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**FINANCIAL SECTION**  
**INDEPENDENT AUDITOR'S REPORT**  
**BASIC FINANCIAL STATEMENTS**

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# STATE OF MAINE OFFICE OF THE STATE AUDITOR

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Matthew Dunlap, CIA  
State Auditor

B. Melissa Perkins, CPA  
Deputy State Auditor

## INDEPENDENT AUDITOR'S REPORT

Honorable Members of the Legislative Council, 132<sup>nd</sup> Maine Legislature;

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information (except for blended component unit, Maine Governmental Facilities Authority, and fiduciary component unit, Maine Public Employees Retirement System) of the State of Maine, as of and for the year ended June 30, 2024, and the related notes to the financial statements. We did not audit the financial statements of the blended component unit, fiduciary component unit, or the aggregate discretely presented component units. These financial statements collectively comprise the State of Maine's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Maine, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the following component units: Efficiency Maine Trust, Finance Authority of Maine, Maine Community College System, Maine Connectivity Authority, Maine Governmental Facilities Authority, Maine Health and Higher Educational Facilities Authority, Maine Maritime Academy, Maine Municipal Bond Bank, Maine Public Employees Retirement System, Maine State Housing Authority, Maine Turnpike Authority, Midcoast Regional Redevelopment Authority, Northern New England Passenger Rail Authority, and the University of Maine System. The financial statements of these named component units represent 100 percent of the assets, net position, and revenue of the aggregate discretely presented component units; 93 percent of assets, 96 percent of net position, and 61 percent of revenue of the aggregate remaining fund information (Maine Public Employees Retirement System and Maine Governmental Facilities Authority); and 4 percent of the assets, and less than 1 percent of the net position and revenue of the governmental activities (Maine Governmental Facilities Authority) as of June 30, 2024. The financial statements of these named component units were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for these component units, is based solely on the reports of the other auditors.

### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the State of Maine and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Key Audit Matters***

We have determined that there are no key audit matters to communicate in our report.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the State of Maine's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 State of Maine's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the State of Maine’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management’s Discussion and Analysis on pages 35 to 46, and Budgetary Comparison Information, State Retirement Plans, Other Post-Employment Benefit Plans, and Information about Infrastructure Assets Reported Using the Modified Approach on pages 148 to 187, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 and other auditors 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State of Maine’s basic financial statements. The accompanying combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit and the reports of the other auditors, the combining and individual non-major fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

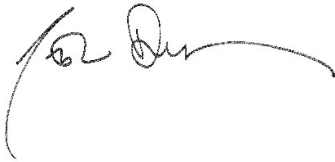
### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor’s report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2024, on our consideration of the State of Maine’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State of Maine’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State of Maine’s internal control over financial reporting and compliance.



Matthew Dunlap, CIA  
State Auditor  
Office of the State Auditor

Augusta, Maine  
December 17, 2024



# MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the State of Maine's annual financial report presents the State's discussion and analysis of financial performance during the year ended June 30, 2024. Please read it in conjunction with the transmittal letter at the front of this report and with the State's financial statements, which follow this section.

## FINANCIAL HIGHLIGHTS

Maine's economy continues to be strong, with continued population growth, ranking in the top ten nationally for total net migration. Moody's has upgraded Maine's bond rating to Aa1, which is the second highest possible rating, while Standard & Poor's has affirmed its AA long-term rating. Maine has maintained its Budget Stabilization Fund at the statutory cap, its highest level ever. The unprecedented federal fiscal and monetary policies have continued to positively impact Maine's economy, raising the volume and mix of economic activity, which is in turn driving revenues and prosperity.

This section of the State of Maine's annual financial report presents the State's discussion and analysis of financial performance during the year ended June 30, 2024. Please read in conjunction with the transmittal letter at the front of this report and with the State's financial statements, which follow this section.

### Government-wide:

- The net position of Governmental Activities increased by \$458.3 million, while net position of Business-Type Activities increased by \$67.2 million. The State's assets and deferred outflows exceeded its liabilities and deferred inflows by \$3.847 billion at the close of fiscal year 2024. Of this amount \$1.325 billion was reported as negative "Unrestricted" net position. A negative balance means that it would be necessary to convert restricted assets (e.g., capital assets) to unrestricted assets if all ongoing obligations were immediately due and payable. Component units reported net position of \$4.271 billion, an increase of \$376.5 million (9.7 percent) from the previous year.

### Fund level:

- At the end of the fiscal year, the State's governmental funds reported a combined ending fund balance of \$2.960 billion, a decrease of \$66.8 million from the previous year. The General Fund's total fund balance is \$1.115 billion, a decrease of \$243.0 million from the previous year. The General Fund revenue of \$5.715 billion is a decrease of \$29.3 million from the prior year, primarily due to a decrease in miscellaneous revenue of \$54.3 million. The General Fund expenses of \$5.254 billion is an increase of \$731.5 million from the prior year, primarily due to an increase in health & human services program expense of \$400.4 million. General Fund revenue exceeded expenses by \$461.9 million. The Other Special Revenue Fund total fund balance is \$1.563 billion, an increase of \$209.7 million from the prior year. The Other Special Revenue fund revenue of \$938.9 million is an increase of \$20.5 million from the prior year. The Other Special Revenue fund expenses of \$1.570 billion is a decrease of \$592.6 million from the prior year. This was due primarily to a decrease in governmental support & operations expense of \$560.5 million.
- The proprietary funds reported net position at year-end of \$1.207 billion, an increase of \$144.9 million from the previous year. The increase is the net result of an increase in two Enterprise Funds, the Employment Security Fund of \$55.6 million and Ferry Service Fund of \$15.2 million and increases in three Internal Service Funds, the Retiree Health Insurance Fund, the Employee Health and Benefit Fund and the Information Services Fund by \$10.2 million, \$26.8 million and \$24.3 million, respectively.

### Long-term Debt:

- The State's liability for general obligation bonds decreased by \$119.0 million during the fiscal year, which represents the difference between new issuances and payments of outstanding debt. During the year, the State did not issue any new general obligation bonds and made principal payments of \$119.0 million.

Additional information regarding the government-wide, fund level, and long-term debt activities can be found beginning on page 38.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is an introduction to the State of Maine's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

### Government-wide Statements

The government-wide statements report information about the State as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position presents all of the State's assets, deferred outflows, liabilities and deferred inflows with the difference between the two reported as net position. Over time, increases and decreases in net position are an indicator of whether the financial position is improving or deteriorating.

The Statement of Activities presents information showing how the State's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying events giving rise to the change occur, regardless of the timing of related cash flows. Therefore, revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused leave).

Both government-wide statements report three activities:

*Governmental activities* - Most basic services, such as health and human services, education, governmental support and operations, justice and protection, and transportation are included in this category. The Legislature, Judiciary and the general operations of the Executive departments fall within the Governmental Activities. Income taxes, sales and use taxes, and State and federal grants finance most of these activities.

*Business-type activities* - The State charges fees to customers to help cover all, or most of, the costs of certain services it provides. Operating costs not covered by customer fees are subsidized by the General Fund. Lottery tickets, Ferry Services, and the State's unemployment compensation services are examples of business-type activities.

*Component units* - Although legally separate, component units are important because the State is financially accountable for these entities. The State has one "blended" component unit, the Maine Governmental Facilities Authority (MGFA) with Governmental Activities as described above. Maine reports 12 other component units (7 major and 5 non-major) as discretely presented component units of the State, and one component unit is reported with the State's fiduciary funds. Complete financial statements of the individual component units may be obtained directly from their respective administrative offices as shown in Note 1 A to the financial statements.

Government-wide statements are reported utilizing an economic resources measurement focus and full accrual basis of accounting. The following summarizes the impact of the transition from modified accrual to full accrual accounting:

- Capital assets used in governmental activities are not reported on governmental fund statements but are included on government-wide statements.
- Certain tax revenues that are earned, but not available, are reported as revenues in the Governmental Activities, but are reported as deferred inflows on the governmental fund statements.
- Other long-term assets that are not available to pay for current period expenditures are recorded as deferred outflows in governmental fund statements, but not deferred on the government-wide statements.
- Internal service funds are reported as Governmental Activities in the government-wide statements, but reported as proprietary funds in the fund financial statements.
- Governmental fund long-term liabilities, such as certificates of participation, net pension liabilities, compensated absences, bonds and notes payable, and others appear as liabilities only in the government-wide statements.
- Capital outlay spending results in capital assets on the government-wide statements, but is recorded as expenditures on the governmental fund statements.



- Proceeds from bonds, notes and other long-term financing arrangements result in liabilities on the government-wide statements, but are recorded as other financing sources on the governmental fund statements.
- Net position balances are allocated as follows:
  - *Net Investment in Capital Assets* are capital assets, net of accumulated depreciation, and reduced by outstanding balances for bonds, notes, and other debt attributed to the acquisition, construction or improvement of those assets.
  - *Restricted Net Position* are those with constraints placed on the use by external sources (creditors, grantors, contributors, or laws or regulations of governments) or imposed by law through constitutional provisions or enabling legislation.
  - *Unrestricted Net Position* is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that do not meet any of the above restrictions.

## **Fund Financial Statements**

The fund financial statements provide more detailed information about the State’s most significant funds. Funds are fiscal and accounting entities with self-balancing sets of accounts that the State uses to keep track of specific revenue sources and spending for particular purposes. The State’s funds are divided into three categories – governmental, proprietary, and fiduciary – and use different measurement focuses and bases of accounting.

*Governmental funds:* Most of the basic services are included in governmental funds, which generally focus on how money flows into and out of those funds and the balances left at year-end that are available for future spending. The governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the programs of the State. The governmental fund statements focus primarily on the sources, uses, and balance of current financial resources and often have a budgetary orientation. These funds are reported using a flow of current financial resources measurement focus and the modified accrual basis of accounting. Because this information does not encompass the additional long-term focus of the government-wide statements, a separate reconciliation provides additional information that explains the relationship (or differences) between them. The governmental funds consist of the General Fund, special revenue, capital projects, and permanent funds.

*Proprietary funds:* When the State charges customers for the services it provides, whether to outside customers or to other agencies within the State, these services are generally reported in proprietary funds. Proprietary funds (enterprise and internal service) apply the accrual basis of accounting utilized by private sector businesses. Enterprise funds report activities that provide supplies and services to the general public. An example is the State Lottery Fund. Internal service funds report activities that provide supplies and services to the State’s other programs and activities – such as the State’s Postal, Printing and Supply Fund. Internal service funds are reported as Governmental Activities on the government-wide statements.

*Fiduciary funds:* The State is the trustee or fiduciary for assets that belong to others. The State is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. These funds include pension and other employee benefit trusts administered by the Maine Public Employees Retirement System, a component unit, private-purpose trusts, and custodial funds. Fiduciary funds are reported using the accrual basis of accounting. The State excludes these activities from the government-wide financial statements because these assets are restricted in purpose and do not represent discretionary assets of the State to finance its operations.

## **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 both the government-wide and fund financial statements.

## Required Supplementary Information

The required supplementary information includes budgetary comparison schedules for the General Fund and major special revenue funds. Also included are notes and a reconciliation of fund balance from the budgetary basis to fund balance determined according to generally accepted accounting principles. This section also includes information regarding the State's pension plans and other post-employment benefit trust funds and condition and maintenance data regarding certain portions of the State's infrastructure.

## Other Supplementary Information

Other supplementary information includes combining financial statements for non-major governmental, proprietary, and fiduciary funds. These funds are added together, by fund type, and presented in single columns in the basic financial statements. Budgetary comparison schedules by agency are also included for the general fund, the highway fund, federal funds, and other special revenue fund.

## FINANCIAL ANALYSIS OF THE STATE AS A WHOLE

The State's net position increased by \$525.6 million to \$3.847 billion over the course of fiscal year ended June 30, 2024, as detailed in Tables A-1 and A-2. Though the change in net position is positive for the year, it is \$376.6 million less (not including the special item impact from the prior year) than the net position increase in fiscal year 2023. Current year revenue decreased by \$4.5 million and current year expenses increased by \$372.2 million, primarily due to an increase in education and health & human services of \$698.9 million, while governmental support decreased by \$395.2 million.

**TABLE A-1: CONDENSED STATEMENT OF NET POSITION**  
(Expressed in Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023*	2024	2023*	2024	2023*
<b>Current and other noncurrent assets</b>						
Current and other assets	\$ 4,709,984	\$ 5,184,235	\$ 839,481	\$ 796,560	\$ 5,549,465	\$ 5,980,795
Long-term assets	1,811,568	962,725	10,390	4,295	1,821,958	967,020
Current and other noncurrent assets	6,521,552	6,146,960	849,871	800,855	7,371,423	6,947,815
Total capital and right to use assets, net	5,229,853	5,080,341	80,658	64,696	5,310,511	5,145,037
Total Assets	11,751,405	11,227,301	930,529	865,551	12,681,934	12,092,852
Deferred Outflows of Resources	1,051,068	1,550,175	5,988	7,300	1,057,056	1,557,475
Current liabilities	2,753,754	2,587,995	53,295	51,987	2,807,049	2,639,982
Non-current liabilities	5,200,925	6,281,881	20,199	27,567	5,221,124	6,309,448
Total Liabilities	7,954,679	8,869,876	73,494	79,554	8,028,173	8,949,430
Deferred Inflows of Resources	1,857,540	1,375,680	6,316	3,833	1,863,856	1,379,513
Net Position (Deficit)						
Net Investment in Capital Assets	4,099,173	3,916,854	80,658	64,696	4,179,831	3,981,550
Restricted	226,579	166,741	765,421	709,846	992,000	876,587
Unrestricted (deficit)	(1,335,498)	(1,551,675)	10,628	14,922	(1,324,870)	(1,536,753)
Total Net Position	\$ 2,990,254	\$ 2,531,920	\$ 856,707	\$ 789,464	\$ 3,846,961	\$ 3,321,384

\* As restated

The State's fiscal year 2024 revenues totaled \$13.586 billion. (See Table A-2) Taxes and Operating grants and contributions accounted for most of the State's revenue by contributing 45.9 percent and 40.3 percent, respectively. The remainder came from charges for services and other miscellaneous sources.

The total cost of all programs and services totaled \$13.060 billion for the year 2024. (See Table A-2) These expenses are predominantly (69.8 percent) related to health & human services and education activities. The State's governmental support & operations activities accounted for 6.3 percent of total costs. Though net position increased by \$525.6 million, it is \$376.6 million less (not including the special item impact) than last years increase, primarily due to an increase in education and health & human services program expense and a decrease in governmental support.

**TABLE A-2: CONDENSED STATEMENT OF ACTIVITIES**  
(Expressed in Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023*	2024	2023*	2024	2023*
<b>Revenues:</b>						
Program Revenues:						
Charges for Services	\$ 627,816	\$ 609,580	\$ 857,403	\$ 832,440	\$ 1,485,219	\$ 1,442,020
Operating grants and contributions	5,451,288	5,689,721	21,570	11,507	5,472,858	5,701,228
General Revenues:						
Taxes	6,238,732	6,050,729	-	-	6,238,732	6,050,729
Other	388,871	396,177	-	-	388,871	396,177
<b>Total Revenues</b>	<b>12,706,707</b>	<b>12,746,207</b>	<b>878,973</b>	<b>843,947</b>	<b>13,585,680</b>	<b>13,590,154</b>
<b>Expenses:</b>						
Governmental Activities:						
Governmental Support	825,001	1,220,177	-	-	825,001	1,220,177
Education	2,783,638	2,439,809	-	-	2,783,638	2,439,809
Health & Human Services	6,329,698	5,974,642	-	-	6,329,698	5,974,642
Justice & Protection	684,160	691,174	-	-	684,160	691,174
Transportation Safety	902,085	767,090	-	-	902,085	767,090
Economic Development & Workforce Training	328,794	468,971	-	-	328,794	468,971
Other	474,230	431,446	-	-	474,230	431,446
Interest Expense	48,096	47,790	-	-	48,096	47,790
Business-type Activities:						
Employment Security	-	-	119,895	97,758	119,895	97,758
Lottery	-	-	343,962	333,848	343,962	333,848
Alcoholic Beverages	-	-	191,706	190,456	191,706	190,456
Other	-	-	28,838	24,789	28,838	24,789
<b>Total Expenses</b>	<b>12,375,702</b>	<b>12,041,099</b>	<b>684,401</b>	<b>646,851</b>	<b>13,060,103</b>	<b>12,687,950</b>
Excess (Deficiency) before Special Items and Transfers	331,005	705,108	194,572	197,096	525,577	902,204
Special Items	-	(168,000)	-	-	-	(168,000)
Transfers	127,329	119,234	(127,329)	(119,234)	-	-
<b>Increase (Decrease) in Net Position</b>	<b>458,334</b>	<b>656,342</b>	<b>67,243</b>	<b>77,862</b>	<b>525,577</b>	<b>734,204</b>
Net Position, beginning of year	2,531,920	1,875,578	789,464	711,602	3,321,384	2,587,180
<b>Ending Net Position</b>	<b>\$ 2,990,254</b>	<b>\$ 2,531,920</b>	<b>\$ 856,707</b>	<b>\$ 789,464</b>	<b>\$ 3,846,961</b>	<b>\$ 3,321,384</b>

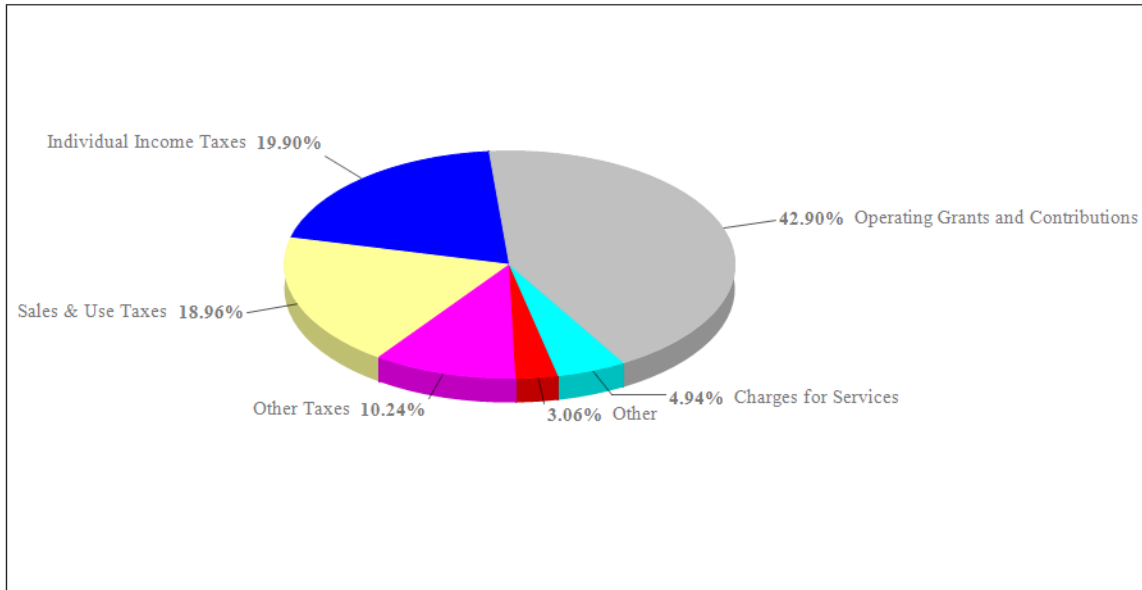
\* As Restated

## Governmental Activities

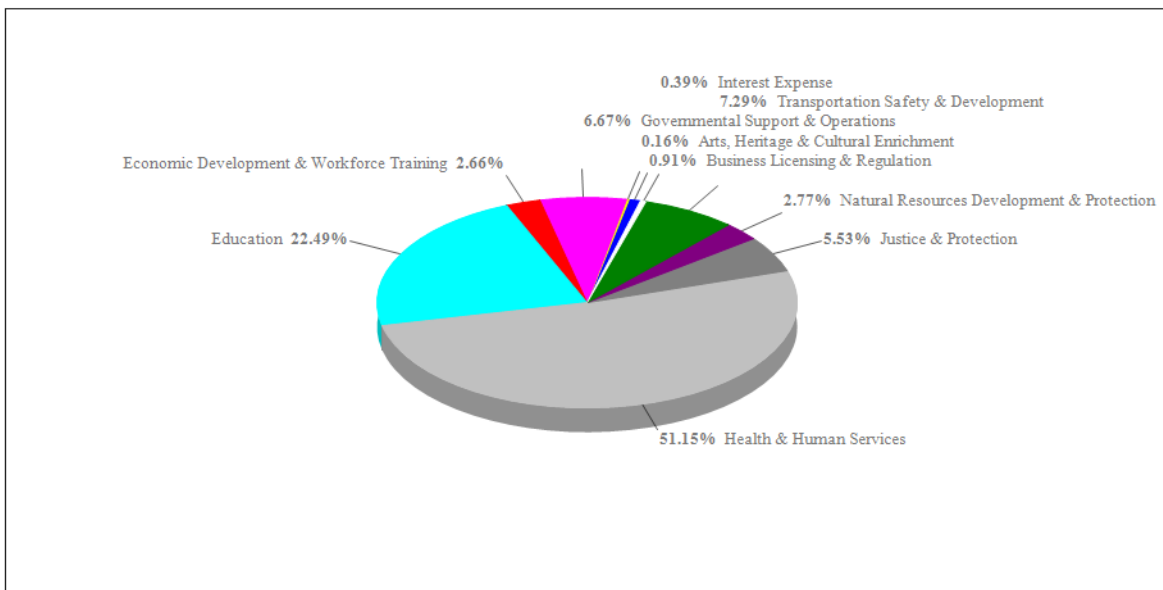
Revenues for the State's Governmental Activities totaled \$12.707 billion while total expenses equaled \$12.376 billion. The increase in net position for Governmental Activities was \$458.3 million in 2024. Though current year net position increased, it is \$366.0 million less (not including the special item impact) compared to the prior years. The change is primarily due to an increase in program expenses for education and health & human services of \$698.9 million and a decrease in governmental support expenses of \$395.2 million. In addition, the State's Business-Type Activities transfers of \$127.3 million (net) to the Governmental Activities, included statutorily required profit transfers of the Alcoholic Beverages Fund.

