue shortfalls. Relative to the investment of bond funds, as a means of limiting its exposure to fair value losses arising from rising interest rates, the Bond Bank's investment policy provides that investment maturities be closely matched with future bond principal and interest requirements, which are the primary use of invested assets. Further, guaranteed investment contracts, which maturities are also closely matched with future bond principal and interest requirements, contain provisions that allow the Bond Bank to terminate individual contracts at par. The Bond Bank's general practice has been to hold most debt securities to their maturity, at which point the funds are needed to make required bond principal and interest payments for the respective resolutions. The following table provides information on future maturities of the Bond Bank's investments in guaranteed investment contracts, U.S. Government obligations, U.S. Government-sponsored enterprises, U.S. Treasury Strips, U.S. Government-sponsored enterprise strips and certificates of deposit as of June 30, 2018:

	Fair Value	Less than One Year	One to Five Years	Six to Ten Years	More than Ten Years
General Operating Account					
U.S. Government-sponsored enterprises	$ 22,942,125	$ 6,966,494	$15,975,631	$ –	$ –
General Tax Exempt Fund Group					
Guaranteed investment contracts	$ 6,437,343	$ –	$ –	$ –	$ 6,437,343
U.S. Government obligations	20,645,090	14,022,331	6,038,603	366,791	217,365
U.S. Government-sponsored enterprises	12,829,336	866,940	521,175	8,568,485	2,872,736
U.S. Treasury strips	23,778,995	3,756,541	17,587,975	1,890,053	544,426
U.S. Government-sponsored enterprise strips	79,084,034	3,292,750	18,591,253	26,463,145	30,736,886
	$ 142,774,798	$ 21,938,562	$42,739,006	$37,288,474	$40,808,756

3. Investments Held By Trustee and Operating Investments (Continued)

	Fair Value	Less than One Year	One to Five Years	Six to Ten Years	More than Ten Years
Transportation Infrastructure Fund Group					
U.S. Government-sponsored enterprises	$ 37,639,773	$ 37,639,773	$ –	$ –	$ –
U.S. Treasury strips	10,037,211	–	–	10,037,211	–
	$ 47,676,984	$ 37,639,773	$ –	$10,037,211	$ –
Qualified School Construction Fund Group					
U.S. Government obligations	$ 9,624,504	$ –	$ 465,456	$ 8,501,705	$ 657,343
Liquor Operation Revenue Fund Group					
U.S. Government obligations	$ 3,400,000	$ 3,400,000	$ –	$ –	$ –
U.S. Treasury strips	1,287,184	–	–	1,287,184	–
U.S. Government-sponsored enterprises	25,371,556	–	25,371,556	–	–
	$ 30,058,740	$ 3,400,000	$25,371,556	$ 1,287,184	$ –
Revolving Loan Fund Group – Clean Water					
Guaranteed investment contracts	$ 1,364,666	$ –	$ 641,798	$ 722,868	$ –
U.S. Government obligations	17,241,595	17,241,595	–	–	–
U.S. Government-sponsored enterprises	89,887,301	89,887,301	–	–	–
U.S. Government-sponsored enterprise strips	1,119,492	1,119,492	–	–	–
Certificates of deposit	10,277,843	869,124	9,408,719	–	–
	$ 119,890,897	$ 109,117,512	$10,050,517	$ 722,868	$ –

3. Investments Held By Trustee and Operating Investments (Continued)

	Fair Value	Less than One Year	One to Five Years	Six to Ten Years	More than Ten Years
Revolving Loan Fund Group–Drinking Water					
U.S. Government obligations	$ 2,499,180	$ 2,499,180	$ –	$ –	$ –
U.S. Government-sponsored enterprises	19,186,611	19,036,616	–	149,995	–
U.S. Government-sponsored enterprise strips	76,769	76,769	–	–	–
	$ 21,762,560	$ 21,612,565	$ –	$ 149,995	$ –
Sewer and Water Fund Groups – Operating Fund Group					
U.S. Government Obligations	$ 299,754	$ 299,754	$ –	$ –	$ –
U.S. Government-sponsored enterprises	2,193,007	2,193,007	–	–	–
	$ 2,492,761	$ 2,492,761	$ –	$ –	$ –
School Facilities Fund Group					
U.S. Government-sponsored enterprises	$ 5,875,569	$ 5,875,569	$ –	$ –	$ –

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Bond Bank will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Bond Bank's investments are primarily held by U.S. Bank and Bangor Savings Bank. Management of the Bond Bank is not aware of any issues with respect to custodial credit risk at either bank at June 30, 2018.

For an investment, credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the Bond Bank. Credit risk is measured by the credit quality ratings of issuers as described by nationally recognized rating organizations. The Bond Bank's investment policy limits its investments to those with high credit quality, such as U.S. Treasury Obligations and U.S. Government-sponsored enterprises securities, as rated by rating agencies such as Moody's Investor Service or Standard and Poor's, or guaranteed investment contracts backed by high credit quality banks and insurance companies. The Bond Bank requires providers of guaranteed investment contracts to have and maintain a long-term unsecured debt obligation rating or claims paying ability equal to or greater than "AA" or "Aa". If the long-term rating falls below these thresholds, the provider must either (i) pledge additional collateral to restore the rating or (ii) permit the Bond Bank to withdraw the funds at par and without penalty.

3. Investments Held By Trustee and Operating Investments (Continued)

At June 30, 2018, the rating for investments in U.S. Treasury Obligations and U.S. Government-sponsored enterprise securities (includes FHLMC, FHLB, FFCB, FNMA) was AA+. At June 30, 2018, the Bond Bank's guaranteed investment contracts within the General Tax Exempt Fund Group and Revolving Loan Fund Groups are primarily with three institutions, all of which are AA rated or better.

The Bond Bank has invested some of its long-term funds in U.S. Treasury and U.S. Government-sponsored enterprise principal-only strips in order to maximize yields coincident with cash needs for operations, debt service, and arbitrage. These securities are similar to zero coupon bonds which are purchased deeply discounted, with the Bond Bank receiving its only repayment stream at maturity; therefore, they are sensitive to interest rate changes. These securities are reported at fair value in the statements of net position. The fair value of these investments is $115,383,685 at June 30, 2018.

Trustee held cash equivalents at June 30, 2018 consist primarily of money market funds secured by short-term U.S. Treasury obligations.

The cash equivalents of the Bond Bank's General Operating Account at June 30, 2018 consist entirely of money market funds secured by short-term U.S. Treasury obligations.

