Annual Report
Maine Municipal Bond Bank

2021

Maine Municipal Bond Bank

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

Year Ended June 30, 2021
With Independent Auditors' Report

Baker Newman & Noyes LLC
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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, 2021

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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, 2021, 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, 2021, 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.

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
September 10, 2021

MAINE MUNICIPAL BOND BANK

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2021

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, 2021. This discussion and analysis is designed to assist the reader in focusing on the significant financial matters 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 $698,355 for fiscal year 2021, a decrease of $301,380 or 30.1% from fiscal year 2020. This was attributed to a decrease in total net investment income, including net change in fair value, of approximately $510,542.

- Net position in the Bond Bank's General Operating Account decreased $12,778,217 in fiscal year 2021. The Board of Commissioners voted to transfer $12 million from the Bond Bank's General Operating Account to the Supplemental Reserve Fund in the General Tax-Exempt Fund Group in order to provide additional security on the bonds. The additional $778,217 decrease was primarily attributed to operating expenses exceeding revenues. In past years, the Bond Bank has made Operating Transfers from the General Tax-Exempt Fund Group (refunding savings) which totaled the approved annual budget. Management opted to utilize cash held in the General Operating Account's investments during fiscal year 2021 rather than make the transfers from the General Tax-Exempt Fund Group, which resulted in the decrease.

- The Bond Bank's gross principal amount of bonds outstanding at June 30, 2021 of $1,552,691,380 represents a net increase of $1,695,000 from the balance at June 30, 2020. This increase was the net result of the General Tax Exempt Resolution issuing Series 2020BC and 2021A bonds and the Grant Anticipation Resolution issuing Series 2020A, totaling $199,135,000, less the scheduled debt service principal payments of $154,930,000, calls of $130,000, and in-substance defeased bonds totaling $42,380,000. Refer to note 4 to the financial statements for a detail of bonds payable activity in 2021.

- The Bond Bank committed loans to local governmental units during fiscal year 2021 totaling $177,542,751, which was an increase of $49,043,939 or 38.2% from the loans committed in fiscal year 2020. Approximately $37.8 million of the increase was in the General Tax Exempt Fund Group. The Bond Bank also 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 $15,428,034 in new potential loan forgiveness in fiscal year 2021, which was a 3.7% decrease over fiscal year 2020.

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 with fiscal year 2010 federal grants, the programs have provided between 10% and up to a maximum of 40% 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. Additionally, for financial reporting purposes, the consultant prepares a rebate calculation annually for each outstanding series of bonds on the respective bond's anniversary date.

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 $877,544,211 at June 30, 2021. This represents an increase of $64,594,250 or 7.9% over the previous fiscal year. 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, and a $45,000,000 grant from the State of Maine in the School Facilities Fund Group, included in grants receivable at June 30, 2021.

MAINE MUNICIPAL BOND BANK

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

June 30, 2021

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, 2021 and 2020

	2021	2020	Percentage Change
Current assets:			
Cash	$ 120,650	$ 61,271	96.9%
Investments held by trustee	387,517,477	378,114,023	2.5
Operating investments	11,719,190	25,320,589	(53.7)
Grant receivable from State of Maine	45,000,000	–	100.0
Loans receivable from governmental units	141,470,245	143,026,727	(1.1)
Advances to State of Maine	59,283,153	56,703,183	4.5
Accrued investment income receivable	526,532	631,972	(16.7)
Accrued interest and fees receivable on loans to governmental units and advances to State of Maine	19,299,983	17,905,525	7.8
Undisbursed federal letter of credit payments	29,499,947	27,726,429	6.4
Due from other funds	7,584,548	6,774,115	12.0
Other assets	254,481	263,852	(3.6)
Total current assets	702,276,206	656,527,686	7.0
Noncurrent assets:			
Investments held by trustee	202,061,429	207,729,325	(2.7)
Loans receivable from governmental units	1,520,134,880	1,494,403,330	1.7
Advances to State of Maine	277,709,977	263,489,520	5.4
Property and equipment, net of accumulated depreciation	1,186,228	1,131,575	4.8
Total noncurrent assets	2,001,092,514	1,966,753,750	1.7
Total assets	2,703,368,720	2,623,281,436	3.1
Deferred outflows of resources:			
Unamortized refunding benefits rebated to governmental units	32	4,053	(99.2)
Unamortized deferred loss on refundings	16,529,808	20,891,423	(20.9)
OPEB adjustments	158,741	153,819	3.2
Pension contributions	220,687	217,374	1.5
Total deferred outflows of resources	16,909,268	21,266,669	(20.5)%

	2021	2020	Percentage Change
Current liabilities:			
Accounts payable and accrued liabilities	$ 772,730	$ 583,675	32.4%
Due to other funds	7,584,548	6,774,115	12.0
Accrued interest payable	13,417,748	13,368,176	0.4
Unearned grant revenue	4,961,696	4,944,296	0.4
Undisbursed loans	40,519,478	20,548,164	97.2
Accrued interest rebate payable to U.S. Government	415,007	868,874	(52.2)
Due to State of Maine	80,577,220	104,001,597	(22.5)
Bonds payable, net	174,117,404	173,310,807	0.5
Total current liabilities	322,365,831	324,399,704	(0.6)
Noncurrent liabilities:			
Accrued interest rebate payable to U.S. Government	268,630	322,363	(16.7)
Bonds payable, net	1,518,246,003	1,505,005,321	0.9
Accrued pension and other post-employment benefit liabilities	1,644,397	1,524,510	7.9
Total noncurrent liabilities	1,520,159,030	1,506,852,194	0.9
Total liabilities	1,842,524,861	1,831,251,898	0.6
Deferred inflows of resources:			
Pension adjustments	47,405	169,274	(72.0)
OPEB adjustments	161,511	176,972	(8.7)
Total deferred inflows of resources	208,916	346,246	(39.7)
Net position:			
Net investment in capital assets	1,186,228	1,131,575	4.8
Restricted	797,178,717	724,482,526	10.0
Unrestricted	79,179,266	87,335,860	(9.3)
Total net position	$ 877,544,211	$ 812,949,961	7.9%

Total short and long-term investments held by trustee at June 30, 2021 increased $3,735,558 or 0.6% from June 30, 2020. The net increase is primarily attributed to receipt of funds from the State of Maine in the Sewer and Water Fund Groups and an increase in the General Tax-Exempt Fund Group tied to the $138 million in bonds issued in 2021. This was offset by a net decrease in fair value of $6,392,903 in 2021, as compared to a net increase of $12,280,022 in 2020. 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, collateralized repurchase agreements, 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, 2021 increased $24,175,068 or 1.5% from June 30, 2020. 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 General Tax-Exempt Resolution issuing Series 2020B and 2021A. Total new loan commitment in 2021 of approximately $177,543,000 was an increase of 38.2% from the 2020 commitments of approximately $128,499,000.

Accrued investment income receivable decreased $105,440 or 16.7% from fiscal year 2020, which is the result of investments that matured during the year that were reinvested in money market funds, and purchasing new securities at a lower rate.

Accrued interest and fees receivable on loans to governmental units and advances to the State of Maine increased $1,394,458 or 7.8% from fiscal year 2020, which is primarily the result of an approximate $1,614,000 increase in accrued interest and fees due from State of Maine in the Grant Anticipation Fund Group and Liquor Operation Revenue Fund Group.

Undisbursed federal letter of credit payments increased $1,773,518 or 6.4% from fiscal year 2020. The increase is primarily attributed to an increase in federal capitalization grants in fiscal 2021.

Grants receivable from the State of Maine was $45,000,000 at June 30, 2021 as compared to $0 at June 30, 2020. The amount receivable at current year end represents unappropriated surplus in the State's general fund that was approved by the legislature to be distributed to the School Facilities Fund Group. There were no such amounts at June 30, 2020.

Advances to State of Maine increased $16,800,427 or 5.2% from balances at June 30, 2020 due to advances provided to the State of Maine in the Grant Anticipation Fund Group in connection with the issuance of the Series 2020A bonds, offset by continued repayments within the Transportation Fund Groups and the Liquor Operation Revenue Fund Group.

Property and equipment, net of accumulated depreciation, increased by $54,653 or 4.8% from fiscal year 2020 due to final costs related to a major building renovation project, which was substantially completed in fiscal year 2021.

Unamortized deferred loss on refundings decreased $4,361,615 or 20.9% from 2020. The decrease is attributed to current year amortization in excess of current year deferred refunding losses recorded.

Payable to State of Maine had a net decrease of approximately $23,424,000 or 22.5% from 2020 to 2021. This decrease is the net result of revenues collected during fiscal year 2021 and a one-time equity transfer of $50,000,000 back to the State of Maine from the Liquor Operation Revenue Fund Group.

Accrued interest rebate payable to U.S. Government decreased $507,600 or 42.6% from fiscal year 2020. This decrease is the net result of rebate payments made to the U.S. Government during fiscal year 2021 and the net change in the rebate liability during the year.