The users of the State's programs financed \$627.8 million of the cost. The federal and State governments subsidized certain programs with grants and contributions of \$5.451 billion. \$6.628 billion of the State's net costs were financed by taxes and other miscellaneous revenue.

**TABLE A-3: TOTAL SOURCES OF REVENUES FOR GOVERNMENTAL ACTIVITIES FOR FISCAL YEAR 2024**



**TABLE A-4: TOTAL EXPENSES FOR GOVERNMENTAL ACTIVITIES FOR FISCAL YEAR 2024**



## Business-Type Activities

Revenues for the State's Business-Type Activities totaled \$879.0 million while expenses totaled \$684.4 million. The increase in net position for Business-Type Activities was \$67.2 million 2024 due to an increase in revenues over expenses of \$55.6 million in Employment Security and an increase of \$15.2 million of transfers related to capital acquisition for Ferry Services.

Table A-5 presents the revenue of State Business-Type Activities: Employment Security, Alcoholic Beverages, Lottery, Ferry Services, Consolidated Emergency Communications and other. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs) or net revenue. The net cost shows the financial burden placed on the State's taxpayers by each of these functions.

**TABLE A-5: NET REVENUE (COST) OF BUSINESS-TYPE ACTIVITIES**  
(Expressed in Thousands)

	<u>Total Cost</u>		<u>Net Revenue (Cost)</u>	
	<u>2024</u>	<u>2023*</u>	<u>2024</u>	<u>2023*</u>
Employment Security	\$ 119,895	\$ 97,758	\$ 44,049	\$ 52,265
Alcoholic Beverages	191,706	190,456	66,145	65,643
Lottery	343,962	333,848	85,808	82,947
Ferry Services	17,310	14,761	(9,511)	(7,436)
Consolidated Emergency Communications	7,769	6,396	159	341
Other	3,759	3,632	7,922	3,336
Total	<u>\$ 684,401</u>	<u>\$ 646,851</u>	<u>\$ 194,572</u>	<u>\$ 197,096</u>

\* As restated

The cost of all Business-Type Activities this year was \$684.4 million. The users of the State's programs financed most of the cost. The State's net revenue from Business-Type Activities was \$194.6 million. Employment Security net revenue increased by \$44.0, while Alcoholic Beverages and Lottery contributed \$66.1 and \$85.8 million of net revenue, respectively. The \$127.3 million (net) transfers from the State's Business-Type Activities to the Governmental Activities included statutorily required profit transfers of the Alcoholic Beverages Fund.

## FINANCIAL ANALYSIS OF THE STATE'S FUNDS

**TABLE A-6: GOVERNMENTAL FUND BALANCES**  
(Expressed in Thousands)

	<u>2024</u>	<u>2023*</u>	<u>Change</u>
General	\$ 1,115,459	\$ 1,358,435	\$ (242,976)
Highway	40,995	17,821	23,174
Federal	6,528	21,859	(15,331)
Other Special Revenue	1,563,360	1,353,619	209,741
Other Governmental Funds	233,679	275,075	(41,396)
Total	<u>\$ 2,960,021</u>	<u>\$ 3,026,809</u>	<u>\$ (66,788)</u>

\* As restated

As of the end of the fiscal year, the State's governmental funds reported combined ending fund balances of \$2.960 billion, a decrease of \$66.8 million in comparison with the prior year. Of this total, \$55.6 million (1.9 percent) is classified as non-spendable, either due to its form or legal constraints, and \$1.094 billion (37.0 percent) is restricted for specific programs by external constraints, constitutional provisions, or contractual obligations. Unspent bond proceeds and revenue restricted for transportation, natural resources or other programs are included in restricted fund balance. At the end of fiscal year 2024, there was \$841.1 million of unassigned fund balance on the GAAP basis in the General Fund.

General Fund expenditures and other uses were greater than General Fund revenues and other sources resulting in a decrease in the fund balance of \$243.0 million. Revenues and other financing sources of the General Fund of \$5.885 billion decreased by approximately \$108.3 million (1.8 percent), as compared to fiscal year end 2023. Expenses and uses of \$6.127 billion increased by \$517.7 million (9.2 percent), as compared to the prior year.

Other Special Revenue fund revenue and other financing sources of \$1.834 billion decreased by \$300.4 million from the prior year (14.1 percent). Expenses and other uses of \$1.624 billion decreased from the prior year by \$664.9 million (29.1 percent).

## Budgetary Highlights

For the 2024 fiscal year, the final legally adopted budgeted expenditures for the General Fund amounted to \$5.362 billion, an increase of about \$488 million from the original legally adopted budget of approximately \$4.875 billion. Actual expenditures on a budgetary basis amounted to approximately \$349.5 million less than those authorized in the final budget. After deducting the encumbered obligations and other commitments that will come due in fiscal year 2024, including the budgeted starting balance for fiscal year 2024, there were funds remaining of \$75.0 million to distribute in fiscal year 2024. Actual revenues exceeded final budget forecasts by \$148.5 million. In accordance with the statute, the State Controller transferred the \$75.0 million to the Highway and Capital Program, an Other Special Revenue Funds account since the Budget Stabilization Fund was at its statutory cap of \$963.5 million. Interest earnings of \$11.2 million of interest earnings was transferred to the Irrevocable Trust Funds for Other Post-Employment Benefits. This item is further explained in Note 2 of the Financial Statements.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

By the end of fiscal year 2024, the State had roughly \$5.311 billion in a broad range of capital and right to use assets, including land, infrastructure, improvements, buildings, equipment, vehicles and intangibles. During fiscal year 2024, the State acquired or constructed more than \$297.0 million of capital, right to use and subscription based information technology assets. The most significant impact on capital assets during the year resulted from continued construction and rehabilitation of roads and bridges, and major construction and renovation of State-owned facilities. More detailed information about the State's capital assets and significant construction commitments is presented in Notes 8 and 19 to the financial statements.

**TABLE A-7: CAPITAL ASSETS**  
(Expressed in Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Land	\$ 704,080	\$ 691,494	\$ 3,926	\$ 2,426	\$ 708,006	\$ 693,920
Construction in Progress	335,204	322,807	20,385	25,661	355,589	348,468
Infrastructure	3,176,376	3,105,351	-	-	3,176,376	3,105,351
Buildings	887,863	821,621	5,268	5,261	893,131	826,882
Equipment	415,849	385,843	50,870	38,713	466,719	424,556
Improvements Other Than Buildings	117,553	114,619	60,266	49,514	177,819	164,133
Software	155,356	155,356	-	-	155,356	155,356
Total Capital Assets	5,792,281	5,597,091	140,715	121,575	5,932,996	5,718,666
Less: Accumulated Depreciation	922,289	877,158	60,057	56,879	982,346	934,037
Capital Assets, net	4,869,992	4,719,933	80,658	64,696	4,950,650	4,784,629
Right to Use Assets	272,786	262,754	-	-	272,786	262,754
Less: Accumulated Amortization	30,228	19,979	-	-	30,228	19,979
Right to Use Assets, net	242,558	242,775	-	-	242,558	242,775
Subscription Based Assets	170,660	142,014	-	-	170,660	142,014
Less: Accumulated Amortization	53,357	24,381	-	-	53,357	24,381
Subscription Based Assets, net	117,303	117,633	-	-	117,303	117,633
Capital, Right to Use and Subscription Based Assets, net	\$ 5,229,853	\$ 5,080,341	\$ 80,658	\$ 64,696	\$ 5,310,511	\$ 5,145,037

## Modified Approach for Infrastructure

As allowed by GASB Statement No. 34, the State has adopted an alternative process for recording depreciation expense on selected infrastructure assets – highways and bridges. Under this alternative method, referred to as the modified approach, the State expenses certain maintenance and preservation costs and does not report depreciation expense. Utilization of this approach requires the State to: 1) maintain an asset management system that includes an up-to-date inventory of infrastructure assets; 2) perform condition assessments that use a measurement scale and document that the infrastructure assets are being preserved at or above the condition level established; and 3) estimate the annual amounts that must be expended to preserve and maintain the infrastructure at the condition level established by the State. As long as the State meets these requirements, any additions or improvements to infrastructure are capitalized and all other maintenance and preservation costs are expensed.

Highways and bridges are included in the State’s infrastructure. There are 8,779 highway miles or 17,835 lane miles within the State. Bridges have a deck area of 12.5 million square feet among 3,033 total bridges. The State has established a policy to maintain its highways at an average condition assessment of 60. At June 30, 2024, the actual average condition was 73.1. Its policy for bridges is an average sufficiency rating condition assessment of 60. The actual average condition for bridges was 74.0 at June 30, 2024. Preservation costs for fiscal year 2024 totaled \$216.7 million compared to estimated preservation costs of \$207.0 million.

Transportation bonds, approved by referendum, are issued to fund improvements to highways and bridges. Of the amount authorized by PL 2021, Chapter 408, \$31.1 million in General Fund bonds were spent during fiscal year 2024. Of the amount authorized by PL 2019, Chapter 673, \$3.1 million in General Fund bonds were spent during fiscal year 2024.

Additional information on infrastructure assets can be found in Required Supplementary Information (RSI).

## Long-Term Debt

The State Constitution authorizes general obligation long-term borrowing, with 2/3 approval of the Legislature and ratification by a majority of the voters, and general obligation short-term notes, of which the principal may not exceed an amount greater than 10 percent of all moneys appropriated, authorized and allocated by the Legislature from undedicated revenues to the General Fund and dedicated revenues to the Highway Fund for that fiscal year, or greater than 1 percent of the total valuation of the State of Maine, whichever is the lesser.

At year-end, the State had \$1.824 billion in general obligation and other long-term debt outstanding. More detailed information about the State’s long-term liabilities is presented in Note 11 to the financial statements.

**TABLE A-8: OUTSTANDING LONG-TERM DEBT**  
(Expressed in Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
<b>General Obligation</b>						
Bonds	\$ 454,295	\$ 559,370	\$ -	\$ -	\$ 454,295	\$ 559,370
Unmatured Premiums	65,312	79,270	-	-	65,312	79,270
Other Long-Term Obligations	1,300,625	1,232,681	3,284	3,627	1,303,909	1,236,308
Total	<u>\$ 1,820,232</u>	<u>\$ 1,871,321</u>	<u>\$ 3,284</u>	<u>\$ 3,627</u>	<u>\$ 1,823,516</u>	<u>\$ 1,874,948</u>

During the year, the State reduced outstanding long-term obligations by \$119.0 million for general obligation bonds and \$305.5 million for other long-term debt. Also during fiscal year 2024, the State incurred \$373.1 million of additional long-term obligations.

## Credit Ratings

The State’s credit was rated during fiscal year 2024 by Moody’s Investors Service as Aa1 with a stable outlook and by Standard & Poor’s as AA with a stable outlook.

## **FACTORS BEARING ON THE FUTURE OF THE STATE AND NEXT YEAR'S BUDGETS**

The Maine Consensus Economic Forecasting Commission (CEFC) convened on October 25, 2024, to review and revise its forecast through 2029. This meeting builds on the Commission's forecast update of February 1, 2024, incorporating the most recent updates available for all relevant baseline data.

The CEFC continued to recognize ongoing uncertainty in economic conditions in the near-term but does not anticipate a recession in its forecast. Net migration is likely to be positive in the coming years and may play a role in the future supply of, and demand for, jobs. Some of the future demand for labor may be filled through productivity gains. The CEFC noted that inflation has moderated and the Federal Reserve, in its mission to find a 'soft landing', is expected to continue pursuing policies that will constrain inflation to its target levels. Overall, employment in the health care and social assistance sector has recovered and is slightly above pre-pandemic levels. However, some subsectors – like hospitals and nursing residential care facilities – are facing labor shortages and financial struggles. Demographic changes, a possible slowdown in job openings, and global geopolitical tensions were among the key risks to continued economic growth identified by the CEFC.

The Commission's forecast for wage and salary employment was left unchanged for all forecast years based on information from the Maine Department of Labor.

The Commission revised its forecast for total personal income growth in 2024 up from 4.7% to 5.3%. The forecast for 2025 was left unchanged (4.4%). The Commission made slight upward revisions for all remaining forecast years, going from 4.3% to 4.4% in 2026, 4.2% to 4.4% in 2027, 4.2% to 4.3% in 2028, and from 4.2% to 4.3% in 2029. For all components of personal income, revisions for 2024 were informed by the growth as reported by the U.S. Bureau of Economic Analysis for the first two quarters of 2024 relative to the same period in 2023.

The forecast for wage and salary income growth was revised up for 2024 from 5.0% to 6.0%. The Commission left the rest of the forecast years unchanged.

Annual inflation according to the Consumer Price Index (CPI) was 4.1% in 2023, equivalent to the Commission's forecast for that year. The Commission left their forecast of annual inflation unchanged for all forecast years.

The forecast for corporate profits was revised upwards in 2024 from 1.0% to 9.0% based on data from the U.S. Bureau of Economic Analysis, and to more closely align with forecasts from Moody's Analytics and S&P. The Commission left the rest of the forecast years unchanged.

Maine saw continued population growth in 2023, gaining over 6,300 in population. Since 2021, Maine's total net migration rate has ranked in the top ten nationally (5th in 2021, 9th in 2022, and 9th in 2023). Most of this was driven by net domestic migration, in which Maine ranked 8th in the nation in 2023.

Maine's total personal income increased by 4.4% at a seasonally adjusted, annualized rate (SAAR) in the second quarter of 2024, following a 10.1% increase in the first quarter. Wage and salary income, the largest component of personal income, grew 4.7% in the second quarter of 2024 while dividends, interest and rent increased 1.8% (SAAR) in the second quarter and transfer receipts increased by 6.4%. Maine's growth in transfer receipts was higher than in New England (2.9%) and in the U.S. (6.1%). Meanwhile, real GDP for Maine grew to just over \$77 billion in the second quarter of 2024.

Inflation has decelerated from the high in June of 2022, but is still above the Federal Reserve's 2% target. The CPI all-items index grew by 2.4% in September before seasonal adjustment. On September 18, the Federal Reserve Federal Open Market Committee cut its target interest rate by 0.5%. This was their first rate cut since 2020.

The University of Michigan Consumer Sentiment Index was up 3.2% in September. There were improvements in all five components of the index and improvements were seen across all education groups and political affiliations. Sentiment remains below the historical average in part due to high prices, but perceptions of future inflation are becoming more optimistic. The Small Business Optimism Index, as measured by the National Federation of Independent Businesses, was down 2.7% in August, and little changed (-0.1%) from a year ago. Small business owners reported higher levels of uncertainty, while sales expectations and profit trends fell during the month. Inflation remains the top concern for business owners.

Single-family existing-home sales were up 1.7% year-over-year in August and prices continued to increase (7.5%). In the second quarter of 2024, Maine's year-over-year growth in the house price index (HPI) was 6.3% (seasonally adjusted), 23rd in the nation for year-over-year growth and last in New England.



The key assumptions made by the CEFC are:

- There is an unequal distribution of supply and demand in the labor market. Demand for labor is high (though job openings have slowed recently), supply is low, and unemployment rates are near historic lows in Maine and nationwide. Workers have experienced higher wage growth, particularly for lower wage jobs. Some demographic trends, including a growing share of the population reaching retirement age will continue to constrain labor supply. Maine’s net migration is likely to be positive in the coming years and may play a role in the future supply of, and demand for, jobs. Some of the future demand for labor may be filled through productivity gains.
- High interest rates, low supply of available properties, and ongoing in-migration are continuing to impact the housing market. Home sales remain low, while sale prices have continued to increase. Affordability is of particular concern as higher interest rates caused more potential buyers to be priced out of the market. Higher home prices have contributed to higher rental prices.
- Absent any unexpected cuts, Maine will continue to see impacts of large, federally funded infrastructure programs (including the Bipartisan Infrastructure Law and the Inflation Reduction Act) throughout the duration of the forecast. This includes potential impacts on local job markets. Federal capital infrastructure projects already begun will continue into the future.
- Inflation growth has moderated, and the Federal Reserve Open Market Committee cut interest rates in 2024 for the first time since 2020. The Federal Reserve, in its mission to find a ‘soft landing’, is expected to continue pursuing policies that will constrain inflation to its target levels.
- Overall, employment in the health care and social assistance sector has recovered and is slightly above pre-pandemic levels. However, staffing remains a concern in some subsectors – specifically in hospitals and nursing residential care facilities – as well as financial challenges.
- The availability of high-speed internet and mobile phone coverage will be an important equalizer between urban and rural areas and could contribute to the diffusion of migration across the State. The creation of the Maine Connectivity Authority and infusion of federal funding will help the successful buildout of high-speed internet. More workers have returned to the office or transitioned to hybrid work arrangements than during the peak of the pandemic.
- The strength of the U.S. dollar could pose a challenge to exporters in Maine. A high dollar also keeps energy prices high and could also affect the numbers of Canadian tourists choosing to come to Maine.
- Geopolitical tensions remain elevated and continue to pose a negative risk to the forecast.
- Climate shocks are beginning to impact some sectors of Maine’s economy, particularly hospitality; while future impacts are unknown, the Commission recognizes the potential for resulting economic changes and intends to track and consider possible implications in future forecasts.

At June 30, 2024, the State of Maine reported an ending fund balance of \$1.115 billion in the General Fund on a GAAP basis, a decrease of more than \$243.0 million since the end of fiscal year 2023. The General Fund “unassigned” fund balance on a GAAP basis at June 30, 2024 was \$0.8 billion.

There are factors that adversely affect our General Fund Balance Sheet that we should continue to strive to improve over the next several years. The primary factors that have a significant impact on the State’s Financial Statements compiled and issued in accordance with Generally Accepted Accounting Principles as applicable to governments include such items as accruing tax revenues for budgetary purposes and for financial statement purposes without accruing the offsetting liabilities for budgetary purposes and the demand from appropriations whose balances carry from year-to-year, which results in lower amounts accruing to the Unassigned Fund Balance of the General Fund. The State has eliminated the smaller tax line accruals on a budgetary basis and has made contributions to General Fund reserves a higher priority in the budget.

These actions, along with the Governor’s commitment to closing the structural gap in the budget, have resulted in strong equity and cash positions of the General Fund. Consequently, the State has enjoyed significant balances in its Treasurer’s Cash Pool and Budget Stabilization Fund and has not required external borrowing in the form of TANs or BANs for cash flow purposes.

## **CONTACTING THE STATE'S FINANCIAL MANAGEMENT**

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the finances of the State and to demonstrate the State's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact:

State of Maine  
Office of the State Controller  
14 State House Station  
Augusta, ME 04333-0014  
(207) 626-8420  
[financialreporting@maine.gov](mailto:financialreporting@maine.gov)

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# **BASIC FINANCIAL STATEMENTS**

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**STATE OF MAINE  
BASIC FINANCIAL STATEMENTS  
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**STATE OF MAINE**  
**STATEMENT OF NET POSITION**

June 30, 2024  
(Expressed in Thousands)

	<b>Primary Government</b>			<b>Component Units</b>
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	
<b>Assets</b>				
Current Assets:				
Equity in Treasurer's Cash Pool	\$ 2,200,659	\$ 14,292	\$ 2,214,951	\$ 98,101
Cash and Cash Equivalents	183	2,173	2,356	213,482
Cash with Fiscal Agent	297,659	2,224	299,883	-
Investments	169,853	-	169,853	944,153
Restricted Assets:				
Restricted Equity in Treasurer's Cash Pool	37,752	-	37,752	-
Restricted Deposits and Investments	4,052	746,776	750,828	656,994
Inventories	19,450	5,872	25,322	3,148
Receivables, Net of Allowances for Uncollectibles:				
Taxes Receivable	781,800	-	781,800	-
Settlements Receivable	29,977	-	29,977	-
Loans, Leases & Notes Receivable	1,577	-	1,577	145,834
Other Receivables	343,097	69,949	413,046	116,017
Internal Balances	1,805	(1,805)	-	-
Due from Other Governments	697,551	-	697,551	189,769
Due from Primary Government	-	-	-	20,600
Loans Receivable from Primary Government	-	-	-	39,843
Due from Component Units	93,326	-	93,326	-
Prepaid Items	31,003	-	31,003	-
Other Current Assets	240	-	240	130,258
<b>Total Current Assets</b>	<b>4,709,984</b>	<b>839,481</b>	<b>5,549,465</b>	<b>2,558,199</b>
Noncurrent Assets:				
Equity in Treasurer's Cash Pool	1,600,135	10,390	1,610,525	71,332
Investments	-	-	-	715,065
Restricted Assets:				
Restricted Equity in Treasurer's Cash Pool	27,450	-	27,450	-
Restricted Deposits and Investments	-	-	-	435,499
Pension Assets	14,113	-	14,113	-
Receivables, Net of Current Portion:				
Taxes Receivable	81,001	-	81,001	-
Settlements Receivable	78,669	-	78,669	-
Loans, Leases & Notes Receivable	4,126	-	4,126	2,552,593
Other Receivables	410	-	410	11,192
Due from Other Governments	5,664	-	5,664	1,609,723
Loans Receivable from Primary Government	-	-	-	186,928
Due from Primary Government	-	-	-	1,448
Post-Employment Benefit Assets	-	-	-	66,532
Other Noncurrent Assets	-	-	-	29,003
Capital Assets:				
Land, Infrastructure, & Other Non-Depreciable Assets	4,215,660	24,311	4,239,971	1,018,913
Buildings, Equipment & Other Depreciable Assets	654,332	56,347	710,679	1,260,648
Right to Use Assets - Leases, Net	242,558	-	242,558	63,104
Right to Use Assets - Subscriptions, Net	117,303	-	117,303	29,314
<b>Total Noncurrent Assets</b>	<b>7,041,421</b>	<b>91,048</b>	<b>7,132,469</b>	<b>8,051,294</b>
<b>Total Assets</b>	<b>11,751,405</b>	<b>930,529</b>	<b>12,681,934</b>	<b>10,609,493</b>
<b>Deferred Outflows of Resources</b>	<b>\$ 1,051,068</b>	<b>\$ 5,988</b>	<b>\$ 1,057,056</b>	<b>\$ 46,676</b>

The accompanying notes are an integral part of the financial statements.