4. Bonds Payable

Total General Tax-Exempt Fund Group Bonds payable, with original interest rates, consist of the following at June 30, 2018:

	Original Maturity	Original Amount Issued	Amount Outstanding June 30, 2018
Series 2008 A and B, 3.00% – 5.00%, dated May 15, 2008	2008 – 2038	$ 49,060,000	$ 2,490,000
Series 2008 C, 4.00% – 5.50%, dated October 30, 2008	2009 – 2038	100,010,000	5,125,000
Series 2009 A, 2.00% – 5.00%, dated March 17, 2009	2009 – 2020	10,060,000	3,420,000
Series 2009 B, 3.00% – 5.00%, dated May 28, 2009	2009 – 2034	42,845,000	4,915,000
Series 2009 C, 1.10% – 4.25%, dated August 27, 2009	2010 – 2029	21,620,000	2,065,000
Series 2009 D, 3.00% – 5.00%, dated August 27, 2009	2010 – 2029	34,930,000	2,820,000
Series 2009 G, 3.00% – 5.00%, dated October 29, 2009	2010 – 2039	9,590,000	1,355,000
Series 2009 H, 3.00% – 5.00%, dated January 14, 2010	2010 – 2030	38,710,000	4,440,000
Series 2010 A, 2.00% – 4.25%, dated May 27, 2010	2010 – 2040	8,320,000	2,630,000
Series 2010 B, 3.28% – 5.67%, dated May 27, 2010	2010 – 2034	11,735,000	10,680,000

4. Bonds Payable (Continued)

	Original Maturity	Original Amount Issued	Amount Outstanding June 30, 2018
Series 2010 C, 2.00% – 5.00%, dated October 7, 2010	2012 – 2034	$ 99,425,000	$ 60,885,000
Series 2010 DEF, 0.71% – 5.12%, dated October 28, 2010	2011 – 2040	80,165,000	50,295,000
Series 2011 A, 2.37% – 5.00%, dated January 27, 2011	2011 – 2031	80,275,000	11,800,000
Series 2011 C, 2.00% – 5.00%, dated May 26, 2011	2012 – 2041	77,275,000	54,120,000
Series 2011 EF, 2.00% – 5.00%, dated October 27, 2011	2012 – 2033	50,375,000	19,705,000
Series 2012 ABC, 0.67% – 5.00%, dated May 24, 2012	2013 – 2038	66,435,000	40,065,000
Series 2012 E, 1.50% – 4.00%, dated October 25, 2012	2013 – 2042	28,590,000	20,370,000
Series 2012 FG, 0.50% – 5.00%, dated December 11, 2012	2013 – 2034	41,975,000	33,185,000
Series 2013 A, 2.00% – 5.00%, dated May 23, 2013	2014 – 2043	15,905,000	13,185,000
Series 2013 B, 2.00% – 4.50%, dated October 24, 2013	2014 – 2043	13,525,000	10,150,000
Series 2014 A, 2.00% – 5.00%, dated May 22, 2014	2015 – 2044	19,250,000	17,050,000
Series 2014 BC, 2.00% – 5.00%, dated October 23, 2014	2015 – 2034	109,750,000	106,120,000
Series 2015 AB, 2.00% – 5.00%, dated May 28, 2015	2016 – 2040	70,380,000	65,385,000
Series 2015 C, 2.00% – 5.00%, dated October 22, 2015	2016 – 2045	16,405,000	14,040,000
Series 2015 D, 2.00% – 5.00%, dated November 3, 2015	2016 – 2021	53,605,000	25,925,000
Series 2016 A, 2.00% – 5.00%, dated May 26, 2016	2017 – 2036	35,410,000	33,795,000
Series 2016 B, 2.25% – 5.00% dated May 26, 2016	2020 – 2039	62,815,000	62,815,000
Series 2016 C, 3.00% – 5.00% dated November 3, 2016	2017 – 2046	29,900,000	28,130,000
Series 2017 A, 2.50% – 5.00% dated January 19, 2017	2018 – 2037	97,875,000	97,875,000
Series 2017 B, 2.00% – 5.00% dated May 25, 2017	2018 – 2042	15,875,000	15,875,000
Series 2017 CD, 3.00% – 5.00% dated November 2, 2017	2018 – 2037	176,270,000	176,270,000
Series 2018 A, 2.25% – 5.00% dated May 24, 2018	2019 – 2038	38,395,000	38,395,000
		$ 1,606,755,000	$ 1,035,375,000

4. Bonds Payable (Continued)

Total General Tax-Exempt Fund Group Bonds payable is presented on the statement of net position at June 30, 2018 as follows:

Total principal outstanding	$ 1,035,375,000
Unamortized original issue premium	94,292,652
Total General Tax-Exempt Fund Group Bonds payable	1,129,667,652
Current portion	108,149,843
Noncurrent portion	$ 1,021,517,809

The outstanding General Tax-Exempt Fund Group Bonds payable will mature in each of the following years with interest payable semiannually:

Due Bond Year Ending November 1	Principal	Interest	Total Debt Service
2018	$ 94,615,000	$ 22,603,135	$ 117,218,135
2019	89,700,000	41,776,840	131,476,840
2020	88,340,000	38,208,060	126,548,060
2021	82,995,000	34,311,550	117,306,550
2022	70,970,000	30,378,157	101,348,157
2023 – 2027	304,945,000	106,288,036	411,233,036
2028 – 2032	192,260,000	46,043,847	238,303,847
2033 – 2037	100,550,000	15,884,575	116,434,575
2038 – 2042	7,810,000	1,502,984	9,312,984
2043 – 2046	3,190,000	299,219	3,489,219
	$ 1,035,375,000	$ 337,296,403	$ 1,372,671,403

Repayment of the debt and interest thereon is to be funded by:

Municipal loan obligations – principal and interest	$ 1,210,492,073 [1]
Reserve Funds – principal and interest	162,179,330
	$ 1,372,671,403

[1] Includes approximately $6,164,900 of interest expected to be funded through federal interest subsidy payments.

4. Bonds Payable (Continued)

Total Grant Anticipation Fund Group Bonds payable, with original interest rates, consist of the following at June 30, 2018:

	Original Maturity	Original Amount Issued	Amount Outstanding June 30, 2018
Series 2008 A, 3.25% – 4.00%, dated September 10, 2008	2009 – 2020	$ 50,000,000	$ 14,625,000
Series 2010 B, 4.52% – 5.32%, dated December 2, 2010	2018 – 2022	24,085,000	24,085,000
Series 2014 A, 2.00% – 5.00%, dated December 3, 2014	2015 – 2026	44,810,000	36,420,000
Series 2016 A, 2.63% – 5.00%, dated November 16, 2016	2017 – 2028	44,105,000	41,760,000
		$ 163,000,000	$ 116,890,000

Total Grant Anticipation Fund Group Bonds payable is presented on the statement of net position at June 30, 2018 as follows:

Total principal outstanding	$ 116,890,000
Unamortized original issue premium	7,368,980
Total Grant Anticipation Fund Group Bonds payable	124,258,980
Less current portion	17,015,370
Noncurrent portion	$ 107,243,610

The outstanding Grant Anticipation Fund Group Bonds payable will mature in each of the following years with interest payable semiannually:

Due Bond Year Ending September 1	Principal	Interest	Total Debt Service
2018	$ 15,550,000	$ 2,687,968	$ 18,237,968
2019	16,165,000	4,697,149	20,862,149
2020	16,795,000	3,982,075	20,777,075
2021	12,230,000	3,201,441	15,431,441
2022	12,750,000	2,586,270	15,336,270
2023 – 2027	38,695,000	5,990,356	44,685,356
2028	4,705,000	210,431	4,915,431
	$ 116,890,000	$23,355,690	$ 140,245,690

4. Bonds Payable (Continued)

Repayment of the debt and interest thereon is to be funded by:

Repayment of advances to State of Maine – principal and interest	$ 140,245,690 [1]

[1] Includes approximately $1,092,200 of interest expected to be funded through federal interest subsidy payments.