Undisbursed loans at June 30, 2021 increased $19,971,314 or 97.2% from fiscal 2020. This increase is primarily a timing issue between when grants are awarded, loans are committed and related funds are disbursed to the borrower.

The Bond Bank's financial position improved as net assets increased 7.9% in fiscal year 2021. 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, 2021 and 2020

	2021	2020	Percentage Change
Operating revenues:			
Interest on loans receivable from governmental units	$ 38,867,329	$ 40,561,635	(4.2)%
Program revenue from State of Maine	12,453,815	11,227,870	10.9
Interest income from investments	6,927,002	12,399,205	(44.1)
Net (decrease) increase in the fair value of investments	(6,392,903)	12,280,022	(152.1)
Grant revenue from Environmental Protection Agency	23,313,000	23,304,000	0.0
Grant revenue from State of Maine	49,712,226	4,727,207	951.6
Other income	2,247,041	1,385,644	62.2
Total operating revenues	127,127,510	105,885,583	20.1
Operating expenses:			
Interest expense	52,615,967	56,650,072	(7.1)
Operating expenses (direct and shared)	6,999,330	6,994,882	0.1
Cost of issuance expenses	1,291,847	303,075	326.2
Loan forgiveness	5,821,750	4,140,992	40.6
Amortization of refunding benefits rebated to governmental units	4,020	13,864	(71.0)
Total operating expenses	66,732,914	68,102,885	(2.0)
Operating income	60,394,596	37,782,698	59.8
Transfer from Department of Environmental Protection	4,199,654	–	100.0
Net income	64,594,250	37,782,698	71.0
Net position, beginning of year	812,949,961	775,167,263	4.9
Net position, end of year	$ 877,544,211	$ 812,949,961	7.9%

Interest income from investments in 2021 decreased $5,472,203 or 44.1% from 2020. This decrease was primarily the result of a declining short-term interest rate environment that resulted in the purchase of lower yielding investments resulting in less interest earned in fiscal 2021. Furthermore, due to extremely low rates, significant balances were left in low yielding cash equivalents as compared to prior year.

The net decrease in the fair market value of investments was primarily attributable to changes in investment mix, as higher yielding securities matured and were replaced with lower yielding investments during fiscal 2021, and as a result of fluctuations in the interest rate environment. These losses are not expected to be realized as investments are typically held to maturity.

Grant revenue from State of Maine increased $44,985,019 in fiscal year 2021 from fiscal year 2020 or 951.6%. This increase is primarily the result of the School Facilities Fund Group receiving grants in fiscal year 2021 totaling $45,049,626 as compared to $66,407 in fiscal 2020.

Other income increased $861,397 or 62.2% in 2021 from fiscal year 2020. This was primarily attributed to an increase in authority fees and arbitrage rebate computation date credits and amounts received to pay costs of issuance in fiscal year 2021.

Cost of issuance expenses increased $988,772 or 326.2% in fiscal year 2021 from fiscal year 2020. The increase was partly the result of the Bond Bank issuing Grant Anticipation Fund Group bonds in fiscal year 2021, incurring additional costs for rating agencies, legal and other costs, which did not occur in fiscal year 2020. Also, the par amount of General Tax-Exempt bonds issued in fiscal year 2021 was substantially more than fiscal year 2020, increasing cost of issuance expenses.

Loan forgiveness increased $1,680,758 or 40.6% in fiscal year 2021 from fiscal year 2020. 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 2021 was $2,590,972 and $1,443,110 within the Drinking Water and Clean Water Revolving Loan Fund Program, respectively, as compared to $2,133,354 and $1,163,801 respectively in 2020. 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 2021 was $1,787,668, as compared to $843,837 in 2020. 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.

The Waste Water Revolving Loan Fund received a $4,199,654 one-time transfer from the State of Maine Department of Environmental Protection in fiscal year 2021, which represents fees that the Department made available for future loans.

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, 127 Community Drive, Augusta, Maine 04330.

MAINE MUNICIPAL BOND BANK

STATEMENTS OF NET POSITION

June 30, 2021

	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	$ 120,650	$ –	$ –	$ –
Investments held by trustee (notes 3, 5 and 10)	–	66,971,964	–	35,997,881
Operating investments (notes 3 and 10)	11,719,190	–	–	–
Grant receivable from State of Maine (note 7)	–	–	–	–
Loans receivable from governmental units (note 4)	–	100,441,253	–	–
Advances to State of Maine (note 4)	–	–	19,696,601	15,886,552
Accrued investment income receivable	27,087	181,136	–	336
Accrued interest and fees receivable on loans to governmental units and advances to State of Maine	–	7,419,284	2,820,447	–
Undisbursed federal letter of credit payments	–	–	–	–
Due from other funds	6,973,379	–	–	–
Other assets	246,032	–	–	–
Total current assets	19,086,338	175,013,637	22,517,048	51,884,769
Noncurrent assets:				
Investments held by trustee (notes 3, 5 and 10)	–	140,080,597	–	12,615,494
Loans receivable from governmental units (note 4)	–	1,025,627,809	–	–
Advances to State of Maine (note 4)	–	–	173,742,646	80,415,846
Property and equipment, net of accumulated depreciation of $2,063,618 (note 11)	1,186,228	–	–	–
Total noncurrent assets	1,186,228	1,165,708,406	173,742,646	93,031,340
Total assets	20,272,566	1,340,722,043	196,259,694	144,916,109
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized refunding benefits rebated to governmental units (note 9)	–	32	–	–
Unamortized deferred loss on refundings (note 9)	–	13,340,513	–	3,109,643
OPEB adjustments (note 8)	158,741	–	–	–
Pension contributions (note 8)	220,687	–	–	–
Total deferred outflows of resources	379,428	13,340,545	–	3,109,643

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			
$ –	$ –	$ –	$ –	$ –	$ –	$ 120,650
–	36,118,325	183,627,335	31,390,209	7,262,002	26,149,761	387,517,477
–	–	–	–	–	–	11,719,190
–	–	–	–	–	45,000,000	45,000,000
1,933,378	–	26,222,080	10,864,520	–	2,009,014	141,470,245
–	23,700,000	–	–	–	–	59,283,153
206,622	155	61,044	3,595	55	46,502	526,532
301,729	7,516,843	860,954	380,726	–	–	19,299,983
–	–	19,585,438	9,914,509	–	–	29,499,947
–	–	476,716	–	134,453	–	7,584,548
–	–	3,758	4,691	–	–	254,481
2,441,729	67,335,323	230,837,325	52,558,250	7,396,510	73,205,277	702,276,206
20,543,021	26,884,330	1,785,232	152,755	–	–	202,061,429
10,163,362	–	285,740,975	176,225,426	–	22,377,308	1,520,134,880
–	23,551,485	–	–	–	–	277,709,977
–	–	–	–	–	–	1,186,228
30,706,383	50,435,815	287,526,207	176,378,181	–	22,377,308	2,001,092,514
33,148,112	117,771,138	518,363,532	228,936,431	7,396,510	95,582,585	2,703,368,720
–	–	–	–	–	–	32
–	–	79,652	–	–	–	16,529,808
–	–	–	–	–	–	158,741
–	–	–	–	–	–	220,687
–	–	79,652	–	–	–	16,909,268

MAINE MUNICIPAL BOND BANK

STATEMENTS OF NET POSITION (CONTINUED)

June 30, 2021

	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	$ 587,856	$ 75,000	$ –	$ –
Due to other funds	–	6,767,294	–	11,164
Accrued interest payable	–	8,373,553	2,820,447	1,627,917
Unearned grant revenue	–	–	–	–
Undisbursed loans	–	2,500,000	–	–
Accrued interest rebate payable to U.S. Government	–	415,007	–	–
Due to State of Maine	–	–	–	37,172,731
Bonds payable, net (note 4)	–	112,390,727	19,696,601	17,073,862
Total current liabilities	587,856	130,521,581	22,517,048	55,885,674
Noncurrent liabilities:				
Accrued interest rebate payable to U.S. Government	–	268,630	–	–
Bonds payable, net (note 4)	–	1,165,752,233	173,742,646	92,140,078
Accrued pension and other post-employment benefit liabilities (note 8)	1,644,397	–	–	–
Total noncurrent liabilities	1,644,397	1,166,020,863	173,742,646	92,140,078
Total liabilities	2,232,253	1,296,542,444	196,259,694	148,025,752
DEFERRED INFLOWS OF RESOURCES				
Pension adjustments (note 8)	47,405	–	–	–
OPEB adjustments (note 8)	161,511	–	–	–
Total deferred inflows of resources	208,916	–	–	–
NET POSITION				
Net investment in capital assets	1,186,228	–	–	–
Restricted (notes 5, 6 and 7)	–	4,670,829	–	–
Unrestricted (notes 6 and 7)	17,024,597	52,849,315	–	–
Total net position	$18,210,825	$ 57,520,144	$ –	$ –