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
<b>Liabilities</b>				
Current Liabilities:				
Accounts Payable	\$ 1,230,242	\$ 21,958	\$ 1,252,200	\$ 117,214
Accrued Payroll	65,885	1,052	66,937	5,298
Tax Refunds Payable	436,356	-	436,356	-
Due to Component Units	40,510	-	40,510	-
Due to Primary Government	-	-	-	93,326
Current Portion of Long-Term Obligations:				
Compensated Absences	11,834	150	11,984	3,744
Due to Other Governments	643,173	112	643,285	753
Amounts Held under State & Federal Loan Programs	-	-	-	39,995
Claims Payable	23,863	-	23,863	-
Bonds & Notes Payable	106,554	-	106,554	264,351
Revenue Bonds Payable	27,142	-	27,142	36,553
Lease Liabilities	8,591	-	8,591	3,287
Subscription Liabilities	18,271	-	18,271	4,106
Certificates of Participation & Other Financing Arrangements	18,444	428	18,872	-
Loans Payable to Component Unit	39,843	-	39,843	-
Accrued Interest Payable	13,164	2	13,166	39,849
Unearned Revenue	8,337	-	8,337	133,876
Other Post-Employment Benefits	877	-	877	-
Other Current Liabilities	60,668	29,593	90,261	82,997
<b>Total Current Liabilities</b>	<b>2,753,754</b>	<b>53,295</b>	<b>2,807,049</b>	<b>825,349</b>
Long-Term Liabilities:				
Compensated Absences	66,278	992	67,270	-
Due to Component Units	1,448	-	1,448	-
Due to Other Governments	-	-	-	10,594
Amounts Held under State & Federal Loan Program	-	-	-	59,884
Claims Payable	54,925	-	54,925	-
Bonds & Notes Payable	413,053	-	413,053	4,217,339
Revenue Bonds Payable	440,075	-	440,075	808,692
Lease Liabilities	243,285	-	243,285	60,883
Subscription Liabilities	79,054	-	79,054	20,739
Certificates of Participation & Other Financing Arrangements	82,092	1,714	83,806	-
Loans Payable to Component Unit	186,928	-	186,928	-
Unearned Revenue	7,245	-	7,245	16,527
Net Pension Liability	2,291,654	11,862	2,303,516	56,989
Other Post-Employment Benefits	1,295,649	5,631	1,301,280	42,727
Pollution Remediation & Landfill Obligations	39,239	-	39,239	-
Other Noncurrent Liabilities	-	-	-	56,682
<b>Total Long-Term Liabilities</b>	<b>5,200,925</b>	<b>20,199</b>	<b>5,221,124</b>	<b>5,351,056</b>
<b>Total Liabilities</b>	<b>7,954,679</b>	<b>73,494</b>	<b>8,028,173</b>	<b>6,176,405</b>
<b>Deferred Inflows of Resources</b>	<b>1,857,540</b>	<b>6,316</b>	<b>1,863,856</b>	<b>208,320</b>
<b>Net Position</b>				
Net Investment in Capital Assets	4,099,173	80,658	4,179,831	1,503,798
Restricted:				
Governmental Support & Operations	47,406	-	47,406	-
Justice & Protection	8,837	-	8,837	-
Employment Security	-	765,421	765,421	-
Other Purposes	-	-	-	2,044,733
Funds Held for Permanent Investments:				
Expendable	117,889	-	117,889	-
Nonexpendable	52,447	-	52,447	339,959
Unrestricted (deficit) Net Position	(1,335,498)	10,628	(1,324,870)	382,954
<b>Total Net Position</b>	<b>\$ 2,990,254</b>	<b>\$ 856,707</b>	<b>\$ 3,846,961</b>	<b>\$ 4,271,444</b>

Note: Restricted net position balance for Justice & Protection includes only Pension Assets.

**STATE OF MAINE**  
**STATEMENT OF ACTIVITIES**

Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)

	<b>Program Revenues</b>			
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>Primary Government:</b>				
Governmental Activities:				
Governmental Support & Operations	\$ 825,001	\$ 117,135	\$ 32,798	\$ -
Arts, Heritage & Cultural Enrichment	19,410	839	7,758	-
Business Licensing & Regulation	112,342	91,548	44,636	-
Economic Development & Workforce Training	328,794	7,249	130,821	-
Education	2,783,638	33,215	519,194	-
Health & Human Services	6,329,698	23,018	4,106,735	-
Justice & Protection	684,160	91,085	122,599	-
Natural Resources Development & Protection	342,478	115,453	95,611	-
Transportation Safety & Development	902,085	148,274	391,136	-
Interest Expense	48,096	-	-	-
Total Governmental Activities	<u>12,375,702</u>	<u>627,816</u>	<u>5,451,288</u>	<u>-</u>
Business-Type Activities:				
Employment Security	119,895	144,974	18,970	-
Alcoholic Beverages	191,706	257,851	-	-
Lottery	343,962	429,770	-	-
Ferry Services	17,310	6,799	1,000	-
Consolidated Emergency Communications	7,769	7,928	-	-
Other	3,759	10,081	1,600	-
Total Business-Type Activities	<u>684,401</u>	<u>857,403</u>	<u>21,570</u>	<u>-</u>
Total Primary Government	<u>13,060,103</u>	<u>1,485,219</u>	<u>5,472,858</u>	<u>-</u>
<b>Component Units:</b>				
Finance Authority of Maine	96,686	20,517	73,309	-
Maine Community College System	189,462	14,559	93,118	281
Maine Health & Higher Education Facilities Authority	36,059	33,137	4,142	-
Maine Municipal Bond Bank	78,334	45,480	21,209	103,207
Maine State Housing Authority	454,434	84,586	404,920	-
Maine Turnpike Authority	118,815	164,182	-	-
University of Maine System	891,479	318,876	301,904	46,412
All Other Non-Major Component Units	233,543	51,379	148,689	10,905
Total Component Units	<u>\$ 2,098,812</u>	<u>\$ 732,716</u>	<u>\$ 1,047,291</u>	<u>\$ 160,805</u>

The accompanying notes are an integral part of the financial statements.



**Net (Expenses) Revenues and  
Changes in Net Position**

**Primary Government**

Governmental Activities	Business-type Activities	Total	Component Units
\$ (675,068)	\$ -	\$ (675,068)	\$ -
(10,813)	-	(10,813)	-
23,842	-	23,842	-
(190,724)	-	(190,724)	-
(2,231,229)	-	(2,231,229)	-
(2,199,945)	-	(2,199,945)	-
(470,476)	-	(470,476)	-
(131,414)	-	(131,414)	-
(362,675)	-	(362,675)	-
(48,096)	-	(48,096)	-
<u>(6,296,598)</u>	<u>-</u>	<u>(6,296,598)</u>	<u>-</u>
-	44,049	44,049	-
-	66,145	66,145	-
-	85,808	85,808	-
-	(9,511)	(9,511)	-
-	159	159	-
-	7,922	7,922	-
<u>-</u>	<u>194,572</u>	<u>194,572</u>	<u>-</u>
<u>(6,296,598)</u>	<u>194,572</u>	<u>(6,102,026)</u>	<u>-</u>
-	-	-	(2,860)
-	-	-	(81,504)
-	-	-	1,220
-	-	-	91,562
-	-	-	35,072
-	-	-	45,367
-	-	-	(224,287)
<u>-</u>	<u>-</u>	<u>-</u>	<u>(22,570)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (158,000)</u>

**General Revenues:**

Taxes:				
Corporate Taxes	458,878	-	458,878	-
Individual Income Taxes	2,528,315	-	2,528,315	-
Fuel Taxes	248,458	-	248,458	-
Property Taxes	87,756	-	87,756	-
Sales & Use Taxes	2,409,027	-	2,409,027	-
Other Taxes	506,298	-	506,298	-
Unrestricted Investment Earnings	173,689	-	173,689	64,954
Non-Program Specific Grants, Contributions & Appropriations				452,748
Miscellaneous Income	121,925	-	121,925	18,815
Gain (Loss) on Sale of Assets	-	-	-	(96)
Tobacco and Opioid Settlements	93,257	-	93,257	-
Special Items	-	-	-	(1,965)
Transfers - Internal Activities	127,329	(127,329)	-	-
Total General Revenues and Transfers	<u>6,754,932</u>	<u>(127,329)</u>	<u>6,627,603</u>	<u>534,456</u>
Change in Net Position	458,334	67,243	525,577	376,456
Net Position - Beginning (as restated)	<u>2,531,920</u>	<u>789,464</u>	<u>3,321,384</u>	<u>3,894,988</u>
Net Position - Ending	<u>\$ 2,990,254</u>	<u>\$ 856,707</u>	<u>\$ 3,846,961</u>	<u>\$ 4,271,444</u>



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# GOVERNMENTAL FUND FINANCIAL STATEMENTS

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## MAJOR FUNDS

General Fund – This is the State's primary operating fund. Its purpose is to account for all financial resources obtained and used for general government operations, which are not required to be accounted for in another fund.

Highway Fund – This fund is used primarily to account for motor fuel tax revenues, motor vehicle license and registration fees, and special State appropriations that are legally restricted to the construction and maintenance of State highways and bridges.

Federal Fund – This fund is used to account for grants, block grants and other financial assistance received from the federal government, that are legally restricted to expenditures for purposes specified in the grant awards or agreements.

Other Special Revenue Fund – This fund is used to account for revenue sources that are legally restricted to expenditures for specified purposes, including some major capital projects that are not accounted for in the Highway and Federal Funds.

## NON-MAJOR FUNDS

Other Governmental Funds are used to account for revenue sources that are legally restricted to expenditures for specified purposes, including some major capital projects and funds held in trust for public purposes.

**STATE OF MAINE  
BALANCE SHEET  
GOVERNMENTAL FUNDS**

June 30, 2024  
(Expressed in Thousands)

	<u>General</u>	<u>Highway</u>	<u>Federal</u>	<u>Other Special Revenue</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>						
Equity in Treasurer's Cash Pool	\$ 1,645,348	\$ 60,611	\$ 495,682	\$ 1,229,340	\$ 483	\$ 3,431,464
Cash & Short-Term Investments	69	76	-	36	-	181
Cash with Fiscal Agent	5,490	2,909	-	277,990	-	286,389
Investments	-	-	-	-	169,853	169,853
Restricted Assets:						
Restricted Equity in Treasurer's Cash Pool	-	-	-	-	65,202	65,202
Inventories	3,708	2	9,802	-	-	13,512
Receivables, Net of Allowance for Uncollectibles:						
Taxes Receivable	820,462	23,730	-	18,609	-	862,801
Settlements Receivable	-	-	-	108,646	-	108,646
Loans Receivable	1	-	-	1,063	-	1,064
Other Receivable	117,092	4,722	161,754	53,656	-	337,224
Due from Other Funds	16,066	23,699	4,002	37,941	-	81,708
Due from Other Governments	-	-	696,530	-	-	696,530
Due from Component Units	88	-	1,188	92,050	-	93,326
Other Assets	(208)	37	556	122	-	507
Working Capital Advances Receivable	111	-	-	-	-	111
<b>Total Assets</b>	<u>\$ 2,608,227</u>	<u>\$ 115,786</u>	<u>\$ 1,369,514</u>	<u>\$ 1,819,453</u>	<u>\$ 235,538</u>	<u>\$ 6,148,518</u>
<b>Liabilities</b>						
Accounts Payable	\$ 331,984	\$ 54,168	\$ 670,574	\$ 86,353	\$ 1,211	\$ 1,144,290
Accrued Payroll	32,295	9,566	7,130	12,245	-	61,236
Tax Refunds Payable	436,356	-	-	-	-	436,356
Due to Other Governments	-	-	641,075	-	-	641,075
Due to Other Funds	122,295	6,727	16,239	28,724	16	174,001
Due to Component Units	18,941	101	15,550	3,910	629	39,131
Unearned Revenue	-	3,079	3,124	9,154	3	15,360
Other Accrued Liabilities	56,340	5	2,755	7,366	-	66,466
<b>Total Liabilities</b>	<u>998,211</u>	<u>73,646</u>	<u>1,356,447</u>	<u>147,752</u>	<u>1,859</u>	<u>2,577,915</u>
<b>Deferred Inflows of Resources</b>	<u>494,557</u>	<u>1,145</u>	<u>6,539</u>	<u>108,341</u>	<u>-</u>	<u>610,582</u>
<b>Fund Balances</b>						
Nonspendable:						
Permanent Fund Principal	-	-	-	-	52,447	52,447
Inventories & Prepaid Items	3,173	-	-	-	-	3,173
Restricted	11,988	40,995	6,528	852,878	181,232	1,093,621
Committed	4,927	-	-	514,597	-	519,524
Assigned	254,305	-	-	195,885	-	450,190
Unassigned	841,066	-	-	-	-	841,066
<b>Total Fund Balances</b>	<u>1,115,459</u>	<u>40,995</u>	<u>6,528</u>	<u>1,563,360</u>	<u>233,679</u>	<u>2,960,021</u>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<u>\$ 2,608,227</u>	<u>\$ 115,786</u>	<u>\$ 1,369,514</u>	<u>\$ 1,819,453</u>	<u>\$ 235,538</u>	<u>\$ 6,148,518</u>

The accompanying notes are an integral part of the financial statements.

**STATE OF MAINE**  
**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**

June 30, 2024  
(Expressed in Thousands)

Total fund balances for governmental funds	\$	2,960,021
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		5,519,263
Accumulated Depreciation & Amortization		<u>(695,434)</u>
		4,823,829
Refunded Bond Deferred Outflows		622
Pollution Remediation Receivable		424
Long-term liabilities are not due and payable in the current period. Therefore, long-term liabilities are not reported in the governmental fund statements. However, these amounts are included in the Statement of Net Position. This net effect of these balances on the statement:		
Bonds Payable		(986,824)
Interest Payable Related to Long-term Financing		(5,160)
Certificates of Participation and Other Financing Arrangements		(63,946)
Leases		(11,953)
Subscriptions		(71,092)
Loans Payable to Component Unit		(226,771)
Compensated Absences		(72,350)
Pension Liabilities and Deferrals		(1,876,473)
Other Post-Employment Benefit Liabilities and Deferrals		(2,401,510)
Pollution Remediation and Landfill Obligations		<u>(39,239)</u>
		(5,755,318)
Certain revenues are earned but not available and therefore are not reported in the governmental fund statements.		606,141
Other Revenue		4,573
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.		<u>349,962</u>
Net position of governmental activities	\$	<u><u>2,990,254</u></u>

The accompanying notes are an integral part of the financial statements.

**STATE OF MAINE**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**

Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)

	<u>General</u>	<u>Highway</u>	<u>Federal</u>	<u>Other Special Revenue</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>						
Taxes	\$ 5,437,602	\$ 215,951	\$ -	\$ 400,814	\$ -	\$ 6,054,367
Assessments	104,527	109,231	-	211,506	-	425,264
Federal Grants & Reimbursements	186	-	5,426,571	23,536	-	5,450,293
Charges for Services	47,740	4,601	4	144,374	-	196,719
Investment Income (Loss)	105,200	2,763	9,454	21,020	21,283	159,720
Miscellaneous Revenues	20,193	462	6,234	137,546	-	164,435
Total Revenues	<u>5,715,448</u>	<u>333,008</u>	<u>5,442,263</u>	<u>938,796</u>	<u>21,283</u>	<u>12,450,798</u>
<b>Expenditures</b>						
Current:						
Governmental Support & Operations	442,266	4,972	31,705	359,449	81	838,473
Economic Development & Workforce Training	62,293	-	131,337	136,480	3,746	333,856
Education	2,133,321	-	517,883	54,388	3,455	2,709,047
Health & Human Services	1,823,324	-	4,091,169	486,555	-	6,401,048
Business Licensing & Regulation	-	-	44,624	72,892	-	117,516
Natural Resources Development & Protection	130,531	38	95,188	141,807	5,784	373,348
Justice & Protection	455,200	35,704	127,065	118,681	-	736,650
Arts, Heritage & Cultural Enrichment	11,531	-	7,781	1,054	-	20,366
Transportation Safety & Development	-	472,964	339,205	176,600	-	988,769
Debt service:						
Principal Payments	135,752	408	21,878	15,767	-	173,805
Interest Expense	43,897	58	8,472	5,777	-	58,204
Capital Outlay	15,469	-	7,496	620	45,566	69,151
Total Expenditures	<u>5,253,584</u>	<u>514,144</u>	<u>5,423,803</u>	<u>1,570,070</u>	<u>58,632</u>	<u>12,820,233</u>
Revenue over (under) Expenditures	<u>461,864</u>	<u>(181,136)</u>	<u>18,460</u>	<u>(631,274)</u>	<u>(37,349)</u>	<u>(369,435)</u>
<b>Other Financing Sources (Uses)</b>						
Transfer from Other Funds	151,848	206,196	11,897	777,948	-	1,147,889
Transfer to Other Funds	(873,901)	(7,496)	(48,642)	(53,818)	(4,047)	(987,904)
Certificates of Participation & Other	13,804	5,610	-	5,715	-	25,129
Bonds Issued	-	-	-	110,550	-	110,550
Leases	1,220	-	-	620	-	1,840
Subscriptions	2,189	-	2,954	-	-	5,143
Net Other Finance Sources (Uses)	<u>(704,840)</u>	<u>204,310</u>	<u>(33,791)</u>	<u>841,015</u>	<u>(4,047)</u>	<u>302,647</u>
Net Change in Fund Balances	<u>(242,976)</u>	<u>23,174</u>	<u>(15,331)</u>	<u>209,741</u>	<u>(41,396)</u>	<u>(66,788)</u>
Fund Balance at Beginning of Year (as restated)	<u>1,358,435</u>	<u>17,821</u>	<u>21,859</u>	<u>1,353,619</u>	<u>275,075</u>	<u>3,026,809</u>
Fund Balances at End of Year	<u>\$ 1,115,459</u>	<u>\$ 40,995</u>	<u>\$ 6,528</u>	<u>\$ 1,563,360</u>	<u>\$ 233,679</u>	<u>\$ 2,960,021</u>

The accompanying notes are an integral part of the financial statements.

**STATE OF MAINE**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)

Net change in fund balances - total governmental funds \$ (66,788)

Amounts reported for governmental activities in the Statement of Net Activities are different because:

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital Outlay	196,607	
Depreciation Expense	<u>(57,103)</u>	139,504

Refunded Bond Deferred Outflows (281)

Pollution Remediation Receivable -

The issuance of long-term debt provides current financial resources to governmental funds which increases long-term debt in the Statement of Net Position. Repayment of the principal of long-term debt consumes the current financial resources of governmental funds, but repayment reduces long-term debt in the Statement of Net Position. This is the amount that proceeds exceed repayments:

Bond Proceeds	(110,550)	
Proceeds from Other Financing Arrangements	(19,414)	
Repayment of Bond Principal	128,650	
Repayment of Other Financing Debt	11,775	
Repayment of Pledged Revenue Principal	38,287	
Repayment of Lease Principal	894	
Repayment of Subscription Principal	4,193	
Accrued Interest	(516)	
Amortization of Bond Premiums	13,958	67,277

Certain expenditures are reported in the funds. However, they either increase or decrease long-term liabilities reported as expenditures on the Statement of Net Position and have been eliminated from the Statement of Position as follows:

Compensated Absences	(6,479)	
Pension Liabilities and Deferrals	(78,134)	
Other Post-employment Benefit Liabilities and Deferrals	112,725	
Pollution Remediation and Landfill Obligations	<u>1,579</u>	29,691

Certain revenues are earned but not available and therefore are not reported in the governmental fund statements. 211,251

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is included in governmental activities in the Statement of Activities.

	<u>77,680</u>	
Changes in net position of governmental activities	<u>\$ 458,334</u>	





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# PROPRIETARY FUND

# FINANCIAL STATEMENTS

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## MAJOR FUNDS

Employment Security Fund - This fund accounts for unemployment insurance contributions from employers and the payment of unemployment benefits to eligible claimants.

## NON-MAJOR FUNDS

Non-Major Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business, where the State intends to finance or recover the costs of providing goods or services to the General Public on a continuing basis primarily through user charges. The State also uses these funds where periodic determination of net income is appropriate for accountability purposes.