Total Transportation Infrastructure Fund Group Bonds payable, with original interest rates, consist of the following at June 30, 2018:

	Original Maturity	Original Amount Issued	Amount Outstanding June 30, 2018
Series 2008 A, 3.00% – 5.50%, dated November 20, 2008	2009 – 2023	$ 50,000,000	$ 3,590,000
Series 2009 A, 2.50% – 5.00%, dated July 22, 2009	2010 – 2023	105,000,000	35,760,000
Series 2009 B, 2.00% – 5.00%, dated September 10, 2009	2010 – 2024	30,000,000	4,120,000
Series 2011A, 2.00% – 5.00%, dated December 14, 2011	2012 – 2026	55,000,000	48,865,000
Series 2015 A, 4.00% – 5.00%, dated October 22, 2015	2019 – 2024	54,680,000	54,680,000
		$ 294,680,000	$ 147,015,000

Total Transportation Infrastructure Fund Group Bonds payable is presented on the statement of net position at June 30, 2018 as follows:

Total principal outstanding	$ 147,015,000
Unamortized original issue premium	10,613,190
Total Transportation Infrastructure Fund Group Bonds payable	157,628,190
Less current portion	15,716,736
Noncurrent portion	$ 141,911,454

4. Bonds Payable (Continued)

The outstanding Transportation Infrastructure Fund Group Bonds payable will mature in each of the following years with interest payable semiannually:

Due Bond Year Ending September 1	Principal	Interest	Total Debt Service
2018	$ 13,535,000	$ 3,433,413	$ 16,968,413
2019	14,105,000	6,215,725	20,320,725
2020	14,770,000	5,609,500	20,379,500
2021	15,515,000	4,883,750	20,398,750
2022	15,715,000	4,132,350	19,847,350
2023 – 2026	73,375,000	8,245,750	81,620,750
	$ 147,015,000	$32,520,488	$ 179,535,488

Repayment of the debt and interest thereon is to be funded by:

Repayment of advances to State of Maine – principal and interest	$ 169,733,589
Reserve fund – principal and interest	9,801,899
	$ 179,535,488

Total Qualified School Construction Fund Group Bonds payable, with original interest rates, consist of the following at June 30, 2018:

	Original Maturity	Original Amount Issued	Amount Outstanding June 30, 2018
Series 2011 B, 6.12%, dated January 27, 2011	2026	$ 9,210,000	$ 9,210,000
Series 2011 D, 5.69%, dated May 26, 2011	2025	12,650,000	12,650,000
Series 2011 G, 4.45% – 4.95%, dated October 27, 2011	2025 – 2028	8,515,000	8,515,000
Series 2012 D, 5.14%, dated May 24, 2012	2027	1,321,142	1,321,142
Series 2013 C, 5.20%, dated October 24, 2013	2028	1,150,238	1,150,238
		$32,846,380	$32,846,380

Total Qualified School Construction Fund Group Bonds payable is presented on the statement of net position at June 30, 2018 as follows:

Total Qualified School Construction Fund Group Bonds payable	$32,846,380
Less current portion	–
Noncurrent portion	$32,846,380

4. Bonds Payable (Continued)

The outstanding Qualified School Construction Fund Group Bonds payable will mature in each of the following years with interest payable semiannually:

Due Bond Year Ending November 1	Principal	Interest	Total Debt Service
2018	$ –	$ 905,196	$ 905,196
2019	–	1,810,392	1,810,392
2020	–	1,810,392	1,810,392
2021	–	1,810,392	1,810,392
2022	–	1,810,392	1,810,392
2023 – 2027	27,646,142	6,651,034	34,297,176
2028	5,200,238	260,288	5,460,526
	$32,846,380	$15,058,086	$47,904,466

Repayment of the debt and interest thereon is to be funded by:

Government unit loan obligations – principal and interest	$ 36,018,360 [1]
Sinking fund – principal and interest	11,886,106
	$ 47,904,466

[1] Includes approximately $13,874,000 of interest expected to be funded through federal interest subsidy payments.

Liquor Operation Revenue Fund Group Bonds payable, with original interest rates, consist of the following at June 30, 2018:

	Original Maturity	Original Amount Issued	Outstanding June 30, 2018
Series 2013, 1.07% – 4.35%, dated September 5, 2013	2015 – 2024	$ 220,660,000	$ 140,225,000

The Liquor Operation Revenue Bonds payable are presented on the statement of net position at June 30, 2018 as follows:

Total Liquor Operation Revenue Bonds payable	$ 140,225,000
Less current portion	21,295,000
Noncurrent portion	$ 118,930,000

4. Bonds Payable (Continued)

The outstanding Liquor Operation Revenue Fund Group Bonds payable will mature in each of the following years with interest payable semiannually:

Due Bond Year Ending June 1	Principal	Interest	Total Debt Service
2019	$ –	$ 2,772,221	$ 2,772,221
2020	21,295,000	5,185,834	26,480,834
2021	22,015,000	4,423,471	26,438,471
2022	22,820,000	3,580,203	26,400,203
2023	23,700,000	2,654,602	26,354,602
2024	50,395,000	2,203,592	52,598,592
	$ 140,225,000	$20,819,923	$ 161,044,923

Repayment of the debt and interest thereon is to be funded by:

Governmental unit loan obligations – principal and interest	$ 129,442,943
Reserve fund – principal and interest	31,601,980
	$ 161,044,923

Sewer and Water Fund Group Clean Water Bonds payable, with original interest rates, consist of the following at June 30, 2018:

	Original Maturity	Original Amount Issued	Outstanding June 30, 2018
Series 2003 C, 1.00% – 4.90%, dated November 13, 2003	2004 – 2024	$16,065,000	$ 220,000
Series 2009 A, 3.00% – 5.00%, dated November 3, 2009	2010 – 2018	14,520,000	815,000
Series 2009 B, 2.50 – 3.625%, dated November 3, 2009	2010 – 2018	2,660,000	335,000
Series 2012 A, 2.00% – 5.00% dated March 22, 2012	2012 – 2024	17,375,000	7,405,000
		$50,620,000	$ 8,775,000

4. Bonds Payable (Continued)

The Sewer and Water Fund Group Clean Water Bonds payable are presented on the statement of net position at June 30, 2018 as follows:

Total principal outstanding	$ 8,775,000
Unamortized original issue premium	423,572
Total Sewer and Water Fund Group Clean Water Bonds payable	9,198,572
Less current portion	2,895,096
Noncurrent portion	$ 6,303,476

The outstanding Sewer and Water Fund Group Clean Water Bonds payable will mature in each of the following years with interest payable semiannually:

Due Bond Year Ending November 1	Principal	Interest	Total Debt Service
2018	$ 2,765,000	$158,949	$ 2,923,949
2019	1,380,000	216,605	1,596,605
2020	1,105,000	174,830	1,279,830
2021	1,020,000	151,570	1,171,570
2022	985,000	110,410	1,095,410
2023 – 2024	1,520,000	86,405	1,606,405
	$ 8,775,000	$898,769	$ 9,673,769