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
$ –	$ –	$ 109,874	$ –	$ –	$ –	$ 772,730
–	9,925	161,499	614,904	–	19,762	7,584,548
301,732	261,724	24,200	8,175	–	–	13,417,748
–	–	2,474,200	2,487,496	–	–	4,961,696
–	–	14,749,461	4,314,979	–	18,955,038	40,519,478
–	–	–	–	–	–	415,007
–	43,404,489	–	–	–	–	80,577,220
–	23,700,000	1,036,214	220,000	–	–	174,117,404
301,732	67,376,138	18,555,448	7,645,554	–	18,974,800	322,365,831
–	–	–	–	–	–	268,630
32,846,380	50,395,000	2,474,666	895,000	–	–	1,518,246,003
–	–	–	–	–	–	1,644,397
32,846,380	50,395,000	2,474,666	895,000	–	–	1,520,159,030
33,148,112	117,771,138	21,030,114	8,540,554	–	18,974,800	1,842,524,861
–	–	–	–	–	–	47,405
–	–	–	–	–	–	161,511
–	–	–	–	–	–	208,916
–	–	–	–	–	–	1,186,228
–	–	497,019,140	220,051,428	–	75,437,320	797,178,717
–	–	393,930	344,449	7,396,510	1,170,465	79,179,266
$ –	$ –	$ 497,413,070	$ 220,395,877	$ 7,396,510	$ 76,607,785	$ 877,544,211

MAINE MUNICIPAL BOND BANK

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the Year Ended June 30, 2021

			Transportation Fund Groups	
	General Operating Account	General Tax-Exempt Fund Group	Grant Anticipation Fund Group	Transportation Infrastructure Fund Group
Operating revenues:				
Interest on loans receivable from governmental units	$ –	$32,436,953	$ –	$ –
Program revenue from State of Maine	–	–	4,346,379	4,495,205
Interest income from investments	158,630	4,941,598	–	332,220
Net decrease in the fair value of investments	(129,394)	(4,930,003)	–	(232,471)
Grant revenue from Environmental Protection Agency (note 6)	–	–	–	–
Grant revenue from State of Maine (notes 6 and 7)	–	–	–	–
Other income	669,119	–	613,319	–
Total operating revenues	698,355	32,448,548	4,959,698	4,594,954
Operating expenses:				
Interest expense	–	38,021,275	4,158,607	4,496,169
Operating expenses (direct and shared) (note 8)	1,476,572	104,951	187,772	98,785
Cost of issuance expenses	–	678,528	613,319	–
Loan forgiveness (notes 6 and 7)	–	–	–	–
Amortization of refunding benefits rebated to governmental units	–	4,020	–	–
Total operating expenses	1,476,572	38,808,774	4,959,698	4,594,954
Operating (loss) income before operating transfers	(778,217)	(6,360,226)	–	–
Operating transfers, net	(12,000,000)	12,000,000	–	–
Operating (loss) income	(12,778,217)	5,639,774	–	–
Transfer from Department of Environmental Protection	–	–	–	–
Net (loss) income	(12,778,217)	5,639,774	–	–
Net position, beginning of year	30,989,042	51,880,370	–	–
Net position, end of year	$ 18,210,825	$57,520,144	$ –	$ –

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
$ 2,067,996	$ –	$ 3,032,108	$ 1,330,272	$ –	$ –	$ 38,867,329
–	3,612,231	–	–	–	–	12,453,815
531,634	457,730	389,796	83,441	9,253	22,700	6,927,002
(789,238)	(33,050)	(180,362)	(70,940)	(6,783)	(20,662)	(6,392,903)
–	–	12,302,000	11,011,000	–	–	23,313,000
–	–	2,460,400	2,202,200	–	45,049,626	49,712,226
–	–	–	–	964,603	–	2,247,041
1,810,392	4,036,911	18,003,942	14,555,973	967,073	45,051,664	127,127,510
1,810,392	3,946,463	131,039	52,022	–	–	52,615,967
–	90,448	483,271	3,371,820	273,391	912,320	6,999,330
–	–	–	–	–	–	1,291,847
–	–	1,443,110	2,590,972	–	1,787,668	5,821,750
–	–	–	–	–	–	4,020
1,810,392	4,036,911	2,057,420	6,014,814	273,391	2,699,988	66,732,914
–	–	15,946,522	8,541,159	693,682	42,351,676	60,394,596
–	–	312,699	1,670,246	(1,982,945)	–	–
–	–	16,259,221	10,211,405	(1,289,263)	42,351,676	60,394,596
–	–	4,199,654	–	–	–	4,199,654
–	–	20,458,875	10,211,405	(1,289,263)	42,351,676	64,594,250
–	–	476,954,195	210,184,472	8,685,773	34,256,109	812,949,961
$ –	$ –	$ 497,413,070	$ 220,395,877	$ 7,396,510	$76,607,785	$ 877,544,211

MAINE MUNICIPAL BOND BANK

STATEMENTS OF CASH FLOWS

For the Year Ended June 30, 2021

			Transportation Fund Groups	
	General Operating Account	General Tax-Exempt Fund Group	Grant Anticipation Fund Group	Transportation Infrastructure Fund Group
OPERATING ACTIVITIES:				
Cash received from governmental units and State of Maine	$ –	$ 135,041,980	$ 23,691,740	$ 40,162,169
Cash payments to governmental units	–	(101,292,820)	–	–
Cash payments to State of Maine	–	–	(75,000,000)	(21,100,000)
Cash received from other income	669,119	–	613,319	–
Cash payments for operating expenses	(1,270,287)	(104,951)	(187,772)	(98,785)
Cash paid for bond issuance costs	–	(603,528)	(613,319)	–
Cash (paid to) received from other funds	(12,812,592)	12,854,577	–	(11,718)
Cash received from other assets and liabilities	9,371	–	–	–
Net cash (used) provided by operating activities	(13,404,389)	45,895,258	(51,496,032)	18,951,666
NONCAPITAL FINANCING ACTIVITIES:				
Proceeds from bonds payable	–	158,161,050	75,000,000	–
Principal paid on bonds payable	–	(99,265,000)	(16,760,000)	(14,770,000)
Interest paid on bonds payable	–	(49,921,796)	(6,743,968)	(5,246,625)
Grant receipts from Environmental Protection Agency and State of Maine	–	–	–	–
Amount deposited to refunding escrow (note 9)	–	(44,302,530)	–	–
Transfer from Department of Environmental Protection	–	–	–	–
Net cash (used) provided by noncapital financing activities	–	(35,328,276)	51,496,032	(20,016,625)
INVESTING ACTIVITIES:				
Purchase of investment securities	(28,576,422)	(218,089,016)	–	(324,354,309)
Proceeds from sale and maturities of investment securities	42,048,427	202,731,781	–	325,082,579
Income received from investments	164,233	5,603,641	–	336,689
Interest rebate paid to U.S. Government	–	(813,388)	–	–
Additions to property and equipment	(172,470)	–	–	–
Net cash provided (used) by investing activities	13,463,768	(10,566,982)	–	1,064,959
Increase in cash	59,379	–	–	–
Cash, beginning of year	61,271	–	–	–
Cash, end of year	$ 120,650	$ –	$ –	$ –

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
$ 3,744,607	$ 59,861,024	$ 34,897,050	$ 12,117,041	$ –	$ 2,314,769	$ 311,830,380
–	–	(34,336,705)	(19,651,366)	–	(3,773,111)	(159,054,002)
–	(57,000,000)	–	–	–	–	(153,100,000)
–	–	–	–	964,603	–	2,247,041
–	(90,448)	(483,362)	(3,371,820)	(273,391)	(912,320)	(6,793,136)
–	–	–	–	–	–	(1,216,847)
–	(7,780)	307,648	1,652,435	(1,980,786)	(1,784)	–
–	–	–	–	–	–	9,371
3,744,607	2,762,796	384,631	(9,253,710)	(1,289,574)	(2,372,446)	(6,077,193)
–	–	–	–	–	–	233,161,050
–	(22,820,000)	(1,235,000)	(210,000)	–	–	(155,060,000)
(1,810,392)	(4,019,716)	(160,015)	(53,509)	–	–	(67,956,021)
–	–	18,093,304	8,126,178	–	49,626	26,269,108
–	–	–	–	–	–	(44,302,530)
–	–	4,199,654	–	–	–	4,199,654
(1,810,392)	(26,839,716)	20,897,943	7,862,669	–	49,626	(3,688,739)
(7,686,886)	(248,721,464)	(393,961,246)	(99,675,990)	(18,753,151)	(53,395,930)	(1,393,214,414)
5,219,117	272,336,486	372,224,322	100,984,230	20,033,115	55,715,867	1,396,375,924
533,554	461,898	454,350	82,801	9,610	2,883	7,649,659
–	–	–	–	–	–	(813,388)
–	–	–	–	–	–	(172,470)
(1,934,215)	24,076,920	(21,282,574)	1,391,041	1,289,574	2,322,820	9,825,311
–	–	–	–	–	–	59,379
–	–	–	–	–	–	61,271
$ –	$ –	$ –	$ –	$ –	$ –	$ 120,650

MAINE MUNICIPAL BOND BANK

STATEMENTS OF CASH FLOWS (CONTINUED)

