

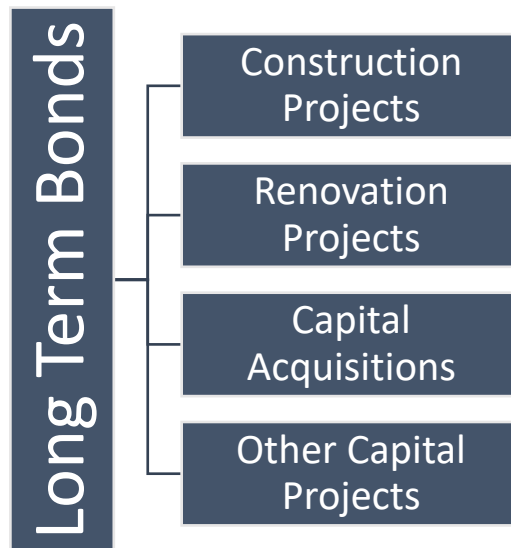


Making a Difference for Maine Communities

www.mmbb.com

Financial Application Instructions

For General Bond Resolution Borrowers



Program Officer:

Toni Reed ext. 213

e-mail: treed@mmbb.com

Program Assistant:

Makenzie Carlow ext. 208

e-mail: mcarlow@mmbb.com

127 Community Drive, Augusta, ME 04330
1-800-821-1113 207-622-9386 Fax: 207-623-5359

General Instructions

Applications are accepted year-round without cost of obligation. To be included in a particular bond issue, the complete application and supporting documents must be submitted by the application deadline on the sale schedule. Applications for the Spring Issue are generally due the first of February and proceeds are wired to the borrower's designated account by the end of May. Applications for the Fall Issue are generally due the first of August and proceeds are wired by first of November. To obtain a copy of the upcoming Bond Issue Schedule, please visit our website – www.mmbb.com.

For school district applications, where the proposed debt is backed by a general obligation pledge of the municipality or municipalities in the district, both district and municipal financial information are required. Each municipality being served by the school district must provide their most recent audited financial report and fill out the Tax Information and Economic Information pages of the Application. The School District should attach all municipal data and information with the completed Application.

For water or sewer district applications, where the proposed debt will be repaid from user fees (without a General Obligation pledge), the district will need to complete a different application entitled - Financial Application for Revenue Borrowers. Please visit our website <https://www.mmbb.com/programs/general-resolution-program/>

Once the application is complete, email completed application with all required attachments to treed@mmbb.com. If you would prefer to mail the completed application you may do so to the attention of: Toni Reed, Program Officer, Maine Municipal Bond Bank, 127 Community Drive Augusta, ME 04330.

General Information

Please provide the municipality's name and address (A) along with the Chief Administrative Officer's name and contact information (B). Please provide the name, title, and contact information of the person most knowledgeable about the proposed project detailed in this application (C). This person may be contact by the Bond Bank if there are any question regarding this application.

Please provide the name, title, and contact information of the person most knowledgeable about the billing for the referenced project (D).

Please describe the overall Project that will be paid for With the General Bond Resolution loan proceeds (E).

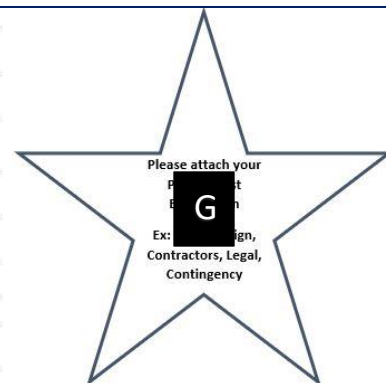
| | | | |
|--|------------------------------|-------------------------------|---------------------------------------|
| Name of Applicant | | | |
| Mailing Address | | | |
| Physical Address | | | |
| | Chief Administrative Officer | Contact Person (if different) | Billing Contact Person (if different) |
| Name | | | |
| Title | | | |
| Telephone | | | |
| Fax | | | |
| Email | | | |
| Purpose of Borrowing: (Please type in a detailed reason for borrowing or attach a separate page with description) <i>If refinancing debt, please include original purpose of loan amortization schedule.</i> | | | |
| | | | |

Funding & Project Costs

Please include the total amount of the project to be paid for with the General Bond Resolution loan proceeds request in this application. Then indicate what sources the remaining cost of the project will come from, which include: Federal Grants or Loan, State Grants or Loans, Other Sources, or the Application's contribution (F).