Repayment of the debt and interest thereon is to be funded by:

Governmental unit loan obligations – principal and interest	$ 8,128,404
Reserve fund – principal and interest	1,545,365
	$ 9,673,769

Sewer and Water Fund Group Drinking Water Bonds payable, with original interest rates, consist of the following at June 30, 2018:

	Original Maturity	Original Amount Issued	Amount Outstanding June 30, 2018
Series 2005 A, 2.25% – 4.45%, dated March 24, 2005	2005 – 2025	$3,770,000	$1,725,000
Series 2009 C, 3.00% dated November 3, 2009	2010 – 2018	2,380,000	270,000
		$6,150,000	$1,995,000

4. Bonds Payable (Continued)

The Sewer and Water Fund Group Drinking Water Bonds payable are presented on the statement of net position at June 30, 2018 as follows:

Total principal outstanding	$1,995,000
Unamortized original issue premium	–
Total Sewer and Water Fund Group Drinking Water Bonds payable	1,995,000
Less current portion	470,000
Noncurrent portion	$1,525,000

The outstanding Sewer and Water Fund Group Drinking Water Bonds payable will mature in each of the following years with interest payable semiannually:

Due Bond Year Ending November 1	Principal	Interest	Total Debt Service
2018	$ 470,000	$ 41,386	$ 511,386
2019	200,000	66,373	266,373
2020	210,000	57,972	267,972
2021	220,000	49,047	269,047
2022	240,000	39,588	279,588
2023 – 2025	655,000	53,845	708,845
	$1,995,000	$308,211	$2,303,211

Repayment of the debt and interest thereon is to be funded by:

Governmental unit loan obligations – principal and interest	$2,303,211

The following summarizes bond payable activity for the Bond Bank for the year ended June 30, 2018:

	General Tax Exempt Fund Group	Grant Anticipation Fund Group	Transportation Infrastructure Fund Group	Qualified School Construction Fund Group	Liquor Operation Revenue Fund Group	Clean Water Fund Group	Drinking Water Fund Group
Balance, beginning of year	$ 1,073,068,097	$140,184,543	$172,874,297	$ 32,846,380	$160,920,000	$ 12,390,608	$ 2,451,941
Issuances – face value	214,665,000	–	–	–	–	–	–
Redemptions	(88,004,459)	(14,310,000)	(12,945,000)	–	(20,695,000)	(3,015,000)	(455,000)
Refunded bonds	(88,500,000)	–	–	–	–	–	–
Capitalized premiums, net[1]	32,111,976	–	–	–	–	–	–
Amortization of premiums	(13,672,962)	(1,615,563)	(2,301,107)	–	–	(177,036)	(1,941)
Balance, end of year	$ 1,129,667,652	$124,258,980	$157,628,190	$ 32,846,380	$140,225,000	$ 9,198,572	$ 1,995,000

[1] Net of premiums related to bonds refunded of $1,175,409

4. Bonds Payable (Continued)

Some bonds contain provisions for prepayment at the Bond Bank's option. All bonds within the General Tax-Exempt Fund Group, Qualified School Construction Fund Group, and Sewer and Water Fund Groups are secured by the payment stream of loans receivable from governmental units.

Reserve funds are generally funded by selling additional bonds. The monies in the reserve funds shall be held and applied solely to the payment of the interest and principal of the reserve fund bonds as they become due and payable, ultimately resulting in the retirement of the reserve fund bonds. In the event of a deficiency in an interest and/or principal payment from the governmental units, transfers can be made from the general reserve funds, until they are depleted. In addition, the General Tax-Exempt Fund Group also has a supplemental reserve fund to cover shortfalls in excess of the available general reserve funds within the Fund Group. If this creates a deficiency in the required amount of the reserve funds, the State can annually appropriate and replenish the reserve funds. This feature is referred to as "Moral Obligation" and is only available to debt issued by the General Tax-Exempt Fund Group, Liquor Operation Revenue Fund Group, and Sewer and Water Fund Groups. Except for deficiencies between the Clean Water and Drinking Water Revolving Loan Fund Groups, reserve funds of one fund group cannot be used to cover deficiencies of another fund group. In order to recover any shortfall covered by the reserve, the Bond Bank has the ability to attach certain State funds due to the governmental units. Additionally, the Bond Bank has the option to utilize funds available within the General Operating Account as necessary.

5. Reserve Funds

Each of the following resolutions requires the Bond Bank to set up reserve funds as follows:

General Tax-Exempt Fund Group: The Bond Bank is required to maintain a debt service reserve which is equal to the maximum amount of principal installments and interest maturing and becoming due in any succeeding calendar year on all governmental unit loan obligations then outstanding as of such date of calculation. At June 30, 2018, the required debt service reserve was approximately $121,029,000.

In addition, the Bond Bank maintains the Special Reserve Account balance of $1,971,000 and the Supplemental Reserve Fund General Reserve Account principal balance of $2,700,000. These reserves represent segregated net position and are pledged to the payment of the principal or interest on the outstanding bonds of the General Tax-Exempt Fund Group if a deficiency occurs. At June 30, 2018, the fair value of the reserve fund assets totaled approximately $144,999,000, which exceeded the required reserves by approximately $19,299,000.

Transportation Infrastructure Fund Group: The Bond Bank is required to maintain a capital reserve which is equal to 50% of the maximum amount of principal installments and interest maturing and becoming due in any succeeding fiscal year on all bonds payable within the fund group as of such date of calculation. At June 30, 2018, the required capital reserve was approximately $10,135,000 and the fair value of the capital reserve assets totaled approximately $11,030,000, which exceeded the required reserves by approximately $895,000.

5. Reserve Funds (Continued)

Sewer and Water Fund Groups: The Bond Bank is required to maintain a capital reserve which is equal to the maximum amount of principal installments and interest maturing and becoming due in any succeeding calendar year on all government unit loan obligations within the fund groups as of such date of calculation. At June 30, 2018, the required capital reserve was approximately $1,876,000 and the fair value of the capital reserve assets totaled approximately $3,747,000, which exceeded the required reserves by approximately $1,871,000.

Liquor Operation Revenue Fund Group: The Bond Bank is required to maintain a capital reserve which is equal to the maximum amount of principal installments and interest maturing and becoming due in any succeeding fiscal year on all outstanding bonds within the fund group as of the date of calculation. At June 30, 2018, the required capital reserve was approximately $26,844,000 and the fair value of the capital reserve assets totaled approximately $26,698,000, resulting in a deficit of approximately $146,000. Any continued deficiency would be funded from the reserve fund or other assets within the fund generally available for debt service.

6. Sewer and Water Revolving Fund Group

Pursuant to the Sewer and Water General Bond Resolution adopted February 7, 1990, the Bond Bank receives capitalization grants from the Environmental Protection Agency which it is required to match with twenty percent matching funds, which primarily come from State of Maine grants. The funds are designated to be used for revolving loans to governmental units to finance wastewater collection, treatment systems, or water supply system projects. Federal law permits the state to match the federal grants with any combination of funding from state bonds, state appropriations, revenue bonds issued under the program, or from other state sources. State issued bonds and state general fund appropriations have been used to provide the majority of state matching funds for both the Clean Water and Drinking Water programs since inception. In addition to those funds, the Drinking Water program has utilized interest earnings on previously issued state matches (which qualifies as other state funding) in 2001, 2004 and 2012 to provide additional matching for the program. The total of all interest earnings on matches that have been deposited into the Drinking Water program since inception is $563,010.