For the Year Ended June 30, 2021

	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 (loss) income to net cash (used) provided by operating activities:				
Operating (loss) income	$(12,778,217)	$ 5,639,774	$ –	$ –
Adjustments to reconcile operating (loss) income to net cash (used) provided by operating activities:				
Interest income from investments	(158,630)	(4,941,598)	–	(332,220)
Net decrease in the fair value of investments	129,394	4,930,003	–	232,471
Loan forgiveness	–	–	–	–
Depreciation	127,139	–	–	–
Amortization of refunding benefits rebated to governmental units	–	4,020	–	–
Interest expense on bonds payable	–	38,021,275	4,158,607	4,496,169
Federal and State grants	–	–	–	–
Change in assets and liabilities:				
Loans receivable from governmental units and advances to State of Maine	–	996,962	(54,898,967)	15,278,540
Grant receivable from State of Maine	–	–	–	–
Accrued interest and fees receivable on loans to governmental units and advances to State of Maine	–	315,245	(755,672)	–
Due to/from other funds	(812,592)	854,577	–	(11,718)
Other assets	9,371	–	–	–
Accrued pension and other post-employment benefit liabilities	(25,678)	–	–	–
Accounts payable and accrued liabilities	104,824	75,000	–	–
Due to State of Maine	–	–	–	(711,576)
Net cash (used) provided by operating activities	$(13,404,389)	$ 45,895,258	$(51,496,032)	$ 18,951,666

Summary of noncash transactions:

Within the General Operating Account, $9,322 of property and equipment purchases are included in accounts payable and accrued expenses.

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
$ –	$ –	$ 16,259,221	$ 10,211,405	$ (1,289,263)	$ 42,351,676	$ 60,394,596
(531,634)	(457,730)	(389,796)	(83,441)	(9,253)	(22,700)	(6,927,002)
789,238	33,050	180,362	70,940	6,783	20,662	6,392,903
–	–	1,443,110	2,590,972	–	1,787,668	5,821,750
–	–	–	–	–	–	127,139
–	–	–	–	–	–	4,020
1,810,392	3,946,463	131,039	52,022	–	–	52,615,967
–	–	(14,762,400)	(13,213,200)	–	(49,626)	(28,025,226)
1,676,615	22,820,000	(2,445,633)	(8,795,106)	–	(1,458,342)	(26,825,931)
–	–	–	–	–	(45,000,000)	(45,000,000)
(4)	(858,406)	(26,130)	(69,491)	–	–	(1,394,458)
–	(7,780)	(5,051)	(17,811)	2,159	(1,784)	–
–	–	–	–	–	–	9,371
–	–	–	–	–	–	(25,678)
–	–	(91)	–	–	–	179,733
–	(22,712,801)	–	–	–	–	(23,424,377)
$ 3,744,607	$ 2,762,796	$ 384,631	$ (9,253,710)	$ (1,289,574)	$ (2,372,446)	$ (6,077,193)

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 administers and manages MHHEFA and MGFA programs under the direction of each Authority's Board of Commissioners. The Bond Bank allocates general overhead expenses from its operations to each Authority. The arrangement is approved annually by the Boards of Commissioners through the budgetary approval process. At June 30, 2021, the General Operating Account has approximately $29,000 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.

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 2021 was approximately $753,000, 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 2021 was approximately $211,000 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 2021 was approximately $1,573,000 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, 2021 was approximately $305,800 in the General Tax-Exempt Fund Group. Arbitrage rebate expense in any other Fund Group for the year ended June 30, 2021 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 is managed in an effort as not to 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 and liquor operation revenue fund group of approximately $4,039,900, $216,900 and $28,900, respectively, have been recorded as interest income from investments in 2021. Reserve fund investments that are not expected to be utilized to fund bond principal and interest payments until after June 30, 2022 have been classified as long-term.

Within the liquor operation revenue and transportation infrastructure fund groups, the Bond Bank invests monies with the State of Maine. The State of Maine sponsors an internal investment pool (the Treasurer's Cash Pool). The Bond Bank's participation is voluntary. The State of Maine Treasurer's Cash Pool is primarily comprised of investment vehicles with short maturities and management of the Bond Bank characterizes the investments within the pool as low risk. The State of Maine's Treasurer's Cash Pool is not rated by external rating agencies. The Bond Bank is able to make withdrawals from the State of Maine Investment Pool, at par, with little advance notice and without penalty. The Bond Bank's management considers this investment vehicle a money market instrument and generally carries the amounts in the pool at fair value. At June 30, 2021, the liquor operation revenue fund group and transportation infrastructure fund group had $20,005,345 and $26,083,700, respectively, invested in the Treasurer's Cash Pool, which are classified as cash equivalents within investments held by trustee on the statements of net position.

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 over the estimated useful lives of the assets.

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.

2. Significant Accounting Policies (Continued)

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 relate 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, and the net OPEB liability which includes differences between expected and actual experience and changes in actuarial assumptions.

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 the 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, 2021 was approximately $3,489,600, $1,288,800 and $52,900 for the General Tax Exempt Fund Group, Transportation Infrastructure Fund Group and Clean Water Revolving Loan Fund Group, 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 either 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, 2021. The Transportation Fund Groups have a balance of approximately $76,200,000 of bond proceeds in construction funds as of June 30, 2021.

Special Items: Special items are significant transactions or other events within the control of management that are either unusual in nature or infrequent in occurrence and are reported outside of the operating indicator on the statement of revenues, expenses and changes in net position. During the year ended June 30, 2021, the Board of Commissioners voted to accept the transfer of funds in the amount of $4,199,654 in the Clean Water Revolving Loan Fund Group from the Department of Environmental Protection, which qualifies as a special item. These funds represent monies collected from borrowers on behalf of the Department of Environmental Protection and will be used to make additional revolving loans to borrowers within the Clean Water Revolving Loan Fund Group.

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.

2. Significant Accounting Policies (Continued)

Risks and Uncertainties

The outbreak of the COVID-19 pandemic has caused significant disruptions in the U.S. economy and to governmental units in the State of Maine. Governmental units that have loan agreements with the Bond Bank have not shown signs of inability to pay future loan payments at the date of these financial statements. Other financial effects could occur, though such potential impact is unknown at the date of these financial statements.

Recently Issued Accounting Pronouncements

In June 2017, GASB issued Statement No. 87, *Leases*. This statement requires government entities that are lessees to recognize the following: (a) a lease liability and (b) an intangible asset representing the lessee's right to use the leased asset; and report in its financial statements: (a) amortization expense for using the leased asset over the shorter of the term of the lease or the useful life of the underlying asset, (b) interest expense on the lease liability, and (c) note disclosures about the lease. Government entities that are lessors must recognize the following: (a) a lease receivable and (b) a deferred inflow of resources and continue to report the leased asset in its financial statements; and report in its financial statements: (a) lease revenue, recognized over the term of the lease, corresponding with the reduction of the deferred inflow, (b) interest income on the receivable; and (c) note disclosures about the lease. The statement provides exceptions from the single-approach for short-term leases, financial purchases, leases of assets that are investments, and certain regulated leases. The statement also addresses accounting for lease terminations and modifications, sale-leaseback transactions, nonlease components embedded in lease contracts (such as service agreements), and leases with related parties. In May 2020, GASB issued Statement No. 95, which delayed the effective date of Statement No. 87 to reporting periods beginning after June 15, 2021. The Bond Bank is currently evaluating the impact of the pending adoption of this statement on its 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, 2021, investments are categorized as follows:

	Fair Value
General Operating Account	
Operating investments:	
U.S. Government obligations	$ 4,042,130
U.S. Government-sponsored enterprises	1,515,015
Cash equivalents	6,162,045
	$ 11,719,190

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

	Fair Value
General Tax-Exempt Fund Group	
Investments held by trustee:	
Guaranteed investment contracts	$ 6,004,942
U.S. Government obligations	2,322,620
U.S. Government-sponsored enterprises	10,765,627
U.S. Treasury strips	17,677,262
U.S. Government-sponsored enterprise strips	119,269,671
Cash equivalents	51,012,439
	$ 207,052,561

Of the total $207,052,561 General Tax Exempt Fund Group investments at June 30, 2021, approximately $185,020,000 are included in reserve funds as described in note 5.

Transportation Infrastructure Fund Group	
Investments held by trustee:	
U.S. Treasury strips	$ 8,322,942
Cash equivalents	40,290,433
	$ 48,613,375

Of the total $48,613,375 Transportation Infrastructure Fund Group investments at June 30, 2021, approximately $12,615,000 are included in reserve funds as described in note 5.

Qualified School Construction Fund Group	
Investments held by trustee:	
U.S. Government obligations	$ 14,779,595
Cash equivalents	5,763,426
	$ 20,543,021

Liquor Operation Revenue Fund Group	
Investments held by trustee:	
U.S. Government obligations	$ 2,999,730
U.S. Treasury strips	1,492,543
Cash equivalents	58,510,382
	$ 63,002,655

Of the total $63,002,655 Liquor Operation Revenue Fund Group investments at June 30, 2021, approximately $26,884,000 are included in reserve funds as described in note 5.