**STATE OF MAINE**  
**STATEMENT OF FUND NET POSITION**  
**PROPRIETARY FUNDS**

June 30, 2024  
(Expressed in Thousands)

	Business-Type Activities			Governmental
	Enterprise Funds			Activities
	Major Employment Security	Non-Major Other Enterprise	Total	Internal Service Funds
<b>Assets</b>				
Current Assets:				
Equity in Treasurer's Cash Pool	\$ -	\$ 14,292	\$ 14,292	\$ 213,841
Cash & Short-Term Investments	1,419	754	2,173	2
Cash with Fiscal Agent	-	2,224	2,224	11,270
Restricted Assets:				
Restricted Deposits & Investments	746,765	11	746,776	4,052
Inventories	-	5,872	5,872	5,938
Receivables, Net of Allowance for Uncollectibles:				
Other Receivable	33,149	36,800	69,949	6,381
Due from Other Funds	965	1,920	2,885	55,790
Other Assets	-	-	-	14,199
Total Current Assets	<u>782,298</u>	<u>61,873</u>	<u>844,171</u>	<u>311,473</u>
Noncurrent Assets:				
Equity in Treasurer's Cash Pool	-	10,390	10,390	155,489
Receivables, Net of Current Portion	-	-	-	4,126
Capital Assets, Net of Accumulated Depreciation	-	80,658	80,658	164,973
Right to Use Assets - Leases, Net	-	-	-	231,031
Right to Use Assets - Subscriptions, Net	-	-	-	26,557
Total Noncurrent Assets	<u>-</u>	<u>91,048</u>	<u>91,048</u>	<u>582,176</u>
Total Assets	<u>782,298</u>	<u>152,921</u>	<u>935,219</u>	<u>893,649</u>
<b>Deferred Outflows of Resources</b>				
	<u>\$ -</u>	<u>\$ 5,988</u>	<u>\$ 5,988</u>	<u>\$ 29,304</u>
<b>Liabilities</b>				
Current Liabilities:				
Accounts Payable	\$ 11,102	\$ 10,856	\$ 21,958	\$ 19,244
Accrued Payroll	-	1,052	1,052	4,649
Due to Other Governments	112	-	112	-
Due to Other Funds	3,835	1,167	5,002	28,083
Due to Component Units	-	-	-	2,827
Current Portion of Long-Term Obligations:				
Certificates of Participation and Other Financing Arrangements	-	428	428	5,977
Lease Liabilities	-	-	-	7,820
Subscription Liabilities	-	-	-	10,038
Claims Payable	-	-	-	23,863
Compensated Absences	-	150	150	758
Unearned Revenue	-	-	-	222
Accrued Interest Payable	-	-	-	2,206
Other Accrued Liabilities	1,828	27,767	29,595	-
Total Current Liabilities	<u>16,877</u>	<u>41,420</u>	<u>58,297</u>	<u>105,687</u>
Long-Term Liabilities:				
Working Capital Advances Payable	-	-	-	111
Certificates of Participation & Other Financing Arrangements	-	1,714	1,714	30,613
Lease Liabilities	-	-	-	232,103
Subscription Liabilities	-	-	-	16,195
Claims Payable	-	-	-	54,925
Compensated Absences	-	992	992	5,004
Net Pension Liability	-	11,862	11,862	61,001
Net Other Post-Employment Benefit Liability	-	5,631	5,631	29,578
Total Long-Term Liabilities	<u>-</u>	<u>20,199</u>	<u>20,199</u>	<u>429,530</u>
Total Liabilities	<u>16,877</u>	<u>61,619</u>	<u>78,496</u>	<u>535,217</u>
<b>Deferred Inflows of Resources</b>				
	<u>\$ -</u>	<u>\$ 6,316</u>	<u>\$ 6,316</u>	<u>\$ 37,462</u>
<b>Net Position</b>				
Net Investment in Capital Assets:	-	80,658	80,658	140,921
Restricted for:				
Unemployment Compensation	765,421	-	765,421	-
Other Purposes	-	-	-	254
Unrestricted	-	10,316	10,316	209,099
Total Net Position	<u>\$ 765,421</u>	<u>\$ 90,974</u>	<u>856,395</u>	<u>\$ 350,274</u>
Amounts reported for business-type activities in the government-wide Statement of Activities are different due to elimination of the State's internal business-type activities				
			<u>312</u>	
Net Position of Business-Type Activities			<u>\$ 856,707</u>	

The accompanying notes are an integral part of the financial statements.

**STATE OF MAINE**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**

Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)

	Business-Type Activities Enterprise Funds			Governmental Activities Internal Service Funds
	Major	Non-Major	Total	
	Employment Security	Other Enterprise		
<b>Operating Revenues</b>				
Charges for Services	\$ -	\$ 703,460	\$ 703,460	\$ 547,942
Assessments	142,464	7,494	149,958	-
Miscellaneous Revenues	2,510	219	2,729	2,472
Total Operating Revenues	<u>144,974</u>	<u>711,173</u>	<u>856,147</u>	<u>550,414</u>
<b>Operating Expenses</b>				
General Operations	-	561,402	561,402	432,297
Depreciation and Amortization	-	3,178	3,178	41,568
Claims/Fees Expense	119,895	-	119,895	10,852
Total Operating Expenses	<u>119,895</u>	<u>564,580</u>	<u>684,475</u>	<u>484,717</u>
Operating Income (Loss)	<u>25,079</u>	<u>146,593</u>	<u>171,672</u>	<u>65,697</u>
<b>Nonoperating Revenues (Expenses)</b>				
Investment Revenue (Expenses) - net	18,970	-	18,970	13,969
Interest Expense	-	(79)	(79)	(5,650)
Operating Subsidy and Grants	-	2,600	2,600	-
Other Nonoperating Revenue (Expenses) - net	-	1,256	1,256	78
Total Nonoperating Revenues (Expenses)	<u>18,970</u>	<u>3,777</u>	<u>22,747</u>	<u>8,397</u>
Income (Loss) Before Capital Contributions, Transfers and Special Items	<u>44,049</u>	<u>150,370</u>	<u>194,419</u>	<u>74,094</u>
<b>Capital Contributions, Transfers and Special Items</b>				
Capital Contributions from (to) Other Funds	-	17,349	17,349	-
Transfer from Other Funds	13,398	7,625	21,023	3,739
Transfer to Other Funds	(1,872)	(163,829)	(165,701)	-
Total Capital Contributions, Transfers and Special Items	<u>11,526</u>	<u>(138,855)</u>	<u>(127,329)</u>	<u>3,739</u>
Change in Net Position	55,575	11,515	67,090	77,833
Net Position - Beginning (as restated)	709,846	79,459		272,441
Net Position - End of Year	<u>\$ 765,421</u>	<u>\$ 90,974</u>		<u>\$ 350,274</u>
Amounts reported for business-type activities in the government-wide Statement of Activities are different due to elimination of the State's internal business-type activities			<u>153</u>	
Changes in Business-Type Net Position			<u>\$ 67,243</u>	

The accompanying notes are an integral part of the financial statements.

**STATE OF MAINE**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**

Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)

	<b>Business-type Activities - Enterprise Funds</b>			<b>Governmental Activities Internal Service Funds</b>
	<b>Major Employment Security</b>	<b>Non-Major Other Enterprise</b>	<b>Totals</b>	
<b>Cash Flows from Operating Activities</b>				
Receipts from Customers and Users	\$ 138,260	\$ 706,202	\$ 844,462	\$ 208,245
Other Operating Cash Receipts (Payments):				
Cash Received from Interfund Services	3,615	19,253	22,868	354,015
Payments of Benefits	(116,871)	-	(116,871)	-
Payments to Prize Winners	-	(291,307)	(291,307)	-
Payments to Suppliers	-	(250,183)	(250,183)	(307,375)
Payments to Employees	-	(19,526)	(19,526)	(87,608)
Payments for Interfund Goods and Services	-	(4,178)	(4,178)	(73,784)
Net Cash Provided (Used) by Operating Activities	<u>25,004</u>	<u>160,261</u>	<u>185,265</u>	<u>93,493</u>
<b>Cash Flows from Noncapital Financing Activities</b>				
Transfers from Other Funds	13,398	7,625	21,023	3,739
Transfers to Other Funds	(1,872)	(163,829)	(165,701)	-
Operating Subsidy and Grants	-	1,000	1,000	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>11,526</u>	<u>(155,204)</u>	<u>(143,678)</u>	<u>3,739</u>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Payments for Acquisition of Capital Assets	-	(1,791)	(1,791)	(47,099)
Proceeds from Financing Arrangements	-	-	-	14,500
Principal and Interest Paid on Financing Arrangements	-	(508)	(508)	(18,207)
Proceeds from Sale of Capital Assets	-	2	2	820
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>-</u>	<u>(2,297)</u>	<u>(2,297)</u>	<u>(49,986)</u>
<b>Cash Flows from Investing Activities</b>				
Interest Revenue	18,970	1,254	20,224	13,897
Net Cash Provided (Used) by Investing Activities	<u>18,970</u>	<u>1,254</u>	<u>20,224</u>	<u>13,897</u>
Net Increase (Decrease) in Cash/Cash Equivalents	55,500	4,014	59,514	61,143
Cash/Cash Equivalents - Beginning of Year (as restated)	692,684	23,657	716,341	323,511
Cash/Cash Equivalents - End of Year	<u>\$ 748,184</u>	<u>\$ 27,671</u>	<u>\$ 775,855</u>	<u>\$ 384,654</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>				
Operating Income (Loss)	\$ 25,079	\$ 146,593	\$ 171,672	\$ 65,697
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	-	3,178	3,178	41,568
Decrease (Increase) in Assets:				
Accounts Receivable	174	343	517	4,915
Interfund Balances	(3,385)	13,939	10,554	(15,729)
Due from Other Governments	-	-	-	869
Inventories	-	(420)	(420)	280
Other Assets	-	-	-	(1,203)
Deferred Outflows	-	1,312	1,312	8,154
Increase (Decrease) in Liabilities:				
Accounts Payable	2,680	(2,733)	(53)	(578)
Accrued Payroll Expense	-	107	107	(14)
Due to Other Governments	112	-	112	2,116
Compensated Absences	-	86	86	200
Deferred Inflows	-	2,483	2,483	11,728
Net Pension Liability	-	78	78	(1,062)
Other Accruals	344	787	1,131	6,067
Net OPEB Liability	-	(5,492)	(5,492)	(29,515)
Total Adjustments	(75)	13,668	13,593	27,796
Net Cash Provided (Used) by Operating Activities	<u>\$ 25,004</u>	<u>\$ 160,261</u>	<u>\$ 185,265</u>	<u>\$ 93,493</u>
<b>Non Cash Investing, Capital and Financing Activities</b>				
Property Leased, Accrued or Acquired	-	-	-	9,712
Subscription Based Assets	-	-	-	3,188
Contributed Capital Assets	-	17,349	17,349	-
Disposal of Assets	-	-	-	(742)

The accompanying notes are an integral part of the financial statements.

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# FIDUCIARY FUND

## FINANCIAL STATEMENTS

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Pension (and Other Employee Benefits) Trusts – accounts for funds held by the Maine Public Employees Retirement System (the System), a component unit included with Fiduciary Funds per GASB Statement No. 34. The System provides pension, death, and disability benefits to its members, including State employees, some public school employees, and employees of approximately 300 local municipalities and other public entities in Maine.

Private-Purpose Trusts and Custodial Funds are used to account for private-purpose assets held by the State in a fiduciary capacity, acting as either a trustee or an agent for individuals, organizations or other governments.

**STATE OF MAINE**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**

June 30, 2024  
(Expressed in Thousands)

	<b>Pension (and Other Employee Benefits)</b>	<b>Private Purpose Trusts</b>	<b>Custodial Funds</b>
<b>Assets</b>			
Equity in Treasurer's Cash Pool	\$ -	\$ 500	\$ 14,366
Cash & Short-Term Investments	16,411	9,988	27
Receivables, Net of Allowance for Uncollectibles:			
State and Local Agency Contributions	55,372	-	-
Interest and Dividends	3,028	-	-
Due from Brokers for Securities Sold	26,506	-	-
Settlements Receivable	-	-	34,763
Other Receivable	-	3,254	-
Investments at Fair Value:			
Equity Securities	3,245,602	-	-
Common/Collective Trusts	17,606,570	-	-
Investments - Other	-	24,078	-
Securities Lending Collateral	3,377	-	-
Due from Other Funds	-	66,708	-
Investments Held on Behalf of Others	-	-	69,625
Capital Assets, Net of Accumulated Depreciation	12,690	-	-
Other Assets	-	9,960	35
Total Assets	<u>20,969,556</u>	<u>114,488</u>	<u>118,816</u>
<b>Liabilities</b>			
Accounts Payable	3,141	534	25
Due to Other Funds	-	5	-
Obligations Under Securities Lending	3,377	-	-
Other Accrued Liabilities	63,729	-	1,949
Total Liabilities	<u>70,247</u>	<u>539</u>	<u>1,974</u>
<b>Net Position</b>			
Restricted for Pension	20,070,620	-	-
Restricted for Other Post-Employment Benefits	828,689	-	-
Restricted for Individuals, Organizations and Other Governments	-	113,949	116,842
Total Net Position	<u>\$ 20,899,309</u>	<u>\$ 113,949</u>	<u>\$ 116,842</u>

The accompanying notes are an integral part of the financial statements.

**STATE OF MAINE**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**

Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)

	<b>Pension (and Other Employee Benefits)</b>	<b>Private Purpose Trusts</b>	<b>Custodial Funds</b>
<b>Additions:</b>			
Contributions:			
Members	\$ 263,741	\$ -	\$ -
State & Local Agency Employers	485,841	-	-
Non-Employer Contributing Entity	264,210	-	6,499
Litigation Receipts	-	-	28,408
Other	-	-	4,443
Investment Income (Loss):			
Net Increase (Decrease) in the Fair Value of Investments	1,596,335	2,883	25
Interest & Dividends	67,176	1,702	(970)
Securities Lending Income & Borrower Rebates Refunded	225	-	-
Less Investment Expense:			
Securities Lending Expense	137,921	-	-
Net Investment Income (Loss)	1,525,815	4,585	(945)
Miscellaneous Revenues	-	56,929	-
Transfer from Other Pension Plans	334	-	-
Total Additions	<u>2,539,941</u>	<u>61,514</u>	<u>38,405</u>
<b>Deductions:</b>			
Benefits Paid to Participants, Beneficiaries or Clients	1,393,085	11,566	23,023
Refunds & Withdrawals	43,588	-	735
Restitution Payments	-	-	1,080
Administrative Expenses	18,745	433	-
Claims Processing Expense	1,611	-	-
Miscellaneous Disbursements	-	-	2,501
Transfer to Other Funds	-	19,046	-
Transfer to Other Pension Plans	334	-	-
Total Deductions	<u>1,457,363</u>	<u>31,045</u>	<u>27,339</u>
Net Increase (Decrease)	1,082,578	30,469	11,066
<b>Net Position:</b>			
Restricted			
Beginning of Year	<u>19,816,731</u>	<u>83,480</u>	<u>105,776</u>
End of Year	<u>\$ 20,899,309</u>	<u>\$ 113,949</u>	<u>\$ 116,842</u>

The accompanying notes are an integral part of the financial statements.





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# COMPONENT UNIT

## FINANCIAL STATEMENTS

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Finance Authority of Maine (FAME) – The Authority provides commercial financing and loan guarantees to Maine businesses and educational financing to Maine students and their parents; administers several revolving loan programs on behalf of the State; and administers the Maine College Savings Program Fund.

Maine Community College System – is Maine’s comprehensive two-year college system and offers certificate, diploma and associate degree programs. The financial statements of the system include the activity of seven colleges, the central administrative office and the Center for Career Development.

Maine Health & Higher Educational Facilities Authority – MHHEFA assists Maine health care institutions and institutions of higher education in undertaking projects involving the acquisition, construction, improvement, reconstruction and equipping of health care and educational facilities and the refinancing of existing indebtedness. The Authority, pursuant to the Student Loan Corporations Act of 1983, may finance student loan programs of institutions of higher education.

Maine Municipal Bond Bank – is authorized to issue bonds providing funds to counties, cities, towns, school districts, or other quasi-municipal corporations within the State.

Maine State Housing Authority – is authorized to issue bonds for the purchase of notes and mortgages on single- and multi-family residential units to provide housing for persons and families of low income in the State. The Authority also administers various housing and energy related state and federal programs and collects and disburses federal rent subsidies for low income housing.

The Maine Turnpike Authority – is authorized and empowered to construct, maintain and operate a turnpike at such a location as shall be approved by the State Highway Commission and to issue turnpike revenue bonds of the Authority, payable solely from revenues of the Authority.

University of Maine System – The State University consists of seven universities, eight centers, and a central administrative office.

**STATE OF MAINE**  
**STATEMENT OF NET POSITION**  
**COMPONENT UNITS**

June 30, 2024  
(Expressed in Thousands)

	<u>Finance Authority of Maine</u>	<u>Maine Community College System</u>	<u>Maine Health &amp; Higher Educational Facilities Authority</u>	<u>Maine Municipal Bond Bank</u>
<b>Assets</b>				
<b>Current Assets:</b>				
Equity in Treasurer's Cash Pool	\$ 17,956	\$ 16,902	\$ -	\$ 51,358
Cash & Short-Term Investments	8,806	13,519	9,302	297
Investments	90,058	88,963	14,466	11,217
<b>Restricted Assets:</b>				
Restricted Deposits & Investments	-	-	23,317	381,347
Inventories	-	-	-	-
<b>Receivables, Net of Allowance for Uncollectibles:</b>				
Loans, Leases & Notes Receivable	35,765	-	33,193	-
Other Receivable	4,793	18,902	157	3,073
Due from Other Governments	-	214	-	157,984
Due from Primary Government	-	2,170	-	-
Loans Receivable from Primary Government	-	-	-	39,843
Other Assets	1,224	3,024	3,734	111,172
<b>Total Current Assets</b>	<b>158,602</b>	<b>143,694</b>	<b>84,169</b>	<b>756,291</b>
<b>Noncurrent Assets:</b>				
Equity in Treasurer's Cash Pool	13,056	12,290	-	37,344
<b>Restricted Assets:</b>				
Restricted Assets	28,298	1,262	74,978	170,634
Investments	-	17,400	23,174	-
<b>Receivables, Net of Current Portion:</b>				
Loans, Leases & Notes Receivable	70,078	-	697,682	-
Other Receivables	-	683	-	-
Due from Other Governments	-	-	-	1,609,723
Due from Primary Government	-	-	-	-
Loans Receivable from Primary Government	-	-	-	186,928
Post-Employment Benefit Asset	-	32,099	-	-
Capital and Right to Use Assets, Net	1,173	195,899	-	1,080
Other Non-Current Assets	-	-	-	-
<b>Total Noncurrent Assets</b>	<b>112,605</b>	<b>259,633</b>	<b>795,834</b>	<b>2,005,709</b>
<b>Total Assets</b>	<b>271,207</b>	<b>403,327</b>	<b>880,003</b>	<b>2,762,000</b>
<b>Deferred Outflows of Resources</b>	<b>\$ 858</b>	<b>\$ 20,025</b>	<b>\$ -</b>	<b>\$ 9,050</b>
<b>Liabilities</b>				
<b>Current Liabilities:</b>				
Accounts Payable	\$ 6,782	\$ 7,913	\$ 44	\$ 435
Accrued Payroll	-	-	-	-
Compensated Absences	-	3,608	-	-
Due to Other Governments	-	-	-	275
Due to Primary Government	-	-	-	90,553
Amounts Held Under State & Federal Loan Programs	-	-	-	39,995
Bonds & Notes Payable	5,977	980	34,170	155,862
Obligations for Right to Use Assets	-	1,102	-	-
Accrued Interest Payable	365	-	18,038	12,880
Unearned Revenue	1,470	6,399	1	10,581
Other Accrued Liabilities	30,752	11,589	-	-
<b>Total Current Liabilities</b>	<b>45,346</b>	<b>31,591</b>	<b>52,253</b>	<b>310,581</b>
<b>Long-Term Liabilities:</b>				
Due to Other Governments	3,907	-	1,547	4,327
Amounts Held Under State & Federal Loan Programs	59,884	-	-	-
Bonds & Notes Payable	97,691	12,346	776,470	1,440,855
Obligations for Right to Use Assets	-	10,322	-	-
Net Pension Liability	-	41,980	-	517
Net Other Post-Employment Benefit Liability	-	3,112	-	789
Other Noncurrent Liabilities	-	-	-	-
<b>Total Long-Term Liabilities:</b>	<b>161,482</b>	<b>67,760</b>	<b>778,017</b>	<b>1,446,488</b>
<b>Total Liabilities</b>	<b>206,828</b>	<b>99,351</b>	<b>830,270</b>	<b>1,757,069</b>
<b>Deferred Inflows of Resources</b>	<b>-</b>	<b>33,936</b>	<b>-</b>	<b>634</b>
<b>Net Position</b>				
Net Investment in Capital Assets	1,173	172,398	-	1,080
Restricted	31,048	57,231	-	960,227
Unrestricted	33,016	60,436	49,733	52,040
<b>Total Net Position</b>	<b>\$ 65,237</b>	<b>\$ 290,065</b>	<b>\$ 49,733</b>	<b>\$ 1,013,347</b>

The accompanying notes are an integral part of the financial statements.

