OFFICE OF THE STATE TREASURER
Bond Issue Update

2014 Bond Issue Overview

State of Maine
General Obligation Bonds
2014 Series A and 2014 Series B

<table>
<thead>
<tr>
<th>Sources:</th>
<th>2014 Series A (Federally Taxable)</th>
<th>2014 Series B (Tax-Exempt)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bond Proceeds:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Par Amount</td>
<td>40,045,000.00</td>
<td>72,900,000.00</td>
<td>112,945,000.00</td>
</tr>
<tr>
<td>Premium</td>
<td>61,164.45</td>
<td>14,679,883.50</td>
<td>14,741,047.95</td>
</tr>
<tr>
<td></td>
<td>40,106,164.45</td>
<td>87,579,883.50</td>
<td>127,686,047.95</td>
</tr>
<tr>
<td>True Interest Cost (TIC)</td>
<td>.96%</td>
<td>2.03%</td>
<td></td>
</tr>
</tbody>
</table>

2014 State GO Bond Rating Overview

Moody's revises Maine's outlook to stable from negative, affirms Aa2 GO rating and other related ratings (Current Rating: Aa2, Stable Outlook; Previous Rating: Aa2 Negative Outlook) 6.4.14

STRENGTHS
- Conservative debt structure
- Modestly improving revenue trends
- Significant pension and OPEB reforms

CHALLENGES
- Negative available fund balance restricts financial flexibility
- Large pension liability relative to revenues will pressure future budgets
- Weak General Fund liquidity
- Weak demographic trends that will limit economic improvement

S&P: Maine's 2014A&B General Obligation Bonds Assigned 'AA' Rating; Other Ratings Affirmed (Current rating: AA, Stable Outlook; Affirmed) 6.6.14

STRENGTHS
- Rapid debt amortization, with a strong legal framework for debt repayment; and
- Access to a large cash pool, which provides additional liquidity for the general fund.

CHALLENGES
- An accumulated unreserved general fund deficit, although this improved in fiscal 2013 due to the issuance of debt to retire liabilities for unpaid Medicaid payments owed to hospitals; and
- Somewhat high levels of unfunded pension ratios at fiscal year-end 2013, although substantially improved from 2010 levels.

6.16.2014