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

	Fair Value
Sewer and Water Fund Groups	
Investments held by trustee:	
Revolving Loan Fund Group – Clean Water:	
Guaranteed investment contracts	$ 696,758
Collateralized repurchase agreements	641,798
U.S. Government obligations	76,792,620
Certificates of deposit	12,025,795
Cash equivalents	95,255,596
	$ 185,412,567
Revolving Loan Fund Group – Drinking Water:	
U.S. Government obligations	$ 9,999,300
U.S. Government-sponsored enterprises	2,158,581
Cash equivalents	19,385,083
	$ 31,542,964
Operating Fund Group:	
U.S. Government obligations	$ 1,179,913
Cash equivalents	6,082,089
	$ 7,262,002

Of the total $224,217,533 in Sewer and Water Fund Group investments at June 30, 2021, approximately $1,938,000 are included in reserve funds as described in note 5.

School Facilities Fund Group	
Investments held by trustee:	
U.S. Government obligations	$ 12,848,059
U.S. Government-sponsored enterprises	8,230,044
Cash equivalents	5,071,658
	$ 26,149,761

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

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 as of June 30, 2021:

	Fair Value	Less than One Year	One to Five Years	Six to Ten Years	More than Ten Years
General Operating Account					
U.S. Government obligations	$ 4,042,130	$ 2,542,775	$ 1,499,355	$ –	$ –
U.S. Government-sponsored enterprises	1,515,015	1,515,015	–	–	–
	$ 5,557,145	$ 4,057,790	$ 1,499,355	$ –	$ –
General Tax Exempt Fund Group					
Guaranteed investment contracts	$ 6,004,942	$ –	$ –	$ 3,729,789	$ 2,275,153
U.S. Government obligations	2,322,620	1,465,875	248,343	567,218	41,184
U.S. Government-sponsored enterprises	10,765,627	172,863	4,992,754	4,530,869	1,069,141
U.S. Treasury strips	17,677,262	7,042,531	9,832,301	753,475	48,955
U.S. Government-sponsored enterprise strips	119,269,671	7,278,258	25,560,533	39,970,704	46,460,176
	$ 156,040,122	$ 15,959,527	$40,633,931	$49,552,055	$49,894,609
Transportation Infrastructure Fund Group					
U.S. Treasury strips	$ 8,322,942	$ –	$ 6,641,604	$ 1,681,338	$ –
Qualified School Construction Fund Group					
U.S. Government obligations	$ 14,779,595	$ –	$ 9,106,972	$ 5,672,623	$ –

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
Liquor Operation Revenue Fund Group					
U.S. Treasury strips	$ 1,492,543	$ –	$ 1,492,543	$ –	$ –
U.S. Government obligations	2,999,730	2,999,730	–	–	–
	$ 4,492,273	$ 2,999,730	$ 1,492,543	$ –	$ –
Revolving Loan Fund Group – Clean Water					
Guaranteed investment contracts	$ 696,758	$ –	$ 696,758	$ –	$ –
Collateralized repurchase agreements	641,798	–	641,798	–	–
U.S. Government obligations	76,792,620	76,792,620	–	–	–
Certificates of deposit	12,025,795	1,937,744	10,088,051	–	–
	$ 90,156,971	$ 78,730,364	$11,426,607	$ –	$ –
Revolving Loan Fund Group–Drinking Water					
U.S. Government-sponsored enterprises	$ 2,158,581	2,007,020	151,561	–	–
U.S. Government obligations	9,999,300	9,999,300	–	–	–
	$ 12,157,881	$ 12,006,320	$ 151,561	$ –	$ –
Sewer and Water Fund Groups – Operating Fund Group					
U.S. Government obligations	$ 1,179,913	$ 1,179,913	$ –	$ –	$ –
School Facilities Fund Group					
U.S. Government obligations	$ 12,848,059	$ 12,848,059	$ –	$ –	$ –
U.S. Government-sponsored enterprises	8,230,044	8,230,044	–	–	–
	$ 21,078,103	$ 21,078,103	$ –	$ –	$ –

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

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, Bangor Savings Bank, Northeast Bank and the State of Maine Treasurer's Cash Pool. Management of the Bond Bank is not aware of any issues with respect to custodial credit risk at any bank at June 30, 2021.

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 and collateralized repurchase agreements 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.

At June 30, 2021, the rating for investments in U.S. Treasury Obligations and U.S. Government-sponsored enterprise securities (includes FHLMC, FHLB, FNMA) was AA+. At June 30, 2021, the Bond Bank's guaranteed investment contracts and collateralized repurchase agreements within the General Tax Exempt Fund Group and Revolving Loan Fund Groups are primarily with two institutions, each of which is AA rated or better.

The Bond Bank has invested some of its long-term funds in U.S. Treasury and U.S. Government-sponsored enterprises 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 $146,762,418 at June 30, 2021.

Trustee held cash equivalents at June 30, 2021 consist primarily of money market funds secured by short-term U.S. Treasury obligations and monies in the State of Maine Treasurer's Cash Pool.

The cash equivalents of the Bond Bank's General Operating Account at June 30, 2021 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, 2021:

	Original Maturity	Original Amount Issued	Amount Outstanding June 30, 2021
Series 2009 G, 3.00% – 5.00%, dated October 29, 2009	2010 – 2039	9,590,000	$ 415,000
Series 2010 A, 2.00% – 4.25%, dated May 27, 2010	2010 – 2040	8,320,000	1,885,000
Series 2010 B, 3.28% – 5.67%, dated May 27, 2010	2010 – 2034	11,735,000	8,665,000
Series 2010 C, 2.00% – 5.00%, dated October 7, 2010	2012 – 2034	99,425,000	35,530,000
Series 2010 DEF, 0.71% – 5.12%, dated October 28, 2010	2011 – 2040	80,165,000	38,520,000
Series 2011 EF, 2.00% – 5.00%, dated October 27, 2011	2012 – 2033	50,375,000	9,945,000
Series 2012 ABC, 0.67% – 5.00%, dated May 24, 2012	2013 – 2038	66,435,000	23,330,000
Series 2012 E, 1.50% – 4.00%, dated October 25, 2012	2013 – 2042	28,590,000	16,325,000
Series 2012 FG, 0.50% – 5.00%, dated December 11, 2012	2013 – 2034	41,975,000	20,275,000
Series 2013 A, 2.00% – 5.00%, dated May 23, 2013	2014 – 2043	15,905,000	10,960,000
Series 2013 B, 2.00% – 4.50%, dated October 24, 2013	2014 – 2043	13,525,000	7,430,000
Series 2014 A, 2.00% – 5.00%, dated May 22, 2014	2015 – 2044	19,250,000	14,440,000
Series 2014 BC, 2.00% – 5.00%, dated October 23, 2014	2015 – 2034	109,750,000	79,290,000
Series 2015 AB, 2.00% – 5.00%, dated May 28, 2015	2016 – 2040	70,380,000	54,270,000
Series 2015 C, 2.00% – 5.00%, dated October 22, 2015	2016 – 2045	16,405,000	10,100,000
Series 2015 D, 2.00% – 5.00%, dated November 3, 2015	2016 – 2021	53,605,000	2,070,000
Series 2016 A, 2.00% – 5.00%, dated May 26, 2016	2017 – 2036	35,410,000	28,715,000
Series 2016 B, 2.25% – 5.00% dated May 26, 2016	2020 – 2039	62,815,000	56,760,000
Series 2016 C, 3.00% – 5.00% dated November 3, 2016	2017 – 2046	29,900,000	22,580,000

4. Bonds Payable (Continued)

	Original Maturity	Original Amount Issued	Amount Outstanding June 30, 2021
Series 2017 A, 2.50% – 5.00% dated January 19, 2017	2018 – 2037	$ 97,875,000	$ 85,760,000
Series 2017 B, 2.00% – 5.00% dated May 25, 2017	2018 – 2042	15,875,000	12,795,000
Series 2017 CD, 3.00% – 5.00% dated November 2, 2017	2018 – 2037	176,270,000	145,565,000
Series 2018 A, 2.25% – 5.00% dated May 24, 2018	2019 – 2038	38,395,000	33,815,000
Series 2018 B, 3.25% – 5.00% dated November 1, 2018	2019 – 2038	134,825,000	122,840,000
Series 2019 A, 3.00% – 5.00% dated May 23, 2019	2020 – 2049	127,180,000	123,080,000
Series 2019 B, 3.00% – 5.00% dated October 31, 2019	2020 – 2043	23,240,000	22,075,000
Series 2020 A, 3.00% – 5.00% dated May 21, 2020	2021 – 2045	37,375,000	37,375,000
Series 2020 BC, .35% – 5.00% dated October 29, 2020	2021 – 2041	60,190,000	60,190,000
Series 2021 A, 2.00% – 5.00% dated May 20, 2021	2022 – 2047	78,020,000	78,020,000
		$ 1,612,800,000	$ 1,163,020,000

Total General Tax-Exempt Fund Group Bonds payable is presented on the statement of net position at June 30, 2021 as follows:

Total principal outstanding	$ 1,163,020,000
Unamortized original issue premium	115,122,960
Total General Tax-Exempt Fund Group Bonds payable	1,278,142,960
Current portion	112,390,727
Noncurrent portion	$ 1,165,752,233

4. Bonds Payable (Continued)

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
2021	$ 97,610,000	$ 25,098,717	$ 122,708,717
2022	87,635,000	46,284,566	133,919,566
2023	85,740,000	42,443,202	128,183,202
2024	89,330,000	38,669,057	127,999,057
2025	80,110,000	34,564,401	114,674,401
2026 – 2030	354,020,000	121,853,946	475,873,946
2031 – 2035	212,885,000	57,506,081	270,391,081
2036 – 2040	133,320,000	17,400,419	150,720,419
2041 – 2045	18,870,000	2,408,105	21,278,105
2046 – 2049	3,500,000	303,650	3,803,650
	$ 1,163,020,000	$ 386,532,144	$ 1,549,552,144

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

Municipal loan obligations – principal and interest	$ 1,377,794,061 [1]
Reserve Funds – principal and interest	171,758,083
	$ 1,549,552,144

[1] Includes approximately $3,884,600 of interest expected to be funded through federal interest subsidy payments.