In 2009, the Bond Bank was awarded *American Recovery and Reinvestment Act* (ARRA) grants for use in its Sewer and Water Revolving Fund Group. ARRA grants were for purposes consistent with the intent of the Sewer and Water Revolving Fund Group, including construction of wastewater treatment facilities, drinking water facilities and associated infrastructure, green infrastructure, nonpoint source projects, estuary projects and program administration. The grants did not contain any State of Maine matching provisions.

6. Sewer and Water Revolving Fund Group (Continued)

Net position consists of the following at June 30, 2018:

	Clean Water	Drinking Water
Reserved for revolving loans:		
Grants received from Environmental Protection Agency under existing capitalization grant program	$ 301,809,659	$ 182,751,900
Grants received from Environmental Protection Agency under ARRA	30,336,800	19,500,000
Other administrative grants received from Environmental Protection Agency	1,347,010	162,712
Hardship grants received from Environmental Protection Agency	643,800	–
Grants received from State of Maine	60,415,962	35,987,370
Other amounts reserved (utilized) for program loans and costs	45,122,089	(48,160,195)
	439,675,320	190,241,787
Unreserved amounts available	–	259,120
Net position at June 30, 2018	$ 439,675,320	$ 190,500,907

Under the provisions of the grants from the Environmental Protection Agency (including ARRA grants), the Bond Bank is allowed administrative costs of up to 4% of the total grants awarded. In addition, the Bond Bank receives other grants from the Environmental Protection Agency that are used solely for administrative purposes. The total administrative costs allowed at June 30, 2018 are $14,632,868 (clean water) and $7,990,094 (drinking water), with $14,632,868 and $7,730,974, respectively, expended to date. The remaining amount of $259,120 in the Drinking Water Revolving Loan Fund Group can be used for future administrative costs. The Bond Bank also charges annual administrative fees to borrowers that are used to administer the programs.

Portions of the loans made to eligible borrowers under the Drinking Water Revolving Loan Fund Program may be forgiven if certain continuing criteria are met, including that the borrower continues to make debt service payments, continues to operate the project in compliance with laws and regulations, and does not dispose of or discontinue the project. The Bond Bank has loaned approximately $36,674,000 at June 30, 2018, that, upon fulfillment of these requirements by the borrowing unit, could be forgiven at some future point. For purposes of the basic financial statements, the Bond Bank recognizes forgiveness expense within these funds as the related loans are repaid. The total amount forgiven under these programs in 2018 was $2,134,619.

6. Sewer and Water Revolving Fund Group (Continued)

During fiscal 2009, the Bond Bank and the State of Maine Department of Environmental Protection implemented a joint rule change in the Clean Water Revolving Loan Fund program which allows the Bond Bank, after consultation with the State of Maine Department of Environmental Protection, to set interest rates at any level, including 0%. It also allows portions of loans made to eligible borrowers under the Clean Water Revolving Loan Fund Program to be forgiven if certain continuing criteria are met (similar to criteria in the Drinking Water Revolving Loan Fund Program). The Bond Bank has loaned approximately $16,405,000 at June 30, 2018 under the Clean Water Revolving Loan Fund Program that, upon fulfillment of these requirements by the borrowing unit, could be forgiven at some future point. For purposes of the basic financial statements, the Bond Bank recognizes forgiveness expense within these funds as the related loans are repaid. The total amount forgiven under these programs in 2018 was $988,421.

Within the Clean Water Revolving Loan Fund Group, the Bond Bank is participating in a linked deposit loan program with local banks to encourage environmentally sound logging practices. Under the program, local banks make loans to eligible borrowers, at their normal terms, to purchase equipment. The Bond Bank subsidizes the interest on the loans by investing in a certificate of deposit at the respective bank in the same amount as the loan, at a reduced interest rate which is the subsidy to the bank. The maximum that potentially could be passed on as a subsidy to the loan interest is 2%, which depends on the current market interest rate for the certificate of deposit. Any interest that is earned above the 2% subsidy would be returned to the Clean Water Revolving Loan Program.

7. School Facilities Fund Group

Pursuant to State law, the Bond Bank receives grants from the State of Maine which are designated to be used for interest-free revolving loans to school administrative units for the renovation and maintenance of school facilities. Net position consists of the following:

Reserved for revolving loans:	
Grants received from State of Maine	$ 101,487,858
Loans forgiven	(90,082,488)
Other amounts reserved for program loans and costs	6,342,670
	17,748,040
Unreserved amounts available	1,237,062
Net position at June 30, 2018	$ 18,985,102

Under the provisions of the grants, the Bond Bank is allowed administrative costs up to 0.5% of the highest fund balance in any fiscal year. The total administrative costs allowed through June 30, 2018 are $4,083,704, with $2,846,642 expended to date. The remaining amount of $1,237,062 can be used for future administrative costs.

Portions of the loans made to school administrative units from the School Facilities Fund Group are forgiven. For purposes of the general purpose financial statements, the Bond Bank recognizes forgiveness expense within this fund at the time the loans are disbursed to the school administrative unit. This accounting treatment differs from the treatment within the Drinking Water and Clean Water Revolving Loan Funds due to the fact that there are no relevant continuing criteria that would require recognition of the forgiven amount as the related loans are repaid. The total amounts forgiven under this program in 2018 were $3,699,182.

8. Cost Sharing Multiple-Employer Defined Benefit Pension Plan and Other Post-Employment Benefits

Defined Benefit Pension Plan

General Information about the Pension Plan

Plan description – The Bond Bank participates in the Participating Local District Defined Benefit Plan (the PLD Plan), a multiple-employer cost sharing plan administered by the Maine Public Employees Retirement System (MEPERS). All full-time employees are eligible to participate in the PLD Plan.

The MEPERS is established and administered under the Maine State Retirement System Laws, Title 5 M.R.S.A., C. 421, 423 and 425. The MEPERS issues a publicly available financial report that includes financial statements and required supplementary information for the PLD Plan. That report may be obtained by writing to the Maine Public Employees Retirement System, 46 State House Station, Augusta, Maine 04333-0046

Benefits provided – Benefit terms are established in Maine statute; in the case of the PLD Plan, an advisory group, also established by statute, reviews the terms of the plan and periodically makes recommendations to the Legislature to amend the terms. The Plan provides defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting occurs upon the earning of five years of service credit. Members who retire at or after age 60 (normal retirement age) are entitled to an annual retirement benefit in an amount equal to 2% of the average of their highest three year earnings for each year of credited service. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below his/her normal retirement age at retirement. The Plan also provides disability and death benefits which are established by statute for state employee members and by contract with other participating employees under applicable statutory provisions.

Upon termination of membership, members' accumulated employee contributions are refundable with interest, credited in accordance with statute. Withdrawal of accumulated contributions results in forfeiture of all benefits and membership rights. The annual rate of interest credited to members' accounts is set by MEPERS' Board of Trustees and is currently 5.0%.