Maine State Housing Authority	Maine Turnpike Authority	University of Maine System	Non-Major Component Units	Total
\$ -	\$ -	\$ 11,666	\$ 219	\$ 98,101
101,318	32,035	12,664	35,541	213,482
464,139	-	256,854	18,456	944,153
-	156,290	-	96,040	656,994
-	1,869	-	1,279	3,148
35,659	2,286	294	38,637	145,834
11,040	6,536	62,091	9,425	116,017
7,014	-	21,532	3,025	189,769
3,159	800	8,662	5,809	20,600
-	-	-	-	39,843
-	2,201	7,992	911	130,258
<u>622,329</u>	<u>202,017</u>	<u>381,755</u>	<u>209,342</u>	<u>2,558,199</u>
-	-	8,483	159	71,332
-	67,471	4,650	88,206	435,499
142,349	-	517,053	15,089	715,065
1,707,761	33,254	25,400	18,418	2,552,593
-	1,128	9,317	64	11,192
-	-	-	-	1,609,723
-	-	621	827	1,448
-	-	-	-	186,928
-	-	34,433	-	66,532
18,127	975,109	1,016,386	164,205	2,371,979
16,385	145	6,864	5,609	29,003
<u>1,884,622</u>	<u>1,077,107</u>	<u>1,623,207</u>	<u>292,577</u>	<u>8,051,294</u>
<u>2,506,951</u>	<u>1,279,124</u>	<u>2,004,962</u>	<u>501,919</u>	<u>10,609,493</u>
<u>\$ 2,638</u>	<u>\$ 6,408</u>	<u>\$ 6,039</u>	<u>\$ 1,658</u>	<u>\$ 46,676</u>
\$ 30,914	\$ 17,334	\$ 37,747	\$ 16,045	\$ 117,214
-	5,298	-	-	5,298
-	-	-	136	3,744
478	-	-	-	753
1,127	415	153	1,078	93,326
-	-	-	-	39,995
62,465	20,535	17,871	3,044	300,904
-	-	5,916	375	7,393
8,566	-	-	-	39,849
30,800	15,328	49,781	19,516	133,876
-	12,084	27,269	1,303	82,997
<u>134,350</u>	<u>70,994</u>	<u>138,737</u>	<u>41,497</u>	<u>825,349</u>
650	-	-	163	10,594
-	-	-	-	59,884
1,904,185	556,662	199,779	38,043	5,026,031
441	-	69,950	909	81,622
1,931	9,067	-	3,494	56,989
-	38,349	-	477	42,727
-	895	72,314	-	73,209
<u>1,907,207</u>	<u>604,973</u>	<u>342,043</u>	<u>43,086</u>	<u>5,351,056</u>
<u>2,041,557</u>	<u>675,967</u>	<u>480,780</u>	<u>84,583</u>	<u>6,176,405</u>
<u>16,849</u>	<u>50,810</u>	<u>68,658</u>	<u>37,433</u>	<u>208,320</u>
3,858	480,489	694,270	150,530	1,503,798
408,850	119,718	640,602	166,005	2,383,681
38,475	(41,452)	126,691	65,026	383,965
<u>\$ 451,183</u>	<u>\$ 558,755</u>	<u>\$ 1,461,563</u>	<u>\$ 381,561</u>	<u>\$ 4,271,444</u>

**STATE OF MAINE  
STATEMENT OF ACTIVITIES  
COMPONENT UNITS**

Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)

	<b>Finance Authority Of Maine</b>	<b>Maine Community College System</b>	<b>Maine Health &amp; Higher Educational Facilities Authority</b>	<b>Maine Municipal Bond Bank</b>
<b>Expenses</b>	\$ 96,686	\$ 189,462	\$ 36,059	\$ 78,334
<b>Program Revenues</b>				
Charges for Services	20,517	14,559	33,137	45,480
Program Investment Income	1,252	2,811	4,142	9,371
Operating Grants & Contributions	72,057	90,307	-	11,838
Capital Grants & Contributions	-	281	-	103,207
Net Revenue (Expense)	<u>(2,860)</u>	<u>(81,504)</u>	<u>1,220</u>	<u>91,562</u>
<b>General Revenues</b>				
Unrestricted Investment Earnings	8,288	9,054	1,153	537
Non-program Specific Grants, Contributions & Appropriations	-	84,890	-	-
Miscellaneous Revenues	-	3,380	115	1,543
Gain (Loss) on Assets Held for Sale	-	-	-	-
Special Items	-	-	-	-
Total General Revenues	<u>8,288</u>	<u>97,324</u>	<u>1,268</u>	<u>2,080</u>
Change in Net Position	5,428	15,820	2,488	93,642
Net Position, Beginning of Year (as restated)	<u>59,809</u>	<u>274,245</u>	<u>47,245</u>	<u>919,705</u>
Net Position, End of Year	<u>\$ 65,237</u>	<u>\$ 290,065</u>	<u>\$ 49,733</u>	<u>\$ 1,013,347</u>

The accompanying notes are an integral part of the financial statements.

<b>Maine State Housing Authority</b>	<b>Maine Turnpike Authority</b>	<b>University Of Maine System</b>	<b>Non-Major Component Units</b>	<b>Total</b>
\$ 454,434	\$ 118,815	\$ 891,479	\$ 233,543	\$ 2,098,812
84,586	164,182	318,876	51,379	732,716
33,000	-	52,243	143	102,962
371,920	-	249,661	148,546	944,329
-	-	46,412	10,905	160,805
<u>35,072</u>	<u>45,367</u>	<u>(224,287)</u>	<u>(22,570)</u>	<u>(158,000)</u>
1,238	12,443	21,148	11,093	64,954
-	-	346,826	21,032	452,748
-	8,862	287	4,628	18,815
-	(96)	-	-	(96)
-	-	-	(1,965)	(1,965)
<u>1,238</u>	<u>21,209</u>	<u>368,261</u>	<u>34,788</u>	<u>534,456</u>
36,310	66,576	143,974	12,218	376,456
414,873	492,179	1,317,589	369,343	3,894,988
<u>\$ 451,183</u>	<u>\$ 558,755</u>	<u>\$ 1,461,563</u>	<u>\$ 381,561</u>	<u>\$ 4,271,444</u>



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# NOTES TO THE FINANCIAL STATEMENTS

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**STATE OF MAINE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements of the State of Maine (the State) have been prepared under guidelines established by generally accepted accounting principles (GAAP) as mandated by the Governmental Accounting Standards Board (GASB).

Preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements.

**A. REPORTING ENTITY**

For financial reporting purposes, the State of Maine's reporting entity includes the "primary government" and its "component units." The primary government includes all funds, organizations, agencies, boards, commissions and authorities. Component units are legally separate organizations for which the State is financially accountable. Component units can also be legally separate, tax exempt entities that raise and hold economic resources for the direct benefit of a governmental unit.

Financial accountability is defined in GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*. The State is financially accountable for those entities for which it appoints a voting majority of the governing board and either is able to impose its will on that entity or the entity may provide specific financial benefits to, or impose specific financial burdens on, the primary government. Entities for which the State does not appoint a voting majority of the governing board may be included if the organization is fiscally dependent on the primary government and there exists a financial benefit or burden relationship with the State. Entities that do not meet the specific criteria for inclusion may still be included if the nature and significance of its relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Under GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units, an Amendment of GASB Statement No. 14*, individually significant legally separate, tax-exempt entities should be reported as component units if their resources are for the direct benefit of the State and the State can access those resources. Although the State has not identified any organizations that would qualify as direct component units of the State by meeting all of the criteria of GASB Statement No. 39, a few of the component units described later in this note have significant foundations that meet the criteria of GASB Statement No. 39.

**Blended Component Units**

Blended component units are entities that are legally separate from the State, but provide services entirely, or almost entirely to the State or otherwise exclusively, or almost exclusively, benefits the primary government even though they do not provide services directly to it. The State reports one blended component unit.

The Maine Governmental Facilities Authority (MGFA) is a legally separate organization that has its board appointed by the primary government and provides services entirely, or almost entirely, to the State. Its purpose includes assisting in the financing, acquisition, construction, improvement, reconstruction, and equipping of additions to structures designed for use as a court facility, State office or State activity space. In their separately issued financial statements, MGFA records a lease receivable from the State and a liability for bonds issued. However, in accordance with GASB, leases that exist between the State and MGFA are not recorded as leases in this report. The assets associated with these leases are reported in the government-wide statements along with the related debt. The corresponding debt service activity is recorded in the Governmental Funds. MGFA financial activity associated with servicing the debt is reported in an internal service fund. Therefore, the State reports MGFA's balances and transactions as though they were part of the primary government, using the blending method.

**Discrete Component Units**

Discrete component units are entities that are legally separate from the State but are either accountable to the State or related so closely to the State that exclusion would cause the State's financial statements to be misleading or incomplete. Component units that are not material to the State's financial statements have been excluded. The column labeled "Component Units" emphasizes these organizations' separateness from the State's primary government.

The State is able to impose its will upon these discretely presented component units whose boards of directors or boards of trustees are appointed by the Governor:

*The Maine Community College System* is Maine's comprehensive two-year college system and offers certificate, diploma and associate degree programs. The combined financial statements of the System include the activity of seven colleges, the central administrative office and the Center for Career Development (including the Maine Career Advantage and Maine Quality Centers programs), and its component unit, Maine Community College Educational Foundations.

*The Maine Turnpike Authority* (MTA) constructs, maintains and operates a turnpike at such a location approved by the State Highway Commission. It issues turnpike revenue bonds payable solely from revenues of the Authority. The Authority's fiscal year ends December 31.

The University of Maine System is the State University governed by a single Board of Trustees. The combined financial statements of the System include the activity of seven universities, eight centers, the central administrative office, and its component units, which include several foundations and alumni associations that raise funds on the System's behalf.

There is a financial burden/benefit relationship between these entities and the State:

The Finance Authority of Maine provides commercial financing and loan guarantees to Maine businesses and educational financing to Maine students and their parents. The Authority also provides financial and other services for the NextGen College Investing Plan, Department of Agriculture for the Agricultural Marketing Loan Fund and the Potato Marketing Improvement Fund, the Northern Maine Transmission Corporation, Dairy Improvement Loan Fund Board, Compliance Assistance Loan Program Board, Maine Rural Development Authority Board and the Small Enterprise Growth Fund Board. The Governor appoints the fifteen voting members of the Authority.

Maine Health & Higher Educational Facilities Authority (MHHEFA) – MHHEFA assists Maine health care institutions and institutions of higher education in undertaking projects involving the acquisition, construction, improvement, reconstruction and equipping of their facilities and the refinancing of existing indebtedness. The Authority, pursuant to the Student Loan Corporations Act of 1983, may also finance student loan programs of institutions of higher education. MHHEFA's board consists of twelve members, four of whom serve *ex officio* and must be the Superintendent of Financial Institutions, the Commissioner of Health and Human Services, the Commissioner of Education, and the Treasurer of State. The remaining eight members must be residents of the State appointed by the Governor.

The Maine Municipal Bond Bank issues bonds on behalf of counties, cities, towns, school administrative districts, community school districts, or other quasi-municipal corporations or eligible borrowers as designated by the Legislature (the "governmental units") within the State. 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 Governor appoints three residents of the State to the five-member Board of Commissioners. The remaining two members include the Treasurer of State and Superintendent of Financial Institutions who serve as commissioners, *ex officio*.

Maine State Housing Authority issues bonds to purchase notes and mortgages on residential units, both single and multi-family, for the purpose of providing housing for persons and families of low income in the State. The Authority also acts as an agent for the State in administering federal weatherization, energy conservation, fuel assistance and homeless grant programs and collecting and disbursing federal rent subsidies for low income housing. The Governor appoints five of the Authority's seven commissioners. The remaining two commissioners are the Treasurer of State and the Director of the Maine State Housing Authority, both of whom serve *ex officio*. The Authority's fiscal year ends on December 31.

The non-major component units include Efficiency Maine Trust, Maine Connectivity Authority, Maine Maritime Academy, Midcoast Regional Redevelopment Authority and Northern New England Passenger Rail Authority. Addresses to obtain their audited financial statements and descriptions can be found on page 243.

The State's financial statements also include a fiduciary component unit:

Maine Public Employees Retirement System administers a public employee retirement system. It provides pension, death, and disability benefits to its members, which include employees of the State, some public school employees, employees of approximately 300 local municipalities and other public entities in Maine. The State has a financial benefit/burden relationship with the retirement system since the legislature has substantive approval over their budget.

Complete financial statements of the major component units can be obtained directly from their respective administrative offices by writing to:

Finance Authority of Maine 5 Community Dr. PO Box 949 Augusta, ME 04432	Maine Health and Higher Education Facilities Authority PO Box 2268 Augusta, ME 04338	Maine Public Employees Retirement System PO Box 349 Augusta, ME 04332-0349	Maine Turnpike Authority 2360 Congress Street Portland, ME 04102
Maine Community College System 323 State Street Augusta, ME 04330	Maine Municipal Bond Bank PO Box 2268 Augusta, ME 04338	Maine State Housing Authority 26 Edison Drive Augusta, ME 04330-6046	University of Maine System 65 Texas Ave Bangor, ME 04401

The blended component unit financial statements can be obtained directly from the administrative office by writing to Maine Governmental Authority, PO Box 2268, Augusta, ME 04338.

**Related Organizations**

Officials of the State's primary government appoint a voting majority of the governing board of the Maine Veteran's Home. The primary government has no material accountability for this organization beyond making board appointments.

**B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS****Government-Wide Financial Statements**

The Statement of Net Position and Statement of Activities report information on all non-fiduciary activities of the primary government and its component units. Primary government activities are distinguished between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The *Statement of Net Position* presents the reporting entity's non-fiduciary assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Net position is reported in three components:

**Net investment in capital assets** component consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

**Restricted component of net position** consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported. Constraints placed on restricted components of net position are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports \$992.0 million of restricted net position, of which \$765.4 million is restricted by enabling legislation.

**Unrestricted component of net position** consists of the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that do not meet the definition of the two preceding categories. The unrestricted component of net position often is designated to indicate that management does not consider it to be available for general operations and often have constraints on resources that are imposed by management, but can be removed or modified.

The *Statement of Activities* demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not meeting the definition of program revenues are instead reported as general revenues.

**Fund Financial Statements**

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide statements. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements, with non-major funds being combined into a single column.

**C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION****Measurement Focus and Basis of Accounting**

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the governmental funds when they become susceptible to accrual, generally when they become both measurable and available. "Available" means earned and collected or expected to be collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the State generally considers revenues available if they are collected within 60 days of the end of the fiscal year.

Significant revenues susceptible to accrual include: income taxes, sales and use taxes, and other taxes; federal grants; federal reimbursements; and other reimbursements for use of materials and services. Revenues from other sources are recognized when received because they are generally not measurable until received in cash. Property taxes are recognized as revenue in the year for which they are levied, provided the “available” criterion is met.

The State Tax Assessor levies taxes on properties located in the unorganized territory of Maine by August 1 of each year, and on telecommunications personal properties statewide by March 30 of each year. Unorganized territory property taxes are due on October 1 and telecommunications personal property taxes are due on August 15. Formal collection procedures begin on November 1, and unpaid property taxes become a lien no later than March 15 of the fiscal year for which they are levied.

Expenditures are generally recorded when a liability is incurred. However, expenditures related to claims and judgments, debt service and compensated absences are recorded only when payment is due and payable.

### **Financial Statement Presentation**

The State reports the following major governmental funds:

The *General Fund* is the State’s primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.

The *Highway Fund* accounts for the regulation, construction and maintenance of State highways and bridges and is funded by motor fuel taxes, motor vehicle license and registration fees, special State appropriations, and other charges.

The *Federal Fund* accounts for grants and other financial assistance received from the federal government, including federal block grants, that are legally restricted to expenditures for purposes specified in the grant awards or agreements.

The *Other Special Revenue Fund* accounts for specific revenue sources that are legally required to be expended for specified purposes, and the related current liabilities, including some major capital projects that are not accounted for in the Highway and Federal Funds. Examples of the most significant types of revenue sources include: Fund for a Healthy Maine (tobacco settlement revenue), State municipal revenue sharing, hospital and service provider taxes, and oil transfer fees.

The State reports the following major enterprise fund:

The *Maine Employment Security Fund* receives contributions from employers and provides unemployment compensation benefits to eligible unemployed workers.

Additionally, the State reports the following fund types:

### **Governmental Fund Types:**

*Special Revenue Funds* include operating fund activities financed by specific revenue sources that are legally restricted for specified purposes. An example is funds for acquisition of public reserved lands.

*Capital Projects Funds* account for the acquisition or construction of major capital assets and other programs financed by bond proceeds.

*Permanent Trust Funds* report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that benefit the government or its citizenry. Examples include the Baxter State Park Fund and Permanent School Fund.

### **Proprietary Fund Types:**

*Enterprise Funds* report the activities for which fees are charged to external users for goods or services, such as the unemployment compensation program, lottery operations and transportation services.

*Internal Service Funds* provide goods or services primarily to other agencies or funds of the State, rather than to the general public. These goods and services include printing and mailing services, supplies warehousing, information technology, fleet management, risk management, health-related benefits, and financing for acquisition and construction of governmental facilities. In the government-wide financial statements, internal service funds are included with governmental activities.

### **Fiduciary Fund Types:**

*Pension (and Other Employee Benefits) Trust Funds* report resources that are required to be held in trust for members and beneficiaries of the State’s pension, death and disability benefit plans. These resources are managed by the Maine Public Employees Retirement System (MPERS). The fund also reports resources that are required to be held in trust for members and beneficiaries of the State, Teachers, and for MPERS’ retiree healthcare benefits. The investment trusts, managed by the MPERS, hold the long-term investments. The trustees of the State Healthcare Other Employee Benefits Trust Fund are the State Controller and State Treasurer. The Teacher Healthcare Other Employee Benefits Trust Fund trustee is Harpswell Capital Advisors, LLC and its successors.

*Private Purpose Trust Funds* report resources of all other trust arrangements in which principal and income benefit individuals, private organizations, or other governments. Examples include Abandoned Property and Lands Reserved Trust Funds.

*Custodial Funds* report assets and liabilities for deposits and investments entrusted to the State as an agent for others. Examples include amounts held for entities self-insured for worker's compensation and unemployment claims, inmate and student guardianship accounts and non-entitlement units.

#### **D. FISCAL YEAR-ENDS**

All funds and discretely presented major component units are reported using fiscal years which end on June 30, except for the Maine State Housing Authority and Maine Turnpike Authority, which utilize December 31 year-ends.

#### **E. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE**

##### **Equity in Treasurer's Cash Pool**

The State pools cash and cash equivalents for a variety of State agencies and public sector entities. The pooled balances are reported at fair value. Interest earned on pooled cash is allocated to the various funds, generally based on their average equity balances. The Treasurer's Cash Pool has the general characteristics of a demand deposit account and is comprised primarily of prime commercial paper, repurchase agreements, U.S. Treasury Bills, U.S. Treasury Notes, and other U.S. Agency Obligations, certificates of deposit, and corporate bonds.

For component units that participate in the cash pool, equity is shown at fair value.

##### **Cash and Cash Equivalents**

Cash equivalents consist of short-term investments that mature within three months. On the Statement of Cash Flows, the amount reported as "Cash and Cash Equivalents" is equal to the total of the amounts reported on the Statement of Net Position as "Equity in Treasurer's Cash Pool," "Cash and Cash Equivalents," "Cash with Fiscal Agent," "Restricted Equity in Treasurer's Cash Pool," and "Restricted Deposits and Investments."

##### **Cash with Fiscal Agent**

Cash with Fiscal Agent in Governmental Funds represents cash that will be used for debt service on bonds and unspent proceeds of bonds and Certificates of Participation.

Cash with Fiscal Agent in Proprietary Funds represents proceeds of Certificates of Participation and other financing arrangements that have not been spent.

Other investments of the State are carried at fair value. Donated investments are stated at fair value at the date of donation.

##### **Investments Held on Behalf of Others**

These assets include amounts held by the State in a fiduciary capacity, acting as either a trustee or an agent for individuals, organizations or other funds. Generally, these investments are reported at fair value or at amortized cost which approximates fair value. The State also holds \$130.8 million of Workers' Compensation, \$64.6 million of Bureau of Insurance, and \$48.8 million of Maine Department of Labor surety bonds and letters of credit that are not reflected on the financial statements.

##### **Restricted Deposits and Investments**

Restricted deposits and investments include: unemployment tax receipts deposited with the United States Treasury that are drawn down to pay unemployment benefits; cash and investments of the Maine Governmental Facilities Authority, a blended component unit that has been independently audited; unspent bond proceeds, and funds invested in Certificates of Deposit and other investments at various financial institutions within the State. The financial institutions lend these deposits and investments to local commercial and agricultural enterprises to foster economic growth in Maine.

##### **Inventories**

The costs of materials and supplies of the Governmental Funds are reported as expenditures when purchased. Undistributed vaccines and food commodities are reported as inventory and unearned revenue in the Federal Fund. Revenues and corresponding expenditures are recognized when vaccines and food commodities are issued. Inventories of materials and supplies in the Proprietary Funds are determined by physical counts and by perpetual inventory systems. Proprietary Fund inventories are stated at cost or average cost.

##### **Receivables**

Receivables consist primarily of amounts due to the State from taxpayers and service providers. Also included in receivables are amounts due but not yet remitted to the State from lottery sales by agents. Loans receivable for the primary government represent low interest financing arrangements to construct and modernize agricultural storage facilities and local commercial enterprises, as well as Department of Transportation loans to local governments. Receivables in the component units' column arise in the normal course of business. Receivables are stated net of estimated allowances for uncollectible amounts that are determined based upon past collection experience and aging of the accounts.

Lease receivables are recorded as the present value of the future lease payments expected to be received from the lessee during the lease term, reduced by any provision for estimated uncollectible amounts. Lease receivables are subsequently reduced over the life of the lease as cash is received in the applicable reporting period. The present value of future lease payments to be received are discounted based on the same rate used to calculate the State's lease obligations.

### **Interfund Transactions and Balances**

Numerous transactions are made between funds to finance operations, provide services, and acquire or construct assets. To the extent that transactions between funds were not completed as of June 30, interfund receivables and payables have been recorded in the fund financial statements. Interfund receivables and payables have been eliminated from the Statement of Net Position.

Long-term loans made by one fund to another are classified as "Working Capital Advances Receivable" and "Working Capital Advances Payable." In the fund financial statements, advances receivable are offset by nonspendable fund balance designations indicating that the long-term loans do not constitute expendable financial resources.

### **Due from/to Primary Government/Component Units**

Numerous transactions are made between the primary government and component units to finance operations, provide services, acquire or construct assets, or repay bonds. To the extent that transactions between funds were not completed as of June 30, "Due from Primary Government" and "Due to Component Unit" receivables and payables have been recorded. Two component units have December 31 year ends, therefore the "due to" and "due from" amounts may differ.

### **Due from/to Other Governments**

Due from/to Other Governments represents amounts receivable from or payable to municipalities or the federal government. Due from Other Governments represents primarily federal grants receivable for Medicaid claims, other health and human services programs, and federal grants receivable for transportation-related expenditures. Due from Other Governments in the component units column represents amounts receivable for grants, bond repayment and retirement benefits. Due to Other Governments primarily consist of amounts owed to municipalities for Municipal Revenue Sharing and the federal government for Medicaid cost recoveries from providers.

### **Capital Assets**

Capital assets, which include land, buildings, equipment and infrastructure assets (e.g., roads, bridges, ramps and similar items), are reported in the government-wide statements and applicable fund financial statements. Capital assets that are used for governmental activities are only reported in the government-wide statements. The State capitalizes governmental fund buildings valued at \$1 million or more and proprietary fund buildings valued at \$100 thousand or more. Governmental fund equipment is capitalized at \$10 thousand or more and proprietary fund equipment is capitalized at \$5 thousand or more. Governmental and proprietary fund software is capitalized at \$1 million or more. All land, regardless of value, is capitalized. Capital assets are recorded at cost or, if donated, at acquisition value at date of acquisition. In some instances, capital assets historical cost were not available. The costs of these assets at the date of acquisitions have been estimated.