Total Grant Anticipation Fund Group Bonds payable, with original interest rates, consist of the following at June 30, 2021:

	Original Maturity	Original Amount Issued	Amount Outstanding June 30, 2021
Series 2010 B, 4.52% – 5.32%, dated December 2, 2010	2018 – 2022	$ 24,085,000	$ 10,080,000
Series 2014 A, 2.00% – 5.00%, dated December 3, 2014	2015 – 2026	44,810,000	26,005,000
Series 2016 A, 2.63% – 5.00%, dated November 16, 2016	2017 – 2028	44,105,000	32,295,000
Series 2018 A, 4.00% – 5.00%, dated November 8, 2018	2023 – 2030	44,310,000	44,310,000
Series 2020 A, 5.00% dated November 10, 2020	2021 – 2032	60,925,000	60,925,000
		$ 218,235,000	$ 173,615,000

4. Bonds Payable (Continued)

Total Grant Anticipation Fund Group Bonds payable is presented on the statement of net position at June 30, 2021 as follows:

Total principal outstanding	$ 173,615,000
Unamortized original issue premium	19,824,247
Total Grant Anticipation Fund Group Bonds payable	193,439,247
Less current portion	19,696,601
Noncurrent portion	$ 173,742,646

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
2021	$ 16,030,000	$ 4,230,670	$ 20,260,670
2022	16,745,000	7,656,170	24,401,170
2023	16,760,000	6,874,631	23,634,631
2024	17,605,000	6,036,631	23,641,631
2025	18,495,000	5,156,381	23,651,381
2026 – 2030	75,130,000	13,397,844	88,527,844
2031 – 2032	12,850,000	971,750	13,821,750
	$ 173,615,000	$44,324,077	$ 217,939,077

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

Repayment of advances to State of Maine – principal and interest	$ 217,939,077 [1]

[1] Includes approximately $187,200 of interest expected to be funded through federal interest subsidy payments.

4. Bonds Payable (Continued)

Total Transportation Infrastructure Fund Group Bonds payable, with original interest rates, consist of the following at June 30, 2021:

	Original Maturity	Original Amount Issued	Amount Outstanding June 30, 2021
Series 2009 A, 2.50% – 5.00%, dated July 22, 2009	2010 – 2023	$ 105,000,000	$ 11,315,000
Series 2009 B, 2.00% – 5.00%, dated September 10, 2009	2010 – 2024	30,000,000	1,090,000
Series 2011A, 2.00% – 5.00%, dated December 14, 2011	2012 – 2026	55,000,000	45,065,000
Series 2015 A, 4.00% – 5.00%, dated October 22, 2015	2019 – 2024	54,680,000	47,135,000
		$ 244,680,000	$ 104,605,000

Total Transportation Infrastructure Fund Group Bonds payable is presented on the statement of net position at June 30, 2021 as follows:

Total principal outstanding	$ 104,605,000
Unamortized original issue premium	4,608,940
Total Transportation Infrastructure Fund Group Bonds payable	109,213,940
Less current portion	17,073,862
Noncurrent portion	$ 92,140,078

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
2021	$ 15,515,000	$ 2,441,875	$ 17,956,875
2022	15,715,000	4,132,350	19,847,350
2023	16,505,000	3,349,900	19,854,900
2024	17,855,000	2,546,700	20,401,700
2025	19,095,000	1,651,950	20,746,950
2026	19,920,000	697,200	20,617,200
	$ 104,605,000	$14,819,975	$ 119,424,975

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	$ 109,623,076
Reserve fund – principal and interest	9,801,899
	$ 119,424,975

Total Qualified School Construction Fund Group Bonds payable, with original interest rates, consist of the following at June 30, 2021:

	Original Maturity	Original Amount Issued	Amount Outstanding June 30, 2021
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, 2021 as follows:

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

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
2021	$ –	$ 905,196	$ 905,196
2022	–	1,810,392	1,810,392
2023	–	1,810,392	1,810,392
2024	–	1,810,392	1,810,392
2025	17,115,000	1,810,392	18,925,392
2026 – 2028	15,731,380	1,480,145	17,211,525
	$32,846,380	$ 9,626,909	$42,473,289

4. Bonds Payable (Continued)

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

Government unit loan obligations – principal and interest	$24,781,755 [1]
Sinking fund – principal and interest	17,691,534
	$42,473,289

[1] Includes approximately $8,870,000 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, 2021:

	Original Maturity	Original Amount Issued	Outstanding June 30, 2021
Series 2013, 1.07% – 4.35%, dated September 5, 2013	2015 – 2024	$ 220,660,000	$ 74,095,000

The Liquor Operation Revenue Bonds payable are presented on the statement of net position at June 30, 2021 as follows:

Total Liquor Operation Revenue Bonds payable	$ 74,095,000
Less current portion	23,700,000
Noncurrent portion	$ 50,395,000

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
2021	$ –	$ 1,570,345	$ 1,570,345
2022	23,700,000	2,654,602	26,354,602
2023	24,675,000	1,643,925	26,318,925
2024	25,720,000	559,667	26,279,667
	$74,095,000	$ 6,428,539	$ 80,523,539

4. Bonds Payable (Continued)

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

Governmental unit loan obligations – principal and interest	$ 50,927,809
Reserve fund – principal and interest	29,595,730
	$ 80,523,539

Sewer and Water Fund Group Clean Water Bonds payable, with original interest rates, consist of the following at June 30, 2021:

	Original Maturity	Original Amount Issued	Outstanding June 30, 2021
Series 2012 A, 2.00% – 5.00% dated March 22, 2012	2012 – 2024	17,375,000	3,395,000

The Sewer and Water Fund Group Clean Water Bonds payable are presented on the statement of net position at June 30, 2021 as follows:

Total principal outstanding	$3,395,000
Unamortized original issue premium	115,880
Total Sewer and Water Fund Group Clean Water Bonds payable	3,510,880
Less current portion	1,036,214
Noncurrent portion	$2,474,666

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
2021	$ 980,000	$ 72,600	$1,052,600
2022	940,000	106,000	1,046,000
2023	845,000	59,000	904,000
2024	630,000	25,200	655,200
	$3,395,000	$262,800	$3,657,800

4. Bonds Payable (Continued)

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

Governmental unit loan obligations – principal and interest	$3,500,724
Reserve fund – principal and interest	157,076
	$3,657,800

Sewer and Water Fund Group Drinking Water Bonds payable, with original interest rates, consist of the following at June 30, 2021:

	Original Maturity	Original Amount Issued	Amount Outstanding June 30, 2021
Series 2005 A, 2.25% – 4.45%, dated March 24, 2005	2005 – 2025	$3,770,000	$1,115,000

The Sewer and Water Fund Group Drinking Water Bonds payable are presented on the statement of net position at June 30, 2021 as follows:

Total principal outstanding	$1,115,000
Unamortized original issue premium	–
Total Sewer and Water Fund Group Drinking Water Bonds payable	1,115,000
Less current portion	220,000
Noncurrent portion	$ 895,000

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
2021	$ 220,000	$ 24,524	$ 244,524
2022	240,000	39,588	279,588
2023	250,000	29,148	279,148
2024	255,000	18,023	273,023
2025	150,000	6,673	156,673
	$1,115,000	$117,956	$1,232,956

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

Governmental unit loan obligations – principal and interest	$1,232,956

4. Bonds Payable (Continued)

The following summarizes bond payable activity for the Bond Bank for the year ended June 30, 2021:

	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	$ 1,278,085,388	$138,540,280	$125,781,311	$ 32,846,380	$ 96,915,000	$ 4,822,769	$ 1,325,000
Issuances – face value	138,210,000	60,925,000	–	–	–	–	–
Redemptions and calls	(99,265,000)	(16,760,000)	(14,770,000)	–	(22,820,000)	(1,235,000)	(210,000)
Refunded bonds	(42,380,000)	–	–	–	–	–	–
Capitalized premiums, net[1]	18,473,920	14,075,000	–	–	–	–	–
Amortization of premiums	(14,981,348)	(3,341,033)	(1,797,371)	–	–	(76,889)	–
Balance, end of year	$ 1,278,142,960	$193,439,247	$109,213,940	$ 32,846,380	$ 74,095,000	$ 3,510,880	$ 1,115,000

[1] Net of premiums related to bonds refunded of $1,477,130.