Contributions – Retirement benefits are funded by contributions from members and employers and by earnings on investments. Disability and death benefits are funded by employer normal cost and by earnings on investments. In accordance with State statute, members were required to contribute 7.5% of their annual covered salary to the Plan in fiscal 2018. The Bond Bank's payroll for the year ended June 30, 2018 for employees covered by the Plan was approximately $1,152,000, which was 100% of payroll. The Bond Bank is required to contribute at an actuarially determined rate that, when combined with the contributions of other reporting entities, will be adequate to fund the Plan.

The contribution rate is determined using an entry age normal actuarial funding method for retirement benefits and a term cost method for ancillary benefits. The Bond Bank may be required to make contributions to fund the Plan's pooled unfunded actuarial liability, if any. The contribution requirements of the PLD Plan members and the Bond Bank are established by and may be amended by the State legislature. The contributions made for the years ended June 30, 2018, 2017 and 2016 were $110,632, $106,367 and $101,538 (employer) and $92,193, $89,572 and $85,566 (employee), respectively.

8. Cost Sharing Multiple-Employer Defined Benefit Pension Plan and Other Post-Employment Benefits (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to the Pension Plan

At June 30, 2018, the Bond Bank reported a liability of $849,688 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Bond Bank's proportionate share of the net position liability was based on a projection of the Bond Bank's long-term share of contributions to the pension plan relative to the projected contributions of all participating local districts, actuarially determined. At June 30, 2017, the Bond Bank's proportion was 0.21%, which was a decrease of 0.01% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, pension expense was approximately $159,600 of which approximately $75,300 was recorded within the General Operating Account, approximately $52,300 was allocated to other funds and approximately $32,000 was allocated to related parties (MHHEFA and MGFA). At June 30, 2018, the Bond Bank reported deferred outflows of resources and deferred inflows of resources related to the pension plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ –	$ 40,821
Net difference between projected and actual earnings on pension plan investments	292,827	316,191
Changes in proportion and differences between Bond Bank contributions and proportionate share of contributions	20,703	23,593
Changes in assumptions	72,303	–
Bond Bank contributions subsequent to the measurement date	110,632	–
Total	$496,465	$380,605

The above total of $110,632 reported as deferred outflows of resources related to the pension plan resulting from Bond Bank contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension plan will be recognized as an increase in pension expense as follows:

Year Ended June 30	
2019	$ (14,391)
2020	71,766
2021	5,703
2022	(57,850)

8. Cost Sharing Multiple-Employer Defined Benefit Pension Plan and Other Post-Employment Benefits (Continued)

Actuarial Methods and Assumptions

The total pension liability in the June 30, 2017 actuarial valuation was determined using the following methods and assumptions, applied to all periods included in the measurement:

Actuarial Cost Method – The Entry Age Normal cost method is used to determine costs. Under this cost method, the total employer contribution rate consists of two elements, the normal cost rate and the unfunded actuarial liability (UAL) rate.

The individual entry age normal method is used to determine liabilities. Under the individual entry age normal method, a normal cost rate is calculated for each member. This rate is determined by taking the value, as of age at entry into the plan, of the member's projected future benefits, and dividing it by the value, also as of the member's entry age, of his/her expected future salary. The normal cost for each member is the product of his/her pay and his/her normal cost rate. The normal cost for the group is the sum of the normal costs for all members. Experience gains and losses, i.e., decreases or increases in liabilities and/or in assets when actual experience differs from the actuarial assumptions, affect the unfunded actuarial accrued liability.

Asset Valuation Method **–** The actuarial valuation employs a technique for determining the actuarial value of assets which reduces the impact of short-term volatility in the market value. The specific technique adopted in this valuation recognizes in a given year one-third of the investment return that is different from the actuarial assumption for investment return.

Amortization **–** The net pension liability is amortized on a level percentage of payroll using a method where a separate twenty-year closed period is established annually for the gains or losses for that year.

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2017 and June 30, 2016 are as follows:

Investment Rate of Return – 6.875% per annum for the years ended June 30, 2017 and 2016, compounded annually.

Salary Increases, Merit and Inflation – 2.75% to 9.0% per year for the years ended June 30, 2017 and 2016.

Mortality Rates – For active members and non-disabled retirees, the RP2014 Total Dataset Healthy Annuitant Mortality Tables were used for the years ended June 30, 2017 and 2016. For all recipients of disability benefits, the RP2014 Total Dataset Disabled Annuitant Mortality Tables were used for the year ended June 30, 2017.

Cost of Living Benefit Increases – 2.20% per annum for the year-ended June 30, 2017 and 2016.

8. Cost Sharing Multiple-Employer Defined Benefit Pension Plan and Other Post-Employment Benefits (Continued)

The long-term expected rate of return on pension plan assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2017 are summarized in the following table.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public equities	30.0%	6.0%
U.S. Government	7.5	2.3
Private equity	15.0	7.6
Real assets:		
Real estate	10.0	5.2
Infrastructure	10.0	5.3
Natural resources	5.0	5.0
Traditional credit	7.5	3.0
Alternative credit	5.0	4.2
Diversifiers	10.0	5.9

Discount Rate **-** The discount rate used to measure the collective total pension liability was 6.875% for 2017 and 2016. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following table shows how the Bond Bank's proportionate share of the net pension liability as of June 30, 2017 would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Bond Bank's proportionate share of the net pension liability	$1,704,736	$ 849,688	$205,970

8. Cost Sharing Multiple-Employer Defined Benefit Pension Plan and Other Post-Employment Benefits (Continued)

Changes in net pension liability are recognized in pension expense for the year ended June 30, 2018 with the following exceptions:

Differences between expected and actual experience – The difference between expected and actual experience with regard to economic or demographic factors were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. For the 2017 and 2016 actuarial valuations, this was three and four years, respectively.

Differences between Projected and Actual Investment Earnings – Differences between projected and actual investment earnings were recognized in pension expense using a straight-line amortization method over a closed five-year period. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

Changes in Assumptions – Differences due to changes in assumptions about future economic or demographic factors or other inputs were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members. The actuarial assumptions for the year ended June 30, 2017 valuation were based on the results of an actuarial experience study for the period of June 30, 2012 through June 30, 2015. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. There were no changes in assumptions for the fiscal year ended June 30, 2017.

Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions – Differences resulting from a change in proportionate share of contributions and differences between total employer contributions and the employer's proportionate share of contributions were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members. Differences between total employer contributions and the employer's proportionate share of contributions may arise when an employer has a contribution requirement for an employer specific liability. This is not applicable to the Bond Bank.

Other Post-Employment Benefits (OPEB)

General Information about the OPEB Plan

Plan Description: The Bond Bank sponsors a post-retirement health care benefit plan (the Plan). The Plan provides supplemental health care benefits to any full-time employee with ten or more years of employment who retires from the Bond Bank and has reached the age of 65 (Medicare eligible retirement age). The Bond Bank is a member of the Maine Municipal Association and participates in an agent multiple-employer postemployment healthcare plan administered by the Maine Municipal Employees Health Trust. The Bond Bank may terminate this Plan at its option.