In the government-wide statements, most capital assets are depreciated on a straight-line basis over the assets' estimated useful lives, which are 10-40 years for software, buildings and improvements, and 2-25 years for equipment. The State uses the modified approach for reporting its significant infrastructure assets. As long as the State maintains and preserves its infrastructure assets at pre-determined condition levels, maintenance costs are expensed and depreciation is not reported. This approach is discussed further in the Required Supplementary Information.

Right to use leased assets are recognized at the commencement date of the contract and represent the State of Maine's right to use an underlying asset for the lease term. Right to use leased assets are measured at the initial value of the lease liability plus any payments to the lessor before the commencement of the contract term, less any incentives received from the lessor at or before the commencement of the contract term, plus any initial direct cost necessary to place the asset into service. Right to use assets are amortized over the shorter of the contract term or useful life of the underlying asset using the straight-line method. The amortization period varies from 2 to 40 years.

Right to use subscription IT assets are recognized at the subscription commencement date and represent the State of Maine's right to use the underlying IT asset for the subscription term. Right to use subscription IT assets are measured at the initial value of the subscription liability plus any payments made to the vendor at the commencement of the subscription term, less any subscription incentives received from the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service. Right to use subscription IT assets are amortized over the shorter of the subscription term or useful live of the underlying asset using the straight-line method. The amortization period varies from 2 to 14 years.

Capital assets of component units are capitalized upon purchase and depreciated over their estimated useful lives. The estimated useful lives of fixed assets are 5-60 years for non-road structures and improvements and 3-15 years for equipment, furniture, fixtures and vehicles. Component units reflect infrastructure in improvements other than buildings and record depreciation expense on them. The Maine Turnpike Authority (MTA) uses the modified approach for reporting its significant infrastructure assets. As long as MTA

maintains and preserves its infrastructure assets at pre-determined condition levels, maintenance costs are expensed and depreciation is not reported.

**Deferred Outflows of Resources**

Deferred outflows of resources are defined as a consumption of net assets by the government applicable to a future period; they increase net position, similar to assets. Note 17 provides further detail on the components of deferred outflows of resources.

**Accounts Payable**

Accounts payable represent the gross amount of expenditures or expenses incurred as a result of normal operations, but for which no actual payment has yet been issued to vendors/providers. Incurred but not paid (IBNP) Medicaid claims settlements are actuarially estimated. The IBNP estimate recorded at June 30, 2024 is \$404.9 million.

**Tax Refunds Payable**

The amount of collected or accrued tax revenues that will be refunded is estimated and accrued as a General Fund liability.

**Claims Payable**

Claims payable represent workers' compensation, retiree health, employee health, and other claims payable, including actual claims submitted and actuarially determined claims incurred but not reported. The actuarially determined claims liability is discounted and presented at net present value.

**Compensated Employee Absences**

In the government-wide statements and proprietary fund financial statements, compensated absences are recorded as a long-term liability as required by GASB. In the governmental fund financial statements, vested or accumulated leave is reported as an expenditure and fund liability when incurred upon retirement, termination or death. Sick and vacation payments to terminated employees as of June 30, 2024 but paid after the fiscal year end are also reported in the funds. Approximately 54 percent of the governmental fund compensated absences are liquidated by the general fund. In the discretely presented component units, employees' accumulated compensated absences are recorded as an expense and liability as the benefits accrue.

**Net Pension Liability**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Maine Public Employees Retirement System (MPERS) and additions/deductions from MPERS' fiduciary net position have been determined on the same basis as they are reported by MPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The primary government's proportionate share of pension amounts was further allocated to proprietary funds based on the salaries paid by each proprietary fund. Pension investments are reported at fair value. Note 9 provides further detail on the net pension liability.

**OPEB Liability**

The total OPEB liability is the portion of the actuarial present value of projected benefit payments attributed to past periods of employee service. It is the liability of employers and nonemployer contributing entities to employees for benefits provided through an OPEB plan that is not administered through a trust. The net OPEB liability is the liability of employers and nonemployer contributing entities to employees for benefits provided through a defined benefit OPEB plan that is administered through a trust.

**Deferred Inflows of Resources**

Deferred inflows of resources are defined as an acquisition of net assets by the government applicable to a future period; they decrease net position, similar to liabilities. Note 17 provides further detail on the components of deferred inflows.

**Loans Payable to Component Units**

In the Statement of Net Position, the amount of bond proceeds received by a component unit for unmatured GARVEE, TransCap and Liquor Revenue bond proceeds is called "Loans Payable to Component Unit." The offsetting receivables are classified as "Loans Receivable from Primary Government."

**Long-Term Obligations**

In the government-wide statements and proprietary fund financial statements, long-term debt and other long-term obligations are recorded as liabilities.

In the fund financial statements, governmental fund types recognize the face amount of debt issued as other financing sources.

Lease liabilities represent the State of Maine's contractual requirement to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of the lease payments are discounted at rates based on state specific municipal market data.

Subscription liabilities represent the State of Maine's obligation to make subscription payments arising from the subscription contract. Subscription liabilities are recognized at the subscription commencement date based on the present value of future subscription payments expected to be made during the subscription term. The present value of subscription payments are discounted based on state specific municipal market data.

#### **Net Position/Fund Balances**

The difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources is "Net Position" on the government-wide, proprietary and fiduciary fund statements and "Fund Balances" on governmental fund statements.

#### **Fund Balance Restrictions**

Fund balances for governmental funds have been classified in accordance with GASB Statement No. 54.

The State reported the following fund balance restrictions:

*Nonspendable Fund Balance* - indicates items that cannot be spent. This includes activity that is not in a spendable form (inventories, prepaid amounts, long-term portion of loans/notes receivable, or property held for resale unless those proceeds are restricted, committed or assigned) and activity that is legally or contractually required to remain intact, such as a principal balance in a permanent fund.

*Restricted Fund Balances* – include balances that are legally restricted for specific purposes due to constraints that are either externally imposed by creditors, grantors, contributors, or imposed by law through a constitutional provision or enabling legislation.

*Committed Fund Balances* – indicates assets that can be used only for specific purposes pursuant to constraints imposed by a formal action of the Maine Legislature through Legislation passed into law.

*Assigned Fund Balances* – include amounts constrained by the State's intent to be used for a specific purpose, but are neither restricted nor committed. The State has two types of intent authorized by statute. Management decisions are made in accordance with statutory powers and duties, including encumbrances. Legislative assignments include formal actions passed into law that lapse with the passage of time and do not require additional legislation. For governmental funds, other than the General Fund, this is the residual amount within the fund that is not restricted or committed.

*Unassigned Fund Balance* – is the residual amount of the General Fund not included in the four categories described above. Also, any deficit fund balances within the other governmental fund types are reported as unassigned.

#### **F. REVENUES AND EXPENDITURES/EXPENSES**

In the government-wide Statement of Activities, revenues and expenses are segregated by activity (governmental or business-type), then further by function (e.g., governmental support & operations, education, health & human services, etc.). Additionally, revenues are classified between program and general revenues. Program revenues include: charges to customers or applicants for goods, services, or privileges provided; operating grants and contributions; and capital grants and contributions. Internally dedicated resources are reported as general revenues, rather than as program revenue. General revenues include all taxes. Certain indirect costs are included in the program expenses reported for individual functions. The effects of interfund activity are eliminated in the government-wide Statement of Activities.

The State's policy is that restricted amounts are spent first when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available. Within unrestricted fund balance, the State's policy is that committed amounts are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

In the governmental fund financial statements, expenditures are reported by function. Capital outlay expenditures for real property or infrastructure (e.g. highways) are included with expenditures by function.

Revenues and expenses of proprietary funds are classified as operating or nonoperating and are subclassified by object (e.g. general operations and depreciation). Operating revenues and expenses generally result from providing services and producing and delivering goods. All other revenues and expenses are reported as nonoperating, capital contributions, transfers or special items.



**NOTE 2 - BUDGETING AND BUDGETARY CONTROL, AND LEGAL COMPLIANCE****Appropriation Limits**

The total General Fund appropriation for each fiscal year of the biennium in the Governor's budget submission to the Legislature may not exceed the General Fund appropriation of the previous fiscal year multiplied by one plus the average real personal income growth rate, as defined in Title 5 Maine Revised Statutes Annotated (MRSA) § 1665, subsection 1, plus the average forecasted inflation rate. "Average forecasted inflation rate" means the average forecasted change in the Consumer Price Index underlying the revenue projections developed by the Revenue Forecasting Committee.

This appropriation limitation may be exceeded only by the amount of the additional costs or the lost federal revenue from the following exceptional circumstances: unfunded or under-funded new federal mandates; losses in federal revenues or other revenue sources; citizens' initiatives or referenda that require increased State spending; court orders or decrees that require additional State resources to comply with the orders or decrees; and sudden or significant increases in demand for existing State services that are not the result of legislative changes that increased eligibility or increased benefits.

The Governor may designate exceptional circumstances that are not explicitly defined, but meet the intent of, this statute. "Exceptional circumstances" means an unforeseen condition or conditions over which the Governor and the Legislature have little or no control. Exceptional circumstances do not apply to new programs or program expansions that go beyond existing program criteria and operation.

**Budget Stabilization Fund**

The Maine Budget Stabilization Fund ("BSF"), a fund designation established under Title 5 MRSA C. 142, is included in the \$841.1 million unassigned General Fund fund balance. The BSF had a balance of \$968.3 million. Amounts in the stabilization fund may be expended only to offset a General Fund revenue shortfall. The Governor may also allocate funds for payment of death benefits for law enforcement officers, firefighters and emergency medical services personnel.

Balances in the fund do not lapse, but carry forward each year. Money in the fund may be invested with any earnings credited to the fund except when the fund is at its statutory cap. When the fund is at its cap, interest earnings are transferred to the Irrevocable Trust Funds for Other Post-employment Benefits. The State Controller is required to transfer to the fund 80 percent of the amount available from the unappropriated surplus after all required deductions of appropriations, budgeted financial commitments and adjustments at the close of each fiscal year when the fund is not at its statutory cap. When the fund is at its cap, that amount is transferred to the Highway and Bridge Capital Program, Other Special Revenue Funds Account. In accordance with the statute, the State Controller transferred \$75.0 million to the Highway and Bridge Capital Program at the end of fiscal year 2024 because the BSF was at its statutory cap. The \$11.2 million of BSF interest earnings were transferred to the Irrevocable Trust Funds for Other Post-Employment Benefits for State Employees.

The statutory cap for the fund is 18 percent of the total General Fund revenue received in the immediately preceding fiscal year. At the close of the fiscal year, the cap is based on the revenue received in the fiscal year being closed. Based on fiscal year 2024 actual General Fund revenue, the statutory cap at the close of fiscal year 2024 was \$963.5 million. At the close of fiscal year 2024, the balance of the Maine BSF was \$968.3 million. No reductions to the Maine BSF balance are required when it exceeds the balance of the statutory cap as a result of a decline of General Fund revenue.

**Budget Stabilization Fund Activity**

(Expressed in Thousands)

Balance, beginning of year	\$ 968,309
No change in fund balance	-
Balance, end of year	<u>\$ 968,309</u>

**Budget and Budgetary Expenditures**

The gross unified budget bills and budget document encompass resources from the General Fund, Highway Fund, Federal Expenditures Fund, Federal Block Grant Fund, Other Special Revenue Fund, internal service funds and enterprise funds. Separate gross unified budget bills must be submitted for the General Fund and the Highway Fund. All funds except trust and custodial funds, bond funds and costs of goods sold expenditures in internal service funds and enterprise funds are subject to legislative allocation. The biennial budget sets forth proposed expenditures for the administration, operation and maintenance of the departments and agencies of the State Government; all interest and debt redemption charges during each fiscal year and all expenditures for capital projects to be undertaken and executed during each fiscal year. Within this structure, budgetary control by agency is maintained at the program and line category level. The State Budget Officer and the Governor must approve budget revisions during the year, reflecting program

changes or intradepartmental administrative transfers.

Except in specific instances, only the Legislature may transfer appropriations between departments. Changes in appropriation, allocation, or funding for new programs are presented to the Legislature as supplemental budgets or separate pieces of legislation. For the year ended June 30, 2024, the Legislature increased appropriations to the General Fund by \$1.0 million.

Actual expenditures did not exceed legislatively authorized appropriations at the Department level; therefore, the State complied with all related budget laws at the legal level.

### Governmental Fund Balances - Restricted, Committed and Assigned

The State's fund balances represent: (1) restricted purposes, which include balances legally restricted for specific purposes due to constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; (2) committed purposes, which include balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Legislature; (3) assigned purposes, which includes balances that are constrained by government's intent to be used for specific purposes, but are neither restricted nor committed. A summary of the nature and purpose of these fund balance types at June 30, 2024 are detailed on the following pages.

### Governmental Fund Balances (Expressed in Thousands)

	<u>NSIF</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
<b>General Fund:</b>				
Arts, Heritage & Cultural Enrichment	\$ -	\$ -	\$ 1,524	\$ -
Education	-	-	-	55,012
Governmental Support & Operations	-	4,026	912	181,733
Public Safety	-	1,464	-	-
Justice & Protection	-	-	-	14,271
Defense, Veterans & Emergency Management	-	-	-	2,729
Inland Fisheries & Wildlife	-	6,498	-	-
Agriculture & Conservation	-	-	2,491	-
All Other	3,173	-	-	560
Total	<u>\$ 3,173</u>	<u>\$ 11,988</u>	<u>\$ 4,927</u>	<u>\$ 254,305</u>
<b>Highway Fund:</b>				
Transportation, Highway & Bridge Construction	\$ -	\$ 40,995	\$ -	\$ -
Total	<u>\$ -</u>	<u>\$ 40,995</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Federal Fund:</b>				
Economic Development & Workforce Training	\$ -	\$ 2,281	\$ -	\$ -
Governmental Support & Operations	-	4,247	-	-
Total	<u>\$ -</u>	<u>\$ 6,528</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Other Special Revenue Fund:</b>				
Workers Compensation Board	\$ -	\$ 17,770	\$ 6,682	\$ -
Professional & Financial Regulation	-	9,387	3,618	1,214
Public Utilities Commission	-	1,670	11,660	-
PFR Bureau of Consumer Credit Protection	-	-	7,542	-
PFR Bureau of Financial Institutions	-	-	16,598	-
PFR Bureau of Insurance	-	53,457	-	-
PFR Licensing & Enforcement Division	-	-	17,678	-
PFR Office of Securities	-	6,985	-	-
Education	-	-	12,671	2,960
Higher Education	-	-	-	1,660
Education Stabilization Fund	-	-	15,000	-
Economic Development & Workforce Training	-	65,140	5,081	1,071
Tourism Marketing Promotion Fund	-	-	17,550	-
Unemployment Administrative Fund	-	-	-	5,699
Paid Family and Medical Leave	-	-	24,667	-
Electric Assistance Program	-	-	7,500	-
Governmental Support & Operations	-	142,264	7,742	-
Treasury	-	-	3,365	-
Bonds for Highway & Bridge Construction	-	213,310	-	-
State Facilities Capital Improvements	-	-	25,689	-
Unorganized Territory Education	-	11,187	-	-
Municipal Excise Tax Reimbursement Fund	-	-	8,369	-
Cannabis Use Funds	-	-	15,673	-
Clean Elections Act Funds	-	-	5,401	-

**Governmental Fund Balances**  
(Expressed in Thousands)

	<u>NSIF</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
Transcap Trust Fund	-	6,509	-	-
Health & Human Services	-	1,671	-	-
Fund for Healthy Maine	-	-	59,375	-
Office of Family Independence	-	4,050	-	-
Office of the Commissioner	-	-	-	7,820
Substance Abuse & Mental Health	-	-	13,117	4,419
Centers for Disease Control & Prevention	-	1,219	9,829	7,248
MaineCare	-	12,747	-	80,757
Defense, Veterans & Emergency Management	-	3,092	3,414	-
Justice & Protection	-	25,708	2,475	22,404
Public Safety	-	7,579	-	7,402
Indigent Legal Services	-	-	9,284	-
Armory Maintenance	-	-	3,558	-
State Fire Marshall	-	7,523	-	-
Maine Recovery Fund	-	-	-	36,180
EMS Stabilization	-	-	22,318	-
Natural Resources Development & Protection	-	36,772	-	-
Agriculture & Conservation	-	5,000	13,911	6,331
Environmental Protection	-	-	5,130	807
Inland Fisheries & Wildlife	-	20,337	-	-
Marine Resources	-	8,952	6,321	976
PFAS Mitigation	-	-	67,336	-
Hazardous Waste Fund	-	4,476	-	-
Uncontrolled Sites Fund	-	20,434	-	-
Ground and Surface Waters Cleanup Fund	-	6,202	-	-
Environmental Protection Fund	-	-	16,528	-
Land for Maine's Future	-	-	28,557	-
Public Reserved Lands Management Fund	-	-	-	5,461
DEP Revolving Loan Program	-	-	8,723	-
Transportation Safety & Development	-	3,205	8,827	2,994
Transportation - Highway & Bridge Construction	-	154,844	164	-
Multimodal Transportation	-	-	21,859	-
All Other	-	1,388	1,385	482
Total	\$ -	\$ 852,878	\$ 514,597	\$ 195,885
<b>Other Governmental Funds:</b>				
	<u>NSIF</u>	<u>Restricted</u>	<u>Permanent</u>	
Capital Projects - Transportation Safety & Develop	-	46,986	-	
Capital Projects - Multimodal Transportation	-	9,544	-	
Capital Projects - Environmental Protection	-	6,813	-	
Permanent Funds - Baxter Park	-	-	11,852	
Permanent Funds - All Others	-	-	40,595	
Special Revenue Funds - Baxter Park	-	117,387	-	
Special Revenue Funds - All Other	-	502	-	
Total	\$ -	\$ 181,232	\$ 52,447	

**NOTE 3 - ACCOUNTING CHANGES AND RESTATEMENTS****ACCOUNTING CHANGES AND ERROR CORRECTIONS**

The following GASB Statements became effective for fiscal year ended June 30, 2024:

GASB Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (a) practice issues that have been identified during implementation and application of certain GASB Statements and (b) accounting and financial reporting for financial guarantees. Requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The remaining requirements were effective in fiscal year 2023.

GASB Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance the accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

**Accounting Changes and Error Corrections**  
(Expressed in Thousands)

	<b>As Previously Reported</b>	<b>Error Correction</b>	<b>As Restated</b>
<b>Government-Wide</b>			
Governmental Activities	\$ 2,476,551	\$ 55,369	\$ 2,531,920
Business Type Activities	<u>784,776</u>	<u>4,688</u>	<u>789,464</u>
Total Primary Government	<u>\$ 3,261,327</u>	<u>\$ 60,057</u>	<u>\$ 3,321,384</u>
Component Units	<u>\$ 3,894,101</u>	<u>\$ 887</u>	<u>\$ 3,894,988</u>
<b>Governmental Funds</b>			
Major Funds			
Other Special Revenue Funds	<u>\$ 1,349,419</u>	<u>\$ 4,200</u>	<u>\$ 1,353,619</u>
<b>Proprietary Funds</b>			
Major Funds			
Employment Security Fund	\$ 715,946	\$ (6,100)	\$ 709,846
Nonmajor Funds	<u>68,671</u>	<u>10,788</u>	<u>79,459</u>
Total Proprietary Funds	<u>\$ 784,617</u>	<u>\$ 4,688</u>	<u>\$ 789,305</u>
<b>Fiduciary Funds</b>			
Custodial Funds	<u>\$ 81,644</u>	<u>\$ 20,468</u>	<u>\$ 102,112</u>
<b>Discretely Presented Component Units</b>			
Nonmajor Component Units	<u>\$ 368,456</u>	<u>\$ 887</u>	<u>\$ 369,343</u>

### Other Restatements

In fiscal year 2023 the State of Maine recorded \$51.2 million of future opioid settlement receivables as deferred inflows. In fiscal year 2024 the State determined the settlement funds should have been recognized as revenue (exchange-like transaction) in the Government Wide, Governmental Activities on the Statement of Activities. In addition to the \$51.2 million adjustment, an additional \$4.2 million was recorded due to an error correction associated with the Employment Security Fund (ESF), a major enterprise fund, for a total of \$55.4 million. The ESF overstatement of contribution revenue should have been recorded in the Competitive Scholarship Fund, a non-major enterprise fund and the Other Special Revenue Fund, a major governmental fund. The restatement decreased the net position of the ESF by \$6.1 million. The net position of the Competitive Scholarship Fund increased by \$1.9 million and the net position of the Other Special Revenue Fund increased by \$4.2 million. The State also identified an \$8.9 million error in the calculation of instant prize reserves in the Lottery fund, a non-major enterprise fund. These error corrections, in addition to impacting the Governmental Activities by \$4.2 million, also increased the net position of the Business-Type Activities by \$4.7 million on the Statement of Activities. In fiscal year 2023, the State recorded \$20.5 million of future opioid settlement receivables as deferred inflows in a Fiduciary Fund. In fiscal year 2024 the State determined the settlement funds should have been recognized as revenue (exchange-like transaction), increasing the beginning net position.

### Restatement – Component Unit

A non-major component unit, Midcoast Regional Redevelopment Authority increased its beginning net position by \$887 thousand, as a result of over depreciating assets in prior years.