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:

<u>General Tax-Exempt Fund Group</u>: 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, 2021, the required debt service reserve was approximately $122,448,000.

5. Reserve Funds (Continued)

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. This $4,671,000 represents segregated net position and is 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, 2021, the fair value of the reserve fund assets, consisting primarily of investment balances, totaled approximately $185,020,000, which exceeded the required reserves by approximately $57,901,000.

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, 2021, the required capital reserve was approximately $10,135,000 and the fair value of the capital reserve assets, consisting primarily of investment balances, totaled approximately $12,615,000, which exceeded the required reserves by approximately $2,480,000.

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 bonds payable within the fund groups as of such date of calculation. At June 30, 2021, the required capital reserve was approximately $1,326,000 and the fair value of the capital reserve assets, consisting primarily of investment balances, totaled approximately $1,938,000, which exceeded the required reserves by approximately $612,000.

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, 2021, the required capital reserve was approximately $26,844,000 and the fair value of the capital reserve assets, consisting entirely of investment balances, totaled approximately $26,884,000, which exceeded the required reserves by approximately $40,000.

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.

6. Sewer and Water Revolving Fund Group (Continued)

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.

Net position consists of the following at June 30, 2021:

	Clean Water	Drinking Water
Reserved for revolving loans:		
Grants received from Environmental Protection Agency under existing capitalization grant program	$ 338,835,659	$ 215,873,900
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	134,432
Hardship grants received from Environmental Protection Agency	643,800	–
Grants received from State of Maine	67,821,162	42,611,770
Other amounts reserved (utilized) for program loans and costs	58,034,709	(58,068,674)
	497,019,140	220,051,428
Unreserved amounts available	393,930	344,449
Net position at June 30, 2021	$ 497,413,070	$ 220,395,877

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 federal grants awarded. In addition, the Bond Bank may receive other grants from the Environmental Protection Agency that are used solely for administrative purposes. The cumulative total administrative costs allowed at June 30, 2021 are $16,113,909 (clean water) and $9,386,676 (drinking water), with $15,719,979 and $9,042,227, respectively, expended to date. The remaining amount of $393,930 in the Clean Water Revolving Loan Fund Group and $344,449 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 $39,626,000 at June 30, 2021, 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 as the related loans are repaid. The total amount forgiven under these programs in 2021 was $2,590,972.

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 $27,962,000 at June 30, 2021 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 as the related loans are repaid. The total amount forgiven under these programs in 2021 was $1,443,110.

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	$ 164,603,892
Loans forgiven	(93,652,765)
Other amounts reserved for program loans and costs	4,486,193
	75,437,320
Unreserved amounts available	1,170,465
Net position at June 30, 2021	$ 76,607,785

During fiscal 2021, the Maine State legislature approved the transfer of $45,000,000 of unappropriated surplus in the State's general fund to the School Facilities Fund Group. At June 30, 2021, this amount is recorded as grants receivable from State of Maine on the statement of net position. The amount was received in August 2021.

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 cumulative total administrative costs allowed through June 30, 2021 are $4,522,621, with $3,352,156 expended to date. The remaining amount of $1,170,465 can be used for future administrative costs.

7. School Facilities Fund Group (Continued)

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 2021 were $1,787,668.

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 is available online at www.mainepers.org or 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 or 65 (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 1.92%.

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

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 8.10% (7.35% for new hires) of their annual covered salary to the Plan in fiscal 2021. The Bond Bank's payroll for the year ended June 30, 2021 for employees covered by the Plan was approximately $1,299,000, 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, 2021, 2020 and 2019 were approximately $131,200, $116,400 and $119,600 (employer) and $103,000, $93,100 and $95,700 (employee), respectively.

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

At June 30, 2021, the Bond Bank reported a liability of $715,672 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, 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 pension 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, 2020, the Bond Bank's proportion was 0.18%, which was a .02% decrease from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the Bond Bank recorded pension expense of approximately $124,100 of which approximately $23,300 was recorded within the General Operating Account, approximately $62,500 was allocated to other funds and approximately $38,300 was allocated to related parties (MHHEFA and MGFA). At June 30, 2021, 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	$ 42,946	$ 7,869
Net difference between projected and actual earnings on pension plan investments	46,570	–
Changes in proportion and differences between Bond Bank contributions and proportionate share of contributions	–	39,536
Bond Bank contributions subsequent to the measurement date	131,171	–
Total	$220,687	$ 47,405

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

The above total of $131,171 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension plan will be recognized as an increase (decrease) in pension expense as follows:

Year Ended June 30	
2022	$ (43,650)
2023	6,562
2024	39,556
2025	39,643

Actuarial Methods and Assumptions

The total pension liability in the June 30, 2020 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, 2020 and June 30, 2019 are as follows:

Investment Rate of Return – 6.75% per annum for the years ended June 30, 2020 and 2019, compounded annually.

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

Salary Increases, Merit and Inflation – 2.75% plus merit component based on each employee's years of service for the year ended June 30, 2020 and 2.75% to 9.0% per year for the year ended June 30, 2019.

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, 2020 and 2019. For all recipients of disability benefits, the RP2014 Total Dataset Disabled Annuitant Mortality Tables were used for the years ended June 30, 2020 and 2019.

Cost of Living Benefit Increases – 1.91% per annum for the years ended June 30, 2020 and 2019.

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, 2020 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	7.2
Diversifiers	10.0	5.9

Discount Rate - The discount rate used to measure the collective total pension liability was 6.75% for 2020 and 2019. 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.

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

The following table shows how the Bond Bank's proportionate share of the net pension liability as of June 30, 2021 would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Bond Bank's proportionate share of the net pension liability (asset)	$1,504,054	$715,672	$70,324

Changes in net pension liability are recognized in pension expense for the year ended June 30, 2021 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 2020 and 2019 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, 2020 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.

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. 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. 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.

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

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.

Employees covered by benefit terms: At June 30, 2021, 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	18
	23

Funding Policy: The post-employment healthcare benefits are currently being funded on a pay-as-you-go basis. The Bond Bank paid approximately $32,000 in 2021, of which the retirees reimbursed the Bond Bank approximately $18,500. The Bond Bank currently provides a subsidy for the retiree's post-employment healthcare benefit which matches the payment that the State of Maine provides to its retirees. The retiree has the option to purchase insurance for their spouse, but the Bond Bank does not provide a subsidy. Retirees who do not have ten or more years of employment do not qualify for the subsidy but can purchase the post-employment healthcare benefit through the Bond Bank's Plan. No assets have been segregated and restricted to provide post-employment benefits. For the year ended June 30, 2021, the Bond Bank's average contribution rate was 2.8% of covered-employee payroll.

Net OPEB Liability

At June 30, 2021, the Bond Bank's net OPEB liability was measured as of January 1, 2021 and the total OPEB liability used to calculate the net OPEB liability was determined by utilizing a standard roll forward methodology of an actuarial valuation as of January 1, 2020. As such, there were no experience gains or losses and only assumption changes due to the update of the discount rate.

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

Actuarial Assumptions: The total OPEB liability in the January 1, 2021 and 2020 actuarial measurement 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:	8.50% applied in FY 2020 grading over 20 years to 3.28% per annum
	Pre-Medicare drug:	8.75% applied in FY 2020 grading over 20 years to 3.28% per annum
	Medicare medical:	5.00% applied in FY 2020 grading over 20 years to 3.28% per annum
	Medicare drug:	8.75% applied in FY 2020 grading over 20 years to 3.28% 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 RPEC_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, 2021 was 2.12% (rate used for the year ended June 30, 2020 was 2.74%). 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.

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, 2020	$926,907	$ –	$926,907
Changes for the year:			
Service cost	(14,764)	–	(14,764)
Interest	22,847	–	22,847
Differences between expected and actual experiences	2,584	–	2,584
Changes of assumptions	22,848	–	22,848
Contributions	–	31,697	(31,697)
Benefit payments	(31,697)	(31,697)	–
Net changes	1,818	–	1,818
Balances at June 30, 2021	$928,725	$ –	$928,725

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

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	$1,063,390	$928,725	$818,207

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	$806,133	$928,725	$1,081,036

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

For the year ended June 30, 2021, the Bond Bank recognized OPEB expense of approximately $(4,500) of which approximately $(15,300) was recorded in the general operating account, approximately $6,700 was allocated to other funds, and approximately $4,100 was allocated to related parties (MHHEFA and MGFA). At June 30, 2021, 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	$ 13,714	$ 88,058
Changes of assumptions	138,112	73,453
Bond Bank contributions subsequent to the measurement date	6,915	–
Total	$158,741	$161,511

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

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

Year Ended June 30	
2022	$ 6,000
2023	(321)
2024	(11,810)
2025	253
2026	3,108

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.