Please attach a Project Cost Breakdown for all costs associated with projects, as applicable to the example following categories: Land, Design, Contractors, Legal, Contingency, And Other costs. Please contact architects, engineers, contractors, and bond counsel for estimates of these costs (G).

| Source of Funds | |
|--|----|
| Amount Requested from Bond Bank (this application) | \$ |
| Federal grant or loan- <i>Specify</i> | \$ |
| State grant or loan- <i>Specify</i> | \$ |
| Applicant's share | \$ |
| Other- <i>Specify</i> | \$ |
| Other- <i>Specify</i> | \$ |
| Other- <i>Specify</i> | \$ |
| Total Source of Funds | \$ |



Bond Counsel

Using the drop-down menus, please provide the attorney's name, firm's name, address, telephone, and fax number of the local bond counsel that you have hired to provide a legal opinion (H). An applicant will need to hire local bond counsel with expert knowledge of bond procedures and related state and federal regulations. An applicant will work closely with their bond counsel when determining the necessary approval to incur debt under the General Bond Resolution Program. For a list of approved Bond Counsel, please visit the Bond Bank's website at <https://www.mmbb.com/programs/general-resolution-program/>

Bond Counsel Information: (see approved list at <https://mmbb.com/BondCounsel.aspx>)
 Dropdown menu
 Bond Counsel: Please Select Please Select
 Telephone: Please Select Email: Please Select
 Mailing Address: Please Select

Authorization

The Form of Authorization (I) depends on the structure of the governmental entity requesting a General Bond Resolution Program loan. The applicant may begin the approval process before submitting the application to the Bond Bank. However, local authorization must be completed before mid-April for the Spring Issue and mid-September for the Fall issue.

Amount Authorized and Date of Authorization (I) – Indicate the amount that was approved by the authorizing vote. Applicants may apply before local authorization, although Board approval will be contingent upon its receipt. If local authorization is pending, please indicate the expected approval date. Otherwise, indicate the date your governing body approved the amount authorized.

Form of Authorization: Referendum Council Town Meeting Other
 Amount Authorized: \$ _____ Date of Authorization: ____/____/____
 Project Bid Date*: ____/____/____ Expected Commission Date: ____/____/____
 Has bond counsel reached a preliminary determination that the interest on your bond will be exempt from federal income taxes? Yes No
 * Bids on projects need to be received prior to pricing to ensure proper bond pricing amounts

Maturity Schedule

From the drop-down list, select the loan term (J). Please select the number of years you wish to repay this loan. However, please keep in mind that the loan term cannot exceed the useful life of the project. The minimum loan term is typically 5 years, and the maximum term is 30 years. The Bond Bank could do less than 5 years but no longer than 30 years.

How many years do you want to borrow for? Choose **J** item.

Please check a box for this loan structure (K).

1. Level Principal payments are annual principal payments that remain the same, however interest payments decrease each year creating lower annual debt service payments throughout the life of the loan.
2. Level Principal and interest Payments are annual total debt payments that remain the same each year creating level annual debt service payments throughout the life of the loan.

Level principal payments **K**
Level principal and interest payments



Multiple Projects (L) – It is possible for an applicant to apply for more than one project using a single application. If applying for multiple projects, please provide a maturity/repayment schedule for each project and indicate whether the projects should be treated as separate loans or an aggregate loan.

If you have more than one project, please **L**ate how you would like them to be treated:
 Separate Loans Aggregate Loans

Please be sure to provide an anticipated spend down schedule of loan proceeds in the extra space or on an attached sheet.

Financial Information

It is very important to include the 3 most recent financial audit reports with your application.

Please answer the first two questions (M) by checking the yes or no box. These questions are related to the current fiscal year.

If you answer yes, please explain further in the provided boxes.

If you answer no, please move on to the next set of questions. If you answer yes to any question(s), please explain further into detail.

Current fiscal year:

Any anticipated financial changes in the current unaudited fiscal year from previous? Yes No

If so, please explain:

M

Any anticipated financial changes in the next fiscal year? Yes No

If so, please explain:

Debt Information

Please answer the first three questions (N) by writing yes or no. These questions are related to any new debt or possible upcoming debt.

If you answer yes, please explain further in the provided boxes.

If you answer no, please move on to the next set of questions.

Any new debt secured since your last audit?
If so, please provide explanation and debt schedule if outside of MMBB.

Any approved debt not issued yet?
If so, please briefly explain:

N

Any anticipated large projects in the next two years?

If you have any outstanding debt outside of MMBB, please attach the debt schedule(s).

Tax Information

Tax Rate and Collections (O) – Beginning with the most recent fiscal year and 4 previous fiscal years, provide information regarding the municipality’s tax rate, taxes billed, dollar and percentages of taxes collected by fiscal year end, as well as dollar and percentage of taxes collected in the second year.

TAX INFORMATION (RSU's/MSAD's must complete for each City/Town in the District)

Tax Rate and Tax Collections

| Fiscal Year | Tax Rate <i>(Per \$1,000 of Assessed Value)</i> | = Total Taxes Billed | Collected by End of Fiscal Year | | Collected by End of Second Year | |
|-------------|--|----------------------|---------------------------------|---------------|---------------------------------|---------------|
| | | | Dollar Amount | % of Tax Levy | Dollar Amount | % of Tax Levy |
| | | | | % | | % |
| | | | O | % | | % |
| | | | | % | | % |
| | | | | % | | % |
| | | | | % | | % |
| | | | | % | | % |

Property Valuations (P) – Identify the local assessed value by adding together real estate and personal property valuations. If the applicant does not know the State Assessed Value, the Bond Bank can obtain this information, on the applications behalf. Please include the year of the municipality’s most recent valuation assessment.