**NOTE 4 - DEFICIT FUND BALANCES/NET POSITION****PROPRIETARY FUNDS**

Five internal service funds showed deficits for the fiscal year ended June 30, 2024. The Workers' Compensation Fund reported a deficit of \$6.0 million, which reflects accruals for actuarially determined claims payable. The Leased Space Fund had a deficit of \$8.8 million because rates charged were insufficient to cover expenses incurred. The Postal, Printing & Supply fund reported a deficit of \$12.4 million because expenses are recognized when incurred; however, related revenue is not earned until jobs are satisfactorily completed. All of the deficits mentioned above are expected to be funded by future service charges. The remaining two internal service funds, Financial and Personnel Services and Information Services, reported deficits of \$24.0 million and \$10.9 million, respectively. These deficits are primarily the result of the implementation of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, and GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pension, which required the recognition of the entire net pension and postemployment benefits other than pension liability.

Two enterprise funds showed deficits for the fiscal year ended June 30, 2024. Maine Military Authority reported a deficit of \$170 thousand. Maine Military Authority significantly reduced its operation and workforce in Fiscal Year 2019. As a result, the fund incurred a loss on the disposal of its assets. The Consolidated Emergency Communications Fund reported a deficit of \$4.4 million due to the accrual of Other Postemployment Benefits and Pension Liabilities which will be funded by future service charges.

**NOTE 5 - DEPOSITS AND INVESTMENTS**

Title 5 MRSA § 135 governs the deposit and investment policies of the State of Maine Office of the State Treasurer. The Treasurer may deposit State funds, including trust funds of the State, in any of the banking institutions (including trust companies, State or federal savings and loan associations, and mutual savings banks) organized under the laws of this State and any national bank or federal savings and loan association located in the State.

The State follows the practice of pooling cash and cash equivalents for a variety of State agencies and public sector entities. The Treasurer may invest funds that exceed current obligations, with the concurrence of the State Controller or the Commissioner of Administrative and Financial Services and the consent of the Governor.

Approved investments include bonds, notes, certificates of indebtedness, other obligations of the United States that mature not more than 36 months from the date of investment; repurchase agreements secured by obligations of the United States that mature within the succeeding 12 months; prime commercial paper with maturities not exceeding 270 days from the date of purchase; tax-exempt obligations that mature not more than 36 months from the date of investment and have a long-term rating of no less than "AA" or the equivalent; corporate bonds rated "AAA" that mature within 36 months from the date of investment; banker's acceptances with an original maturity not exceeding 180 days and rated in the highest short-term category by at least one nationally recognized securities rating organization (NRSRO); and "no-load" shares of an investment company registered under the Federal Investment Company Act of 1940, which are rated "AAAm" or "AAAm-G" by Standard & Poor's, or the equivalent by another NRSRO. Although authorized to do so, the Treasurer does not participate in the securities loan market.

Investment policies of the permanent trusts are governed by Title 5 MRSA § 138. The Treasurer, with the approval of the Commissioner of Administrative and Financial Services, the Superintendent of Financial Institutions and the Attorney General, shall invest the funds in securities that are legal investments in accordance with Title 9-B MRSA. The investments need not be segregated to the separate trusts, but the identity of each trust must be maintained. The Treasurer may enter into custodial care and servicing contracts or agreements negotiated in accordance with the laws of this State for the handling of funds held in trust.

No amounts exceeding 25 percent of the capital, surplus, and undivided profits of any trust company or national bank or 25 percent of the reserve fund and undivided profits of a mutual savings bank or State or federal savings and loan association, shall be on deposit in any one institution at any one time. This restriction does not apply to deposits subject to immediate withdrawal to meet the payment of any bonded debt or interest or to pay current bills or expenses of the State. Also exempt are deposits secured by the pledge of certain securities as collateral or fully covered by insurance.

With assistance from the Finance Authority of Maine, the Treasurer participates in a restricted deposit program to encourage banks to provide loans at two percent below market rate. The Treasurer may invest up to \$8 million in lending institutions at a two percent lower-than-market rate provided the lenders pass the rate reduction on to the borrowers. This program earmarks \$4 million for loans to agricultural enterprises and the other \$4 million are designated for commercial entities.

The Primary Government's Deposits and Investments, excluding component units that are fiduciary in nature, at June 30, 2024 are as follows:

**Primary Government Deposits and Investments**  
(Expressed in Thousands)

	<b>Governmental Activities</b>	<b>Business- Type Activities</b>	<b>Private Purpose Trusts</b>	<b>Custodial Funds</b>	<b>Total</b>
Equity in Treasurer's Cash Pool	\$ 3,800,794	\$ 24,682	\$ 500	\$ 14,366	\$ 3,840,342
Cash and Cash Equivalents	183	2,173	9,988	27	12,371
Cash with Fiscal Agent	297,659	2,224	-	-	299,883
Investments	169,853	-	24,078	-	193,931
Restricted Equity in Treasurer's Cash Pool	65,202	-	-	-	65,202
Restricted Deposits and Investments	4,052	746,776	-	-	750,828
Investments Held on Behalf of Others	-	-	-	69,625	69,625
Total Primary Government	<u>\$ 4,337,743</u>	<u>\$ 775,855</u>	<u>\$ 34,566</u>	<u>\$ 84,018</u>	<u>\$ 5,232,182</u>

*Interest Rate Risk* – Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. In general, the State holds securities to maturity. All debt securities are reported at full-term.

The following table provides the segmented time distribution of the Primary Government's investments at June 30, 2024:

**Maturities in Years**  
(Expressed in Thousands)

	<b>Less than 1</b>	<b>1-5</b>	<b>6-10</b>	<b>11-20</b>	<b>More than 20</b>	<b>No Maturity</b>	<b>Fair Value</b>
<i>Governmental and Business-Type Activities, excluding Non-Major Special Revenue and Permanent Funds</i>							
US Instrumentalities	\$ -	\$ 26,101	\$ -	\$ -	\$ -	\$ -	\$ 26,101
US Treasury Notes	275,183	1,404,119	-	-	-	-	1,679,302
Commercial Paper	138,500	-	-	-	-	-	138,500
Certificates of Deposit	1,030,117	213,978	-	-	-	-	1,244,095
Cash and Cash Equivalents	1,559	-	-	-	-	807,529	809,088
Unemployment Fund	-	-	-	-	-	746,776	746,776
<i>Private-Purpose Trusts, Custodial Funds, and Non-Major Special Revenue and Permanent Funds</i>							
US Instrumentalities	-	276	701	655	1,225	1,233	4,090
US Treasury Notes	1,051	5,459	-	-	2,494	9,039	18,043
Corporate Notes and Bonds	-	3,765	-	-	25	58,284	62,074
Other Fixed Income Securities	-	-	-	-	-	41,930	41,930
Commercial Paper	529	-	-	-	-	-	529
Certificates of Deposit	5,373	831	-	-	-	10,540	16,744
Money Market	7,138	326	-	-	-	1,598	9,062
Cash and Cash Equivalents	15,540	4,620	2,022	-	-	33,274	55,456
Equities	-	-	-	-	-	75,673	75,673
Other	-	-	-	-	-	4,836	4,836
	<u>\$ 1,474,990</u>	<u>\$ 1,659,475</u>	<u>\$ 2,723</u>	<u>\$ 655</u>	<u>\$ 3,744</u>	<u>\$ 1,790,712</u>	<u>\$ 4,932,299</u>
Other Assets							
Cash with Fiscal Agent							299,883
Total Primary Government							<u>\$ 5,232,182</u>

*Credit Risk* – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. This credit risk is measured by the credit quality ratings of investments as described by nationally recognized statistical rating organizations. The State's investment policy limits its investments to those with high credit quality made by or with the advice and upon the due diligence of the State's independent investment advisor. The State limits credit risk in its trusts by ensuring that the fixed income credit quality at the time of purchase is a minimum bond rating of "A" by either Standard & Poor's or Moody's rating service. Fixed income holdings thereafter shall maintain a minimum bond rating of "BBB".

The Primary Government's total investments by credit quality rating as of June 30, 2024 are presented below:

**Standard and Poor's Credit Rating**  
(Expressed in Thousands)

	<u>A1</u>	<u>A</u>	<u>AA</u>	<u>AAA</u>	<u>BB</u>	<u>BBB</u>	<u>Not Rated</u>	<u>Total</u>
<i>Governmental and Business-Type Activities, excluding Non-Major Special Revenue and Permanent Funds</i>								
Commercial Paper	\$ 138,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 138,500
<i>Private-Purpose Trusts, Custodial Funds, and Non-Major Special Revenue and Permanent Funds</i>								
Corporate Notes and Bonds	-	2,401	444	123	-	2,485	56,621	62,074
Commercial Paper	529	-	-	-	-	-	-	529
Money Market	-	-	-	-	-	-	9,062	9,062
Other Fixed Income Securities	-	-	-	-	-	-	4,836	4,836
Total Primary Government	<u>\$ 139,029</u>	<u>\$ 2,401</u>	<u>\$ 444</u>	<u>\$ 123</u>	<u>\$ -</u>	<u>\$ 2,485</u>	<u>\$ 70,519</u>	<u>\$ 215,001</u>

*Concentration of Credit Risk* – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The State limits concentration of credit risk in its trusts by requiring that no single stock represent more than seven percent of the total portfolio. There is no concentration of credit risk policy for the Treasurer's Cash Pool. At June 30, 2024, there were no investments that exceeded five percent of the Treasurer's Cash Pool.

*Custodial Credit Risk* - For investments, custodial credit risk is the risk that, in the event of a failure of the counterparty to a transaction, the State will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The State limits its custodial credit risk for the Treasurer's Cash Pool by maintaining a file of the most recent credit rating analysis reports performed for each approved financial institution. The State also requires that all securities be perfected in the name of the State and held in third party safekeeping by a state approved custodian. Of the cash pool's \$1.310 billion invested in non-negotiable certificates of deposit, certain CD's exceeded the FDIC insured amounts for the institutions at which they were held. However, certificates of deposits, money market accounts and regular cash deposits are all collateralized at a minimum of 100 percent with pledged securities or a Federal Home Loan Bank letter of credit.

The State does not have a policy regarding custodial credit risk for its trusts. The Percival P. Baxter Trust is held by a counterparty, but not in the State's name.

The fair value of the trust's investments as of June 30, 2024 was \$117.4 million and was comprised of the following (expressed in thousands):

	<b>Percival Baxter Trust</b>
U.S. Instrumentalities	\$ 4,001
U.S. Treasury Notes	7,835
Corporate Notes and Bonds	5,454
Other Fixed Income Securities	13,782
Equities	71,805
Cash and Equivalents	1,358
Other	13,157
Total	<u>\$ 117,392</u>

The State and certain vendors contract with a fiscal intermediary, Clareon, for electronic disbursements from the State to its vendors. During fiscal year 2024 these disbursements, on average, exceeded \$253 million per month. The funds in transit are not collateralized and are not held by the State Treasurer. Until the vendor receives payment, the State retains some liability.

*Fair Value Measurements* - The State of Maine categorizes its fair value measurements within the fair value hierarchy established by the generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of an 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 the 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 State of Maine 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 the 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);
- *Income Approach* – Techniques to convert future amount to a single present amount based on market exceptions (including present value techniques).

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

***Investments classified as level 1:*** Investments classified as level 1 are primarily exchange traded equity securities and other fixed income securities valued at market prices using interactive exchange data. Investments are evaluated by obtaining feeds from a number of live data sources including active market makers and inter-dealer brokers. Sources are reviewed on the basis of their historical accuracy for individual issues and maturity ranges. Treasury notes and bonds are evaluated by gathering information from market sources and integrate relative credit information, observed market movements, and sector news into the evaluated pricing applications and models.

***Investments classified as level 2:*** Investments classified as level 2 including fixed income corporate bond, fixed income government bonds and treasury notes are priced using a published mid-price. Investments are evaluated as follows: a. A bullet (non-call) spread scale is created for each issuer for maturities going out to forty years. These spreads represent credit risk and are obtained from the new issue market, secondary trading, and dealer quotes. Each issuer-spread line has the capability to link parent/subsidiary and related companies to capture relevant movements. b. An Option Adjusted Spread (OAS) model is incorporated to adjust spreads of issues that have early redemption features. c. Final spreads are added to both a 15: and 16: (ET) U.S. Treasury curve. A special cash discounting yield/price routine calculates prices from final yields to accommodate odd coupon payment dates typical of medium-term notes. d. Evaluators maintain quality by surveying the dealer community, obtaining benchmark quotes, incorporating relevant trade data, and updating spreads daily. Note: Floating-rate medium-term notes are evaluated using the Floating-Rate Note Evaluation Model which generates evaluations for floating-rate notes by calculating current and future coupons, then discounting each cash flow by an appropriate discount margin.

***Investments classified as level 3:*** Investments classified as level 3 include private equities securities that exist in illiquid markets. These securities are broker priced.

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 State of Maine 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 set forth by level, within the fair value hierarchy, the State of Maine's assets carried at fair value on a recurring basis as of June 30, 2024:

**Fair Value Measurement**  
(Expressed in Thousands)

	Total	Quoted Prices in	Significant Other	Significant
		Active Markets for Identical Assets Level 1	Observable Inputs Level 2	Unobservable Inputs Level 3
Commercial Paper	\$ 139,030	\$ -	\$ 139,030	\$ -
Corporate Notes and Bonds	62,072	56,619	5,453	-
U.S. Instrumentalities	27,699	-	27,631	68
U.S. Treasury Notes	1,693,963	1,693,963	-	-
Other Fixed Income Securities	41,931	28,774	-	13,157
Equities	75,672	75,672	-	-
<b>Total</b>	<b>\$ 2,040,367</b>	<b>\$ 1,855,028</b>	<b>\$ 172,114</b>	<b>\$ 13,225</b>

**MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM**

The Maine Public Employees Retirement System (the System) makes investments in a combination of equities, fixed income securities, infrastructure, private equity, real estate, mutual funds, commingled mutual and index funds, derivative instruments, and other investment securities established by the Trustee's investment policy.

*Derivative Instruments* – Derivative instruments are financial contracts whose value depends on the value of one or more underlying assets, reference rates or financial indices. They include futures, forwards, options, and swap contracts. The System's investments in derivative securities only have nominal exposure to custodial credit risk. Credit risk is managed, in the case of exchange-traded derivatives, by the execution of trades through a clearinghouse and, in the case of over-the-counter transactions, by managers' due diligence assessment and approval of counterparties. Market risk is managed by imposing strict limits as to the types, amounts and degree of risk that investment managers may undertake. These limits are approved by the Board of Trustees and are monitored by the Chief Investment Officer.

The system did not have any derivative investments as of June 30, 2024 or during the year then ended.

Foreign currency forward contracts are used to hedge against the currency risk in the System's foreign equity and fixed income security portfolios. The System's fixed income managers invest in Collateralized Mortgage Obligations (CMOs) and Asset-Backed Securities to improve the yield or adjust the duration of the fixed income portfolio.

*Securities Lending* - The System has also entered into agreements with its master custodian for securities lending transactions, which are collateralized in an amount generally valued at 102 percent (105 percent for international securities) of the fair value of the securities loaned plus accrued interest. All securities and loans can be terminated on demand by either the lender or the borrower. Securities are loaned against collateral that may include cash, U.S. government securities and irrevocable letters of credit. Non-cash collateral cannot be pledged or sold unless the borrower defaults. Cash collateral may also be invested separately in "term loans," in which case the investments match the loan term. During fiscal years 2024 and 2023, there were no violations of legal or contractual provision, and no borrower or lending agent default losses identified to the system by securities lending agent. Because of the program's collateralization of loans, generally at 102% (or more) the system believes that there is no material credit risk.

Cash collateral is invested in a short-term investment pool. Cash collateral may also be invested separately in "term loans." At June 30, 2024 all of the collateral for securities lending is subject to custodial credit risk. The System believes that there is no credit risk as defined in GASB Statement No. 28 and GASB Statement No. 40. The collateral held and the market value of securities on loan for the System as of June 30, 2024 was \$139.5 million and \$136.4 million, respectively.

*Concentration of Credit Risk* – Concentration of credit risk is the risk of loss that may be attributed to the magnitude of investment in a single issue. The System's investment policy places no limit on the amount the System may invest in any one issuer. No investment exceeded 5 percent of the fiduciary net position for the defined benefit and OPEB plans.

**COMPONENT UNITS**

Generally, component unit investment policies authorize investments in obligations of U.S. Treasury and Agency Securities, repurchase agreements, corporate bonds, certificates of deposit and money market funds. Some component units may invest in stocks, bonds, fixed income securities, mutual funds, commingled mutual funds and index funds, guaranteed investment contracts, real estate and other investment securities.

Certain component units also invest in the Treasurer's Cash Pool and comprise approximately 4.16 percent of pool assets. The component units reported their participation as either Cash and Cash Equivalents or Investments on their financial statements. The

State reclassified \$169.4 million of the component units' participation to "Equity in Treasurer's Cash Pool" on the State's financial statements. In addition to the amounts reported, the State Treasurer's Cash Pool includes \$9.9 million, consisting of Finance Authority of Maine component unit fiduciary funds that, because of GASB Statement No. 34 reporting criteria, are not shown in the accompanying financial statements as invested in the Treasurer's Cash Pool.

## NOTE 6 - RECEIVABLES

Receivable balances are segregated by type, and presented in the fund financial statements net of allowance for uncollectibles. The following tables disaggregate amounts considered to be uncollectible by fund and type of receivable as of the close of the fiscal year:

### Primary Government - Receivables (Expressed in Thousands)

	<u>Taxes</u>	<u>Settlements</u>	<u>Accounts</u>	<u>Loans</u>	<u>Allowance for Uncollectibles</u>	<u>Net Receivables</u>
<b>Governmental Funds:</b>						
General	\$ 967,288	\$ -	\$ 198,321	\$ 1	\$ (228,055)	\$ 937,555
Highway	23,898	-	4,716	-	(162)	28,452
Federal *	-	-	267,108	-	(105,354)	161,754
Other Special Revenue **	18,895	108,646	129,160	1,162	(75,889)	181,974
Total Governmental Funds	1,010,081	108,646	599,305	1,163	(409,460)	1,309,735
Allowance for Uncollectibles	(147,280)	-	(262,081)	(99)	-	-
Net Receivables	<u>\$ 862,801</u>	<u>\$ 108,646</u>	<u>\$ 337,224</u>	<u>\$ 1,064</u>		<u>\$ 1,309,735</u>
<b>Proprietary Funds:</b>						
Employment Security *	\$ -	\$ -	\$ 102,134	\$ -	\$ (68,985)	\$ 33,149
Nonmajor Enterprise	-	-	36,863	-	(63)	36,800
Internal Service	-	-	6,381	-	-	6,381
Total Proprietary Funds	-	-	145,378	-	(69,048)	76,330
Allowance for Uncollectibles	-	-	(69,048)	-	-	-
Net Receivables	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 76,330</u>	<u>\$ -</u>		<u>\$ 76,330</u>

\* Accounts receivable related to the Unemployment Insurance program increased significantly in the Federal Fund and the Employment Security Major Enterprise Fund in fiscal year 2022 and 2021. This was due primarily to a significant increase in fraudulent claims activity and benefit overpayments associated with Federal Pandemic Unemployment Compensation, Pandemic Unemployment Assistance, and other emergency benefits provided in response to the Coronavirus Pandemic.

\*\* Maine is participating in the National Opioid Settlement (Settlement), which negotiated conclusions to investigations and litigation by the Attorney General and by certain Maine counties, cities, and towns of the marketing and sales practices of opioid pain medications by entities in the pharmaceutical supply chain. The Settlement will produce a stream of annual payments over 18 years for permissible opioid abatement activities described in the court order which gives effect to the Settlement. The Settlement also imposes certain injunctive terms agreed to by the Defendants. In addition to the Opioid settlement, Maine is participating in a Tobacco settlement. Please see Note 19 for additional information about the Tobacco settlement.

### Component Units - Receivables (Expressed in Thousands)

	<u>Accounts</u>	<u>Loans and Leases</u>	<u>Allowance for Uncollectibles</u>	<u>Net Receivables</u>
Finance Authority of Maine	\$ 4,793	\$ 110,606	\$ (4,763)	\$ 110,636
Maine Community College System	21,569	-	(1,984)	19,585
Maine Health and Educational Facilities Authority	157	730,875	-	731,032
Maine Municipal Bond Bank	3,073	-	-	3,073
Maine State Housing Authority	11,040	1,751,413	(7,993)	1,754,460
Maine Turnpike Authority	7,664	35,540	-	43,204
University of Maine System	93,493	26,651	(23,042)	97,102
Net Receivables	<u>\$ 141,789</u>	<u>\$ 2,655,085</u>	<u>\$ (37,782)</u>	<u>\$ 2,759,092</u>

**NOTE 7 - INTERFUND TRANSACTIONS**

Interfund receivables and payables represent amounts owed to one State fund by another, for goods sold or services received, or for borrowings to eliminate negative balances in the Treasurer's Cash Pool.

Balances due within one year are recorded as Due to/Due from Other Funds. The balances of current interfund receivables and payables as of June 30, 2024 were:

<b>Interfund Receivables</b> (Expressed in Thousands)					
<b>Due to Other Funds</b>					
<b>Due from Other Funds</b>	<b>General</b>	<b>Highway</b>	<b>Federal</b>	<b>Other Special Revenue</b>	<b>Other Governmental</b>
General	\$ -	\$ -	\$ 1,192	\$ -	\$ -
Highway	8	8	5,700	17,982	-
Federal	2	-	165	-	-
Other Special Revenue	32,721	479	2,789	1,637	16
Other Governmental	-	-	-	-	-
Employment Security	-	-	965	-	-
Non-Major Enterprise	1,192	565	-	163	-
Internal Service	21,664	5,675	5,428	8,942	-
Fiduciary	66,708	-	-	-	-
<b>Total</b>	<b>\$ 122,295</b>	<b>\$ 6,727</b>	<b>\$ 16,239</b>	<b>\$ 28,724</b>	<b>\$ 16</b>

<b>Due to Other Funds</b>					
<b>Due from Other Funds</b>	<b>Employment Security</b>	<b>Non-Major Enterprise Funds</b>	<b>Internal Service Funds</b>	<b>Fiduciary Funds</b>	<b>Total</b>
General	\$ -	\$ 548	\$ 14,326	\$ -	\$ 16,066
Highway	-	-	1	-	23,699
Federal	3,835	-	-	-	4,002
Other Special Revenue	-	21	278	-	37,941
Other Governmental	-	-	-	-	-
Employment Security	-	-	-	-	965
Non-Major Enterprise	-	-	-	-	1,920
Internal Service	-	598	13,478	5	55,790
Fiduciary	-	-	-	-	66,708
<b>Total</b>	<b>\$ 3,835</b>	<b>\$ 1,167</b>	<b>\$ 28,083</b>	<b>\$ 5</b>	<b>\$ 207,091</b>

Not included in the table above are interfund loans/advances, which are not expected to be repaid within one year. Postal, Printing & Supply (an internal service fund) owes \$111 thousand to the General Fund for operating capital.