On October 29, 2020, the Bond Bank issued $44,495,000 in General Tax-Exempt Series 2020 C bonds with an average interest rate of 1.45% to in-substance defease $42,380,000 of various outstanding maturities of the 2011 C bonds. The net proceeds of approximately $44,303,000, after payment of approximately $192,000 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 $470,000 in the year ending June 30, 2021, the Bond Bank in effect reduced its aggregate debt service payments by approximately $7.5 million over the next twenty one years and obtained an economic gain (difference between the present values of the old and new debt service payments) of approximately $6.8 million. As a result of the in-substance defeasance, the Bond Bank will reduce future debt service requirements of borrowers by approximately $6.1 million over a period of twenty one years.

At June 30, 2021, the remaining balances of the General Tax-Exempt Fund Group in-substance defeased bonds related to these advanced refundings total approximately $42,380,000.

On February 28, 2020, a borrower deposited $1,410,000 into a trust to in-substance defease a total of $1,305,000 from 2001D, 2002F, and 2005D General Tax-Exempt Fund Group series bonds. The proceeds were used to purchase U.S Treasury obligations which will provide for all future debt service payments on the defeased bonds. The related bonds payable and loans receivable from governmental units of $1,305,000 have been removed from the Bond Bank's financial statements. At June 30, 2021, the remaining balances of these in-substance defeased bonds total $900,000.

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.

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 and certificates of deposit: Fair value approximates the relative book values at June 30 as these financial instruments generally have short maturities.

Guaranteed Investment Contracts and Collateralized Repurchase Agreements: 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.

10. Fair Value Measurements (Continued)

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, 2021. There were no Level 3 investments as of June 30, 2021.

	Level 1	Level 2	Total
General Operating Account			
Cash equivalents	$ 6,162,045	$ –	$ 6,162,045
U.S. Government obligations	–	4,042,130	4,042,130
U.S. Government-sponsored enterprises	–	1,515,015	1,515,015
	$ 6,162,045	$ 5,557,145	$ 11,719,190
General Tax-Exempt Fund Group			
Cash equivalents	$51,012,439	$ –	$ 51,012,439
U.S. Government obligations	–	2,322,620	2,322,620
U.S. Government-sponsored enterprises	–	10,765,627	10,765,627
U.S. Treasury strips	–	17,677,262	17,677,262
U.S. Government-sponsored enterprise strips	–	119,269,671	119,269,671
Guaranteed investment contracts	–	6,004,942	6,004,942
	$51,012,439	$ 156,040,122	$ 207,052,561
Transportation Infrastructure Fund Group			
Cash equivalents	$40,290,433	$ –	$ 40,290,433
U.S. Treasury strips	–	8,322,942	8,322,942
	$40,290,433	$ 8,322,942	$ 48,613,375
Qualified School Construction Fund Group			
Cash equivalents	$ 5,763,426	$ –	$ 5,763,426
U.S. Government obligations	–	14,779,595	14,779,595
	$ 5,763,426	$ 14,779,595	$ 20,543,021

10. Fair Value Measurements (Continued)

	Level 1	Level 2	Total
Liquor Operation Revenue Fund Group			
Cash equivalents	$58,510,382	$ –	$ 58,510,382
U.S. Government obligations	–	2,999,730	2,999,730
U.S. Treasury strips	–	1,492,543	1,492,543
	$58,510,382	$ 4,492,273	$ 63,002,655
Sewer and Water Fund Groups			
Revolving Loan Fund Group – Clean Water:			
Cash equivalents	$95,255,596	$ –	$ 95,255,596
U.S. Government obligations	–	76,792,620	76,792,620
Certificates of deposit	–	12,025,795	12,025,795
Guaranteed investment contracts	–	696,758	696,758
Collateralized repurchase agreements	–	641,798	641,798
	$95,255,596	$ 90,156,971	$ 185,412,567
Revolving Loan Fund Group – Drinking Water:			
Cash equivalents	$19,385,083	$ –	$ 19,385,083
U.S. Government obligations	–	9,999,300	9,999,300
U.S. Government-sponsored enterprises	–	2,158,581	2,158,581
	$19,385,083	$ 12,157,881	$ 31,542,964
Operating Fund Group:			
Cash equivalents	$ 6,082,089	$ –	$ 6,082,089
U.S. Government obligations	–	1,179,913	1,179,913
	$ 6,082,089	$ 1,179,913	$ 7,262,002
School Facilities Fund Group			
Cash equivalents	$ 5,071,658	$ –	$ 5,071,658
U.S. Government obligations	–	12,848,059	12,848,059
U.S. Government-sponsored enterprises	–	8,230,044	8,230,044
	$ 5,071,658	$ 21,078,103	$ 26,149,761

11. Property and Equipment

Property and equipment is comprised of the following at June 30, 2021:

Land and improvements	$ 85,241
Buildings and improvements	2,696,200
Equipment	468,405
	3,249,846
Accumulated depreciation	(2,063,618)
Total property and equipment	$ 1,186,228

Depreciation expense of $127,139 was recorded for the year ended June 30, 2021.

12. Subsequent Events

On July 21, 2021, the Bond Bank issued $35,070,000 in Transportation Infrastructure Revenue Refunding Series 2021 A bonds with an average interest rate of 5% to in-substance defease $43,665,000 of various outstanding maturities of the 2011 A bonds. The net proceeds of approximately $44,605,000, including $7,064,800 of premium and $2,900,000 released from debt service reserve funds, and after payment of 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 defeased bonds. All savings as a result of this refunding bond will inure to the State of Maine.

MAINE MUNICIPAL BOND BANK

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

Participating Local District Plan

Last 7 Fiscal Years*

	2021	2020	2019	2018	2017	2016	2015
Bond Bank's proportion of the net pension liability	0.18%	0.20%	0.20%	0.21%	0.22%	0.21%	0.20%
Bond Bank's proportionate share of the net pension liability	$ 715,672	$ 597,603	$ 545,417	$ 849,688	$1,149,720	$ 665,764	$ 305,668
Bond Bank's covered-employee payroll	1,299,000	1,163,000	1,196,000	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	55.1%	51.4%	45.6%	73.7%	102.7%	58.4%	27.9%
Plan fiduciary net position as a percentage of the total pension liability	88.4	90.6	91.1	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, CONTRIBUTIONS, AND RELATED RATIOS

Last Four Fiscal Years

	2021	2020	2019	2018
Total OPEB liability:				
Service cost	$ (14,764)	$ 24,216	$ 27,509	$ 22,066
Interest	22,847	34,295	30,617	29,421
Change in benefit terms	2,584	(17,677)	–	–
Difference between expected and actual experience	–	(85,078)	–	26,607
Changes of assumptions	22,848	133,372	(78,588)	54,026
Benefit payments	(31,697)	(13,746)	(13,770)	(13,776)
Net change in total OPEB liability	1,818	75,382	(34,232)	118,344
Total OPEB liability – beginning	926,907	851,525	885,757	767,413
Total OPEB liability – ending (a)	928,725	926,907	851,525	885,757
Plan fiduciary net position:				
Contributions – employer, contractually required	31,697	13,746	13,770	13,776
Benefit payments	(31,697)	(13,746)	(13,770)	(13,776)
Administrative expenses	–	–	–	–
Net change in plan fiduciary net position	–	–	–	–
Plan fiduciary net position – beginning	–	–	–	–
Plan fiduciary net position – ending (b)	–	–	–	–
Net OPEB liability – ending (a) – (b)	$ 928,725	$ 926,907	$ 851,525	$ 885,757
Plan fiduciary position as a percentage of the total OPEB liability	– %	– %	– %	– %
Covered-employee payroll	$1,120,100	$1,120,100	$1,137,400	$1,137,400
Net OPEB liability as a percentage of covered-employee payroll	82.9%	82.8%	74.9%	77.9%
Contributions as a percentage of covered-employee payroll	2.8%	1.2%	1.2%	1.2%

MAINE MUNICIPAL BOND BANK

SCHEDULE OF THE BOND BANK'S PENSION CONTRIBUTIONS

Participating Local District Plan

Last 10 Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	$ 131,171	$ 116,353	$ 119,597	$ 110,632	$ 106,367	$ 101,538	$ 85,296	$ 68,861	$ 53,387	$ 46,976
Contributions in relation to the contractually required contribution	(131,171)	(116,353)	(119,597)	(110,632)	(106,367)	(101,538)	(85,296)	(68,861)	(53,387)	(46,976)
Contribution deficiency (excess)	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –
Bond Bank's covered-employee payroll	$1,299,000	$1,163,000	$1,196,000	$1,152,000	$1,120,000	$1,141,000	$1,094,000	$1,059,000	$1,007,000	$1,068,000
Contributions as a percentage of covered-employee payroll	10.10%	10.00%	10.00%	9.60%	9.50%	8.90%	7.80%	6.50%	5.30%	4.40%

Maine Municipal Bond Bank

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