Property Valuations (SAD's to complete for each City/Town in the District)

| Year Ending <i>(Most Recent Year)</i> | Local Assessed Value <i>(Real Estate and Personal Property)</i> | = State Assessed Value |
|--|--|------------------------|
| / / | P | |

Date of Last Re-evaluation: ___/___/___

Composition of Tax Base: Please provide current fiscal year estimates for the following:

Commercial and Industrial ___% Residential ___%

Tax Due Dates: ___/___/___

Penalties and/or interest charged on overdue taxes: _____

Basis of Accounting (check one) Cash Modified Accrual Full Accrual

Date of last re-evaluation, composition of Tax Base, Tax Due Dates, and Basis of Accounting
– Please complete with current information.

Economic Information

Please provide information regarding the 5 largest taxpayers of the municipality. In the column entitled, “% of Total Assessed Value”, please calculate the percentage rate of the taxpayer’s assessed value in relation to the Town or City’s assessed value (Q). Please indicate any expected changes in any of the taxpayer’s operations or financial condition (R).

List top five taxpayers with more than 10% of total assessed value:

| Taxpayer | Percentage |
|----------|------------|
| | |
| | |
| | |
| | |

Are you anticipating any changes in the largest taxpayer? Yes No
If yes, why? _____

Yes No Are any of these employers expected to make major changes in workforce or operations?
If yes, why? _____

Check off any factors that have occurred since the date of the most recent audited financial statements that would significantly affect your revenue, expenditures, or overall financial conditions (S).

If there is a pending litigation in, the Applicant should obtain a detailed explanation from their attorneys.

Yes No Are there any other factors that have occurred since the date of the last annual report or financial statements that would significantly affect your revenue, expenditures, or overall financial condition?
If yes, please list: _____

Yes No Is there pending litigation, not covered by insurance, that is significant or material that could impact your financial condition? *If yes, please provide a statement explaining any such lawsuit.*

If there are limitations (i.e. local ordinance, statutory, or regulation) governing the amount of debt or revenues the applicant can incur, check “yes” and provide a detailed explanation (T).

Yes No Is there a place in your community or pending before the governing body, a limitation on the ability of governmental unit to raise, through taxes or rates, or expend from revenue, funds necessary to pay the costs incurred if you issue the debt called for in this application? *If yes, please provide a copy of the ordinance or proposed governmental unit action, explaining the possible limitation.*

Yes No Are there any limitations (e.g., local ordinance, statutory, or regulation) governing the amount of bonded or general obligation debt that you may incur?
If yes, please explain: _____

Statement of Default

Please go through the application checklist to make sure that all the documentation needed to process the application has been included (U).

By signing this statement of default, the applicant certifies that they are not in default on any outstanding loan. If a default has occurred, the applicant will need to provide a detailed explanation of the circumstances including the lender name, amount past due and reason for defaulting on the loan.

We hereby certify that (application's name) _____ has not defaulted on any payment of matured Principal and/or Interest. If default has occurred, please provide details on a separate page.

The applicant must enclose the following documentation with the completed application. *Please indicate whether it is enclosed or not applicable.*

| Enclosed | N/A | |
|--------------------------|--------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | One copy of each of the last three annual Audited Financial Statements. |
| <input type="checkbox"/> | <input type="checkbox"/> | Please include a YTD budget to actual report. |
| <input type="checkbox"/> | <input type="checkbox"/> | School districts (MSA's & CSD's) should include the most recent audited financial statements for each municipality within the district. |
| <input type="checkbox"/> | <input type="checkbox"/> | If the last Audited Financial Statement is more than 12 months old, please submit the most recent unaudited financial statement. As well as a statement to why the audit is not final and when it will become finalized. |

NOTE: THE BOND BANK MAY ASK FOR EXTRA ITEMS SUCH AS A BUDGET, TRIAL BALANCE STATEMENTS, REVENUE & EXPENSE REPORTS, ETC.

Any material facts that amplify the financial effect on the community not requested in this application should be noted here: _____

The facts and representations in this application form are from the official records of this unit and are correct in all material aspects to the best of our knowledge.

Chief Administrative Officer: _____
(name)

Signature: _____ Date: _____

Miscellaneous

Completed financial applications will be reviewed at the next meeting of the Bond Bank’s Board of Commissioners, which typically occurs each month. If approved, the Bond Bank will issue a Letter of Commitment to the applicant. The approval is valid for one year from the date appearing on the approval letter.