8. Cost Sharing Multiple-Employer Defined Benefit Pension Plan and Other Post-Employment Benefits (Continued)

Employees covered by benefit terms: At June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	5
Inactive employees entitled to but not yet receiving benefit payments	–
Active employees	19
	24

Funding Policy: The post-employment healthcare benefits are currently being funded on a pay-as-you-go basis (the Bond Bank paid approximately $13,800 in 2018). No assets have been segregated and restricted to provide post-employment benefits. For the year ended June 30, 2018, the Bond Bank's average contribution rate was 1.2% of covered-employee payroll.

Net OPEB Liability

The Bond Bank's net OPEB liability was measured as of January 1, 2018 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions: The total OPEB liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary increases:		2.75%, average, including inflation
Healthcare cost trend rates:	Pre-Medicare medical:	8.20% applied in FY 2018 grading over 14 years to 4.00% per annum
	Pre-Medicare drug:	9.60% applied in FY 2018 grading over 14 years to 4.00% per annum
	Medicare medical:	4.93% applied in FY 2018 grading over 14 years to 4.00% per annum
	Medicare drug:	9.60% applied in FY 2017 grading over 14 years to 4.00% per annum

Mortality rates were based on the 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 projected from the 2006 base rates using the RPECT-2015 model, with an ultimate rate of 0.85% for ages 20-85 grading down to an ultimate rate of 0.00% for ages 111-120, and convergence to the ultimate rate in the year 2020.

Discount Rate: The discount rate used to measure the total OPEB liability for the year ended June 30, 2018 and June 30, 2017 was 3.44% and 3.78%, respectively. As the plan is pay-as-you-go and is not funded, the discount rate was based on a 20-year, tax-exempt general obligation municipal bond index. This rate is assumed to be an index rate for 20-year, tax-exempt general obligation municipal bonds with an average rate of AA/Aa or higher, for pay-as-you-go plans.

8. Cost Sharing Multiple-Employer Defined Benefit Pension Plan and Other Post-Employment Benefits (Continued)

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) – (b)
Balances at June 30, 2017	$767,413	$ –	$767,413
Changes for the year:			
Service cost	22,066	–	22,066
Interest	29,421	–	29,421
Differences between expected and actual experiences	26,607	–	26,607
Changes of assumptions	54,026	–	54,026
Contributions – employer	–	13,776	(13,776)
Benefit payments	(13,776)	(13,776)	–
Net changes	118,344	–	118,344
Balances at June 30, 2018	$885,757	$ –	$885,757

Sensitivity of the net OPEB liability to changes in the discount rate and health-care cost trend rates. The following presents the net OPEB liability of the Bond Bank, as well as what the Bond Bank's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
Net OPEB liability	$1,016,697	$885,757	$764,509

The following presents the net OPEB liability of the Bond Bank, as well as what the Bond Bank's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Current Discount Rate	1% Increase
Net OPEB liability	$ 778,406	$885,757	$986,637

8. Cost Sharing Multiple-Employer Defined Benefit Pension Plan and Other Post-Employment Benefits (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the Bond Bank recognized OPEB expense of approximately $64,900 of which approximately $54,400 was recorded in the general operating account, approximately $6,500 was allocated to other funds, and approximately $4,000 was allocated to related parties (MHHEFA and MGFA). At June 30, 2018, the Bond Bank reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$22,172	$ –
Changes of assumptions	45,022	–
Bond Bank contributions subsequent to the measurement date	6,888	–
Total	$74,082	$ –

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

Year Ended June 30	
2019	$20,327
2020	13,439
2021	13,439
2022	13,439
2023	13,438

9. Refunding Issues

In periods of declining interest rates, the Bond Bank has refunded certain of its bond obligations, reducing aggregate debt service. Where allowed, the Bond Bank retires outstanding bonds prior to their contractual maturity. In other cases, the proceeds of the refunding bonds are principally used to purchase U.S. Treasury obligations, the principal and interest on which will be sufficient to pay the principal and interest, when due, of the in-substance defeased bonds. The U.S. Treasury obligations are deposited with the trustees of the in-substance defeased bonds. The Bond Bank accounts for these transactions by removing the U.S. Treasury obligations and liabilities for the in-substance defeased bonds from its records, and records a deferred amount on refunding.

9. Refunding Issues (Continued)

On November 2, 2017, the Bond Bank issued $82,710,000 in General Tax-Exempt Series 2017 D bonds with an average interest rate of 4.29% to in-substance defease $88,500,000 of various outstanding maturities of the 2007 A, 2007 C, 2009 C, and 2011 A bonds. The net proceeds of approximately $93,295,000, including a bond premium of approximately $10,969,000 and after payment of approximately $384,000 in underwriting fees and other issuance costs, were used to purchase U.S. Government securities which will provide for all future debt service payments on the refunded bonds. Although the in-substance defeasance resulted in the recognition of a deferred accounting loss of approximately $3,991,000 in the year ending June 30, 2018, the Bond Bank in effect reduced its aggregate debt service payments by approximately $9.5 million over the next fourteen years and obtained an economic gain (difference between the present values of the old and new debt service payments) of approximately $8.2 million. As a result of the in-substance defeasance, the Bond Bank will reduce future debt service requirements of borrowers by approximately $8.7 million over a period of fourteen years.

At June 30, 2018, the remaining balances of the General Tax-Exempt Fund Group in-substance defeased bonds total approximately $194,145,000.

At June 30, 2018, the remaining balances of the Transportation Infrastructure Fund Group in-substance defeased bonds total approximately $56,770,000.

10. Fair Value Measurements

The Bond Bank generally holds investments until maturity to pay reserve fund bonds as they become due, so fluctuations in the fair value of the investments have a minimal long-term effect. The Bond Bank 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. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Bond Bank has the ability to access.

Level 2 – Inputs to the valuation method include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

  If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

10. Fair Value Measurements (Continued)

Assets and liabilities measured at fair value are based on one or more of three valuation techniques. The three valuation techniques are as follows:

- *Market approach* – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;
- *Cost approach* – Amount that would be required to replace the service capacity of an asset (i.e., replacement cost); and
- *Income approach* – Techniques to convert future amounts to a single present amount based on market expectations (including present value techniques).

Each asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

Cash equivalents: Fair value approximates the relative book values at June 30 as these financial instruments have short maturities.

Guaranteed Investment Contracts: Fair value is based on the discounted value of contractual cash flows. The discount rate is estimated using rates currently offered for similar instruments with comparable maturities and creditworthiness of the issuer.

Certificates of deposit: Fair value is based on the discounted value of contractual cash flows. The discount rate is estimated using rates currently offered for similar maturities.

U.S. Government obligations, U.S. Treasury strips, U.S. Government-sponsored enterprises and U.S. Government-sponsored enterprises strips: Fair value is determined based on quoted prices in active markets, or by using broker or dealer quotations, external pricing providers, or alternative pricing sources with reasonable levels of price transparency.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Bond Bank believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Bond Bank's assets at fair value as of June 30, 2018:

	Level 1	Level 2	Level 3	Total
General Operating Account				
Cash equivalents	$1,431,820	$ –	$ –	$ 1,431,820
U.S. Government-sponsored enterprises	–	22,942,125	–	22,942,125
	$1,431,820	$22,942,125	$ –	$24,373,945

10. Fair Value Measurements (Continued)

	Level 1	Level 2	Level 3	Total
General Tax-Exempt Fund Group				
Cash equivalents	$ 20,629,807	$ –	$ –	$ 20,629,807
U.S. Government obligations	–	20,645,090	–	20,645,090
U.S. Government-sponsored enterprises	–	12,829,336	–	12,829,336
U.S. Treasury strips	–	23,778,995	–	23,778,995
U.S. Government-sponsored enterprise strips	–	79,084,034	–	79,084,034
Guaranteed investment contracts	–	6,437,343	–	6,437,343
	$ 20,629,807	$ 142,774,798	$ –	$ 163,404,605
Transportation Infrastructure Fund Group				
Cash equivalents	$ 10,183,975	$ –	$ –	$ 10,183,975
U.S. Government-sponsored enterprises	–	37,639,773	–	37,639,773
U.S. Treasury strips	–	10,037,211	–	10,037,211
	$ 10,183,975	$ 47,676,984	$ –	$ 57,860,959
Qualified School Construction Fund Group				
Cash equivalents	$ 2,652,086	$ –	$ –	$ 2,652,086
U.S. Government obligations	–	9,624,504	–	9,624,504
	$ 2,652,086	$ 9,624,504	$ –	$ 12,276,590
Liquor Operation Revenue Fund Group				
Cash equivalents	$ 24,484,959	$ –	$ –	$ 24,484,959
U.S. Government-sponsored enterprises	–	25,371,556	–	25,371,556
U.S. Treasury strips	–	1,287,184	–	1,287,184
U.S. Government obligations	–	3,400,000	–	3,400,000
	$ 24,484,959	$ 30,058,740	$ –	$ 54,543,699

10. Fair Value Measurements (Continued)

	Level 1	Level 2	Level 3	Total
Sewer and Water Fund Groups				
Revolving Loan Fund Group – Clean Water:				
Cash equivalents	$ 21,140,919	$ –	$ –	$ 21,140,919
U.S. Government obligations	–	17,241,595	–	17,241,595
Certificates of deposit	–	10,277,843	–	10,277,843
U.S. Government-sponsored enterprises	–	89,887,301	–	89,887,301
U.S. Government-sponsored enterprise strips	–	1,119,492	–	1,119,492
Guaranteed investment contracts	–	1,364,666	–	1,364,666
	$ 21,140,919	$ 119,890,897	$ –	$ 141,031,816
Revolving Loan Fund Group – Drinking Water:				
Cash equivalents	$ 10,395,391	$ –	$ –	$ 10,395,391
U.S. Government obligations	–	2,499,180	–	2,499,180
U.S. Government-sponsored enterprises	–	19,186,611	–	19,186,611
U.S. Government-sponsored enterprise strips	–	76,769	–	76,769
	$ 10,395,391	$ 21,762,560	$ –	$ 32,157,951
Operating Fund Group:				
Cash equivalents	$ 5,176,053	$ –	$ –	$ 5,176,053
U.S. Government obligations	–	299,754	–	299,754
U.S. Government-sponsored enterprises	–	2,193,007	–	2,193,007
	$ 5,176,053	$ 2,492,761	$ –	$ 7,668,814
School Facilities Fund Group				
Cash equivalents	$ 5,550,766	$ –	$ –	$ 5,550,766
U.S. Government-sponsored enterprises	–	5,875,569	–	5,875,569
	$ 5,550,766	$ 5,875,569	$ –	$ 11,426,335

11. Adoption of New Accounting Pronouncement

As discussed in note 2, the Bond Bank adopted the provisions of GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* Among other provisions, GASB 75 requires that OPEB assets or obligations be retroactively reported on the fiduciary plan net position, rather than plan funding on the statement of net position for an OPEB plan. See also note 8.

The net position of the Bond Bank's General Operating Account as of July 1, 2017 was restated to adopt the provisions of GASB 75. The following table summarizes the changes in the affected statement of position line items (total column amounts) as of the adoption of GASB 75 on July 1, 2017.

	(Debit) Credit		
	As Previously Reported	Accounting Change	As Restated
Deferred outflows – OPEB contributions	$ –	$ (6,888)	$ (6,888)
Accrued OPEB liability	434,942	332,471	767,413
Total net position	706,525,216	(325,583)	706,199,633

MAINE MUNICIPAL BOND BANK

SCHEDULE OF THE BOND BANK'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY

Participating Local District Plan

Last 4 Fiscal Years*

	2018	2017	2016	2015
Bond Bank's proportion of the net pension liability	0.21%	0.22%	0.21%	0.20%
Bond Bank's proportionate share of the net pension liability	$ 849,688	$1,149,720	$ 665,764	$ 305,668
Bond Bank's covered-employee payroll	1,152,000	1,120,000	1,141,000	1,094,000
Bond Bank's proportionate share of the net pension liability as a percentage of its covered-employee payroll	73.7%	102.7%	58.4%	27.9%
Plan fiduciary net position as a percentage of the total pension liability	86.4	81.6	88.3	94.1

* The amounts presented for each fiscal year were determined as of the beginning of the fiscal year.

MAINE MUNICIPAL BOND BANK

SCHEDULE OF CHANGES IN THE BOND BANK'S
NET OPEB LIABILITY AND RELATED RATIOS

Year Ended June 30, 2018

	2018
Total OPEB liability:	
Service cost	$ 22,066
Interest	29,421
Change in benefit terms	–
Difference between expected and actual experience	26,607
Changes of assumptions	54,026
Benefit payments	(13,776)
Net change in total OPEB liability	118,344
Total OPEB liability – beginning	767,413
Total OPEB liability – ending (a)	885,757
Plan fiduciary net position:	
Contributions – employer	13,776
Benefit payments	(13,776)
Administrative expenses	–
Net change in plan fiduciary net position	–
Plan fiduciary net positon – beginning	–
Plan fiduciary net positon – ending (b)	–
Net OPEB liability – ending (a) – (b)	$ 885,757
Plan fiduciary position as a percentage of the total OPEB liability	– %
Covered-employee payroll	1,137,400
Net OPEB liability as a percentage of covered-employee payroll	77.9%

MAINE MUNICIPAL BOND BANK

SCHEDULE OF THE BOND BANK'S PENSION CONTRIBUTIONS

Participating Local District Plan

Last 10 Fiscal Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually required contribution	$ 110,632	$ 106,367	$ 101,538	$ 85,296	$ 68,861	$ 53,387	$ 46,976	$ 35,864	$ 27,676	$ 27,269
Contributions in relation to the contractually required contribution	(110,632)	(106,367)	(101,538)	(85,296)	(68,861)	(53,387)	(46,976)	(35,864)	(27,676)	(27,269)
Contribution deficiency (excess)	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –
Bond Bank's covered-employee payroll	$1,152,000	$1,120,000	$1,141,000	$1,094,000	$1,059,000	$1,007,000	$1,068,000	$1,025,000	$988,000	$974,000
Contributions as a percentage of covered-employee payroll	9.60%	9.50%	8.90%	7.80%	6.50%	5.30%	4.40%	3.50%	2.80%	2.80%