Transfers are made in accordance with statutory authority. Significant transfers are used to 1) move revenues from the fund that statute requires to collect them to the fund that statute requires to expend them, 2) move receipts restricted for debt service from the funds collecting the receipts to the funds required to pay debt service as principal and interest payments come due, 3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, 4) move profits from the Lottery Fund, 5) transfer accumulated surpluses from other funds to the General Fund when authorized by statute and 6) move profits from the Alcoholic Beverages Fund.

During fiscal year 2024, the State of Maine, in accordance with the legislatively authorized budget, recorded the following non-routine, nonrecurring transfers.

The General Fund transferred \$75.0 million, \$65.0 million, \$31.0 million, \$25.0 million and \$21.7 million to the Other Special Revenue Fund, respectively, for: the Highway and Bridge Capital Program, the Maine State Housing Authority State Program, the Department of Public Safety Emergency Medical Services Stabilization and Sustainability Program, the Paid Medical Leave Insurance

Fund and the TransCap Trust Fund.

Interfund transfers for the year ended June 30, 2024 consisted of the following:

<b>Interfund Transfers</b>					
(Expressed in Thousands)					
<b>Transferred From</b>					
<b>Transferred To</b>	<b>General</b>	<b>Highway</b>	<b>Federal</b>	<b>Other Special Revenue</b>	<b>Other Governmental</b>
General	\$ -	\$ -	\$ -	\$ 30,674	\$ -
Highway	109,392	-	23,538	13,119	-
Federal	-	-	-	10,025	-
Other Special Revenue	760,641	-	11,706	-	4,047
Employment Security	-	-	13,398	-	-
Non-Major Enterprise	129	7,496	-	-	-
Internal Service	3,739	-	-	-	-
<b>Total</b>	<b>\$ 873,901</b>	<b>\$ 7,496</b>	<b>\$ 48,642</b>	<b>\$ 53,818</b>	<b>\$ 4,047</b>

<b>Transferred From</b>					
<b>Transferred To</b>	<b>Employment Security</b>	<b>Non-Major Enterprise Funds</b>	<b>Internal Service Funds</b>	<b>Fiduciary Funds</b>	<b>Total</b>
General	\$ -	\$ 102,273	\$ -	\$ 18,901	\$ 151,848
Highway	-	60,147	-	-	206,196
Federal	1,872	-	-	-	11,897
Other Special Revenue	-	1,409	-	145	777,948
Employment Security	-	-	-	-	13,398
Non-Major Enterprise	-	-	-	-	7,625
Internal Service	-	-	-	-	3,739
<b>Total</b>	<b>\$ 1,872</b>	<b>\$ 163,829</b>	<b>\$ -</b>	<b>\$ 19,046</b>	<b>\$ 1,172,651</b>

**NOTE 8 - CAPITAL ASSETS**

The following schedule details changes in capital assets for the governmental activities and business-type activities of the primary government for the fiscal year ended June 30, 2024:

**Primary Government - Capital Assets**  
(Expressed in Thousands)

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
<b>Governmental Activities:</b>				
<b>Capital assets not being depreciated</b>				
Land	\$ 691,494	\$ 13,203	\$ 617	\$ 704,080
Construction in progress	322,807	80,988	68,591	335,204
Infrastructure	<u>3,105,351</u>	<u>71,025</u>	<u>-</u>	<u>3,176,376</u>
Total capital assets not being depreciated	<u>4,119,652</u>	<u>165,216</u>	<u>69,208</u>	<u>4,215,660</u>
<b>Capital assets being depreciated</b>				
Buildings	821,621	66,677	435	887,863
Equipment	385,843	45,644	15,638	415,849
Improvements other than buildings	114,619	3,075	141	117,553
Software	<u>155,356</u>	<u>-</u>	<u>-</u>	<u>155,356</u>
Total capital assets being depreciated	<u>1,477,439</u>	<u>115,396</u>	<u>16,214</u>	<u>1,576,621</u>
<b>Less accumulated depreciation for</b>				
Buildings	387,007	20,109	279	406,837
Equipment	285,865	27,978	12,708	301,135
Improvements other than buildings	77,030	2,856	141	79,745
Software	<u>127,256</u>	<u>7,316</u>	<u>-</u>	<u>134,572</u>
Total accumulated depreciation	<u>877,158</u>	<u>58,259</u>	<u>13,128</u>	<u>922,289</u>
Total capital assets being depreciated, net	<u>600,281</u>	<u>57,137</u>	<u>3,086</u>	<u>654,332</u>
Governmental Activities Capital Assets, net	<u>4,719,933</u>	<u>222,353</u>	<u>72,294</u>	<u>4,869,992</u>
<b>Right to use assets being amortized</b>				
Buildings	262,754	11,886	1,854	272,786
<b>Less accumulated amortization</b>				
Buildings	<u>19,979</u>	<u>11,433</u>	<u>1,184</u>	<u>30,228</u>
Net right to use lease assets	242,775	453	670	242,558
Subscription Assets being amortized	142,014	28,646	-	170,660
Less accumulated amortization	<u>24,381</u>	<u>28,976</u>	<u>-</u>	<u>53,357</u>
Net Subscription assets	<u>117,633</u>	<u>(330)</u>	<u>-</u>	<u>117,303</u>
Governmental Activities Capital, Right to Use and Subscription Assets, net	<u>\$ 5,080,341</u>	<u>\$ 222,476</u>	<u>\$ 72,964</u>	<u>\$ 5,229,853</u>
<b>Business-Type Activities:</b>				
<b>Capital assets not being depreciated</b>				
Land	\$ 2,426	\$ 1,500	\$ -	\$ 3,926
Construction in progress	<u>25,661</u>	<u>20,025</u>	<u>25,301</u>	<u>20,385</u>
Total capital assets not being depreciated	<u>28,087</u>	<u>21,525</u>	<u>25,301</u>	<u>24,311</u>
<b>Capital assets being depreciated</b>				
Buildings	5,261	7	-	5,268
Equipment	38,713	12,157	-	50,870
Improvements other than buildings	<u>49,514</u>	<u>10,752</u>	<u>-</u>	<u>60,266</u>
Total capital assets being depreciated	<u>93,488</u>	<u>22,916</u>	<u>-</u>	<u>116,404</u>
<b>Less accumulated depreciation for</b>				
Buildings	3,593	152	-	3,745
Equipment	14,244	1,465	-	15,709
Improvements other than buildings	<u>39,042</u>	<u>1,561</u>	<u>-</u>	<u>40,603</u>
Total accumulated depreciation	<u>56,879</u>	<u>3,178</u>	<u>-</u>	<u>60,057</u>
Total capital assets being depreciated, net	<u>36,609</u>	<u>19,738</u>	<u>-</u>	<u>56,347</u>
Business-Type Activities Capital Assets, net	<u>\$ 64,696</u>	<u>\$ 41,263</u>	<u>\$ 25,301</u>	<u>\$ 80,658</u>

During the fiscal year, depreciation and amortization expense was charged to the following functions in the governmental activities column of the Statement of Activities for the primary government:

<b>Governmental Activities</b>	
<b>Depreciation and Amortization Expense</b>	
(Expressed in Thousands)	
	<b>Amount</b>
<b>Governmental Activities:</b>	
Arts, Heritage and Cultural Enrichment	\$ 18
Business Licensing and Regulation	162
Economic Development and Workforce Training	800
Education	2,263
Governmental Support and Operations	38,386
Health and Human Services	18,575
Justice and Protection	18,543
Natural Resources Development and Protection	7,758
Transportation Safety and Development	12,163
Total Depreciation Expense - Governmental Activities	\$ 98,668

## NOTE 9 - MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

### OVERVIEW OF THE SYSTEM

The Maine Public Employees Retirement System, formerly named the Maine State Retirement System (the System) is a component unit of the State of Maine. Title 5 MRSA C. 421, 423, and 425 authorized the establishment and administration of the defined benefit plans. The System administers two cost sharing multiple-employer defined benefit plans, two single employer defined benefit plans and one closed agent multiple-employer defined benefit plan. All of these plans provide pension, disability, and death benefits to their members.

The State Employees and Teachers Plan (SETP) is a multiple-employer cost sharing plan with a special funding situation. The plan covers employees of the State and public school employees (defined by Maine law as teachers). The State of Maine is also a nonemployer contributing entity in that the State pays the unfunded actuarial liability on behalf of non-grant funded teachers. School districts contribute the normal cost, calculated actuarially, for their teacher members and directly pay the unfunded actuarial liability on behalf of grant funded teachers. The Participating Local Districts Plan (Consolidated PLD) covers employees of more than 330 local municipalities and other public entities (Participating Local Districts, or PLDs) in Maine, each of which contracts for participation in the System under provisions of the relevant statutes.

The System also provides single employer defined benefit plans to cover State legislators and State Judicial employees and administers a closed agent, multiple-employer defined benefit plan (Agent PLD) which covers those employers for whom the System administered single employer plans at the time the PLD Consolidated Plan was implemented who opted not to join the Consolidated Plan.

In addition to administering pension plans, the System invests funds accumulated for three OPEB Trusts. The Retiree Health Insurance Trust Fund and the Teachers Health Insurance Trust Fund accumulate assets to provide funding for the State's unfunded obligations for retiree health benefits for both groups. Trustees of the System were named Trustees of the Investment Trust Fund. The System also invests funds for the MainePERS OPEB Trust. The trust accumulates assets to provide funding for retiree health benefits and life insurance in retirement for qualified individuals who retire from the System. The Trustees of the System were named Trustees of the MainePERS OPEB Trust.

The System administers 3 defined contribution plans for employees of PLD's that elect to participate. At June 30, 2024, there were 96 employers participating in these plans. The 1,767 participants individually direct the \$69.4 million covered by the plans.

The System issues a publicly available annual comprehensive financial report that includes financial statements and required supplementary information (RSI) for the plan. The June 30, 2024 report may be obtained from the Maine Public Employees Retirement System, PO Box 349 Augusta, ME 04332-0349 or on-line at [www.maineperc.org](http://www.maineperc.org).

Total pension funds managed by the System are constitutionally restricted and held in trust for the payment of pension and related benefits to its members. OPEB funds are statutorily restricted for the payment of retiree healthcare. The System's Board of Trustees, in

its fiduciary capacity, establishes the System's investment policies and their overall implementation. With respect to the SETP, the actuary prepares valuations for the State's portion of the SETP, including the segregation of teachers from employees.

The System also provides group life insurance under a plan administered by a third party insurance company and invests long-term assets for three Retiree Health Insurance Post-Employment Benefits Investment Trust Funds. Note 10 provides for further disclosure.

#### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The System's financial statements are prepared on the accrual basis of accounting. Pension contributions are recognized as additions in the period when they become due pursuant to formal commitments or statutory or contractual requirements. Investment income is recognized when earned. Contributions to defined contribution plans are recognized in the period they are contributed. Pension benefits and contributions and premium refunds are recognized as deductions when due and payable in accordance with Statutes. Benefits payable incurred but not reported are reflected as other liabilities. Distributions from defined contribution plans are recognized in the period the disbursement is made.

#### **PENSIONS**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the defined benefit retirement plans and additions to or deductions from each plans' fiduciary net position have been determined on the same basis as they are reported by the System. The measurement period used is June 30, 2023. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### **EMPLOYER ALLOCATIONS FOR COST-SHARING DEFINED BENEFIT RETIREMENT PROGRAMS**

Schedules of Employer Allocations for the SETP are displayed separately for the two groups within the Plan, state employees being one group and teachers the second. This is to reflect the unique funding arrangement that currently exists within the Plan for teachers. Total employer contributions for the state employees group, adjusted for employer-specific liability contributions, were used as the basis for allocation. For the teacher group, total employer and non-employer contributions were the basis for the allocation, adjusted to remove the normal cost contributions paid by local school districts on behalf of their employees. This leaves contributions toward the unfunded liability of the Plan as the basis of allocation. This method of allocation properly distributes the collective net pension liability between the State of Maine as the non-employer contributing entity and those districts contributing towards the unfunded liability of the plan using grant funding.

The Schedules of Employer Allocations for the PLD Consolidated Plan reflect current year employer contributions, adjusted to remove contributions related to employer specific liabilities to the Plans. For the PLD Plan, certain employers have individual un-pooled pension assets resulting from the closure of individual single employer plans upon joining the PLD Consolidated Plan. For these employers, current year contributions are adjusted to reflect the gross contributions due for service prior to applying an offset from these assets, if applicable. An offset occurs when an employer with un-pooled pension assets held by the System chooses to use a portion of these assets to cover the cost of current contributions due.

#### **MEMBERSHIP**

State employees and teachers are covered under the Maine Public Employees Retirement System's State Employee and Teacher Retirement Program (SETP). State employees and public school teachers are required by law to become members of SETP when hired. Membership is optional for elected, appointed officials and substitute teachers. SETP also covers eligible employees of two discretely presented State component units: Maine Community College System and the Northern New England Passenger Rail Authority. At June 30, 2024 there were 241 employers, including the State of Maine, participating in the plan.

PLD employees become members of the Consolidated PLD plan when they are hired if their employer participates as a PLD in MainePERS at that time and if they meet the membership eligibility requirements in effect when they are hired. For some PLD employees, membership is optional. These employees include those employed by their PLD before the PLD joined MainePERS, those whose employers provide Social Security under a federal law, elected and appointed officials, and chief administrative officers. The Consolidated PLD plan includes employees of three component units of the State that have defined benefit plans: Maine Municipal Bond Bank, Maine Maritime Academy, and the Maine Public Employees Retirement System.

The System also administers two single employer retirement programs for specific State employees. The Legislative Retirement Program was established to provide a retirement program for those serving in the Maine Legislature. Except as provided otherwise by statute, membership in the Maine Legislative Retirement Program is mandatory for legislators entering service on or after December 3, 1986. The Judicial Retirement Program was established to provide a retirement program for Maine's judges. Membership in the Judicial Retirement Program is a condition of employment for all judges serving on or after December 1, 1984.

Membership in each single employer defined benefit plan consisted of the following at the measurement date of June 30, 2023:

**Employees of single employer covered by benefit terms**

	<u>Judicial</u>	<u>Legislative</u>
Inactive employees or beneficiaries		
currently receiving benefits	92	232
Terminated participants:		
Vested	3	142
Inactive employees due refunds	1	96
Active employees	58	178
Total participants	<u>154</u>	<u>648</u>

**STATE EMPLOYEES AND TEACHERS PENSION PLAN BENEFITS**

The System's retirement programs provide retirement benefits based on members' average final compensation and creditable service. Vesting occurs upon the earning of five years of service credit or the earning of one year of service credit immediately preceding retirement at or after normal retirement age. Normal retirement age for State employees and teachers is age 60, 62 or 65. The normal retirement age is determined by whether a member had met certain creditable service requirements on specific dates, as established by statute. 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 her/his normal retirement age at retirement. The System also provides disability and survivor benefits, which are established by statute for State employee and teacher members, and by contract with other participating employers under applicable statutory provisions.

**PARTICIPATING LOCAL DISTRICTS PLAN BENEFITS**

In the event that a member of the Consolidated PLD Plan withdraws from the System, its individual employee-members remain contributing members. The PLD remains liable for contributions sufficient to fund benefits for its already retired former employee-members; for its terminated vested members; and for those active employees, whether or not vested, who remain contributing System members.

**CONTRIBUTION INFORMATION**

Contributions from members, employers and non-employer contributors and earnings from investments fund the retirement benefits. Disability and death benefits are funded by employer normal cost contributions and investment earnings. Member and employer normal cost contributions are each a percentage of applicable member compensation. Member contribution rates are defined by law or Board rule and depend on the terms of the plan under which a member is covered. Employers' contribution rates are determined by actuarial valuations.

The Maine Constitution, Maine statutes and the System's funding policy provide for periodic employer contributions in addition to the normal cost contributions for the SETP. These are actuarially determined amounts that, based on certain actuarial assumptions are sufficient to fully fund, on an actuarial basis, the SETP by the year 2028 (Unfunded Actuarial Accrued Liability (UAAL) payments). Level percentage of payroll employer contribution rates are determined using the entry age normal actuarial funding method. The System also uses the level percentage of payroll method to amortize the unfunded liability of the State Employee and Teacher Retirement Program. For participating employers in the PLD Agent Plan, the level percentage of payroll method is also used.

The UAAL rate as applied to State employee members' compensation is first established through the annual valuation process as an amount that will meet the required unfunded actuarial accrued liability payment amount; it is then adjusted in the State's budget process to take into account differences in salary growth projections of the State Budget Office. This adjusted rate, expressed as a percentage of payroll, is the actual rate paid by the State as payment of the required UAAL payment amount for State employees. For teachers, the actuarially determined UAAL amount is paid in 12 equal monthly installments. PLD employer contribution rates are actuarially determined rates.

On occasion, the State may agree to pay employee pension contributions as a part of the compensation and benefits that are negotiated with employees. The employer-paid contributions are treated as part of their pension compensation. In accordance with statute, the actuary accumulates them in the Retirement Allowance Fund. 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 terminated members' accounts is set by the System's Board of Trustees and is currently 3.88 percent.



**CONTRIBUTION RATES - DEFINED BENEFIT PENSION PLANS**

The Maine Constitution, Maine Statutes and the System's funding policy provide for periodic employer contributions at actuarially determined rates that, based upon certain assumptions, are expressed as percentages of annual covered payroll and are sufficient to accumulate adequate assets to pay benefits when due. On July 20, 2017 Chapter 1, Constitutional Resolution was passed by the legislature and ratified by the voters in November. Any unfunded liability resulting from experience losses must be retired over a period not exceeding 20 years. Prior to the change a 10 year amortization period was used.

Significant actuarial assumptions used to compute the contribution requirements are the same as those used to compute the standardized measure of the net pension liability.

Contribution rates<sup>1</sup> in effect for the fiscal years ended June 30, 2024 and June 30, 2023 are as follows:

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
<b>SETP - State Employees</b>		
Employees <sup>2</sup>	7.65% - 8.65%	7.65% - 8.65%
Employer <sup>1</sup>	18.26% - 44.02%	22.09% - 47.23%
<b>SETP - Teachers</b>		
Employees <sup>2</sup>	7.65%	7.65%
Employer <sup>1</sup>	4.47%	3.84%
Non-employer entity <sup>1</sup>	14.51%	14.29%
<b>Judicial Plan</b>		
Employees <sup>2</sup>	7.65%	7.65%
Employer <sup>1</sup>	4.19%	6.95%
<b>Legislative Plan</b>		
Employees <sup>2</sup>	7.65%	7.65%
Employer <sup>1</sup>	0.00%	0.00%
<b>Consolidated Participating Local Entities</b>		
Employees <sup>2</sup>	3.45% - 10.70%	3.35% - 9.70%
Employer <sup>1</sup>	5.30% - 14.80%	5.60% - 14.70%

<sup>1</sup> Employer and non-employer contribution rates include normal cost and the UAAL required payment, expressed as a percentage of payroll.

<sup>2</sup> Employer and employee contribution rates vary depending on specific terms of plan benefits for certain classes of employees.

For the year ended June 30, 2024, the contributions recognized as part of pension expense (grant expense for Teacher Members) for each plan were as follows:

(Expressed in Thousands)

State Employee and Teacher Plan	
State Employees in primary government	\$ 178,032
Teacher Members (non-employer contribution)	199,571
Judicial Pension Plan	601
Legislative Pension Plan	<u>17</u>
Total Contributions Recognized as Pension Expense	<u>\$ 378,221</u>

**NET PENSION LIABILITY - SINGLE EMPLOYER**

The State is the sole employer for two defined benefit pension plans. The State's net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The changes in net pension liabilities for these plans are as follows:

(Expressed in Thousands)

	Judicial Pension Plan			Legislative Pension Plan		
	Total Pension Liability (Asset)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)	Total Pension Liability (Asset)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2023	\$ 77,426	\$ 85,821	\$ (8,395)	\$ 10,979	\$ 16,145	\$ (5,166)
<b>Changes for the Year:</b>						
Service Cost	1,770	-	1,770	311	-	311
Interest	4,915	-	4,915	703	-	703
Changes in Benefit Terms	19	-	19	6	-	6
Differences Between Expected and Actual Experience	(110)	-	(110)	65	-	65
Benefit Payments, Including Refunds	(5,434)	(5,434)	-	(655)	(655)	-
Employer Contributions	-	620	(620)	-	6	(6)
Member Contributions	-	663	(663)	-	227	(227)
Transfers	-	730	(730)	-	-	-
Net Investment Income	-	5,094	(5,094)	-	975	(975)
Administrative Expense	-	(71)	71	-	(13)	13
Net Changes	1,160	1,602	(442)	430	540	(110)
Balances at June 30, 2024	\$ 78,586	\$ 87,423	\$ (8,837)	\$ 11,409	\$ 16,685	\$ (5,276)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability			111.2 %			146.3 %
Covered Payroll			\$ 8,658			\$ 2,962
Net Pension Liability as a Percentage of Covered Payroll			(102.1)%			(178.1)%

**COLLECTIVE NET PENSION LIABILITIES, PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS - COST SHARING PLANS**

The State's net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The State's net pension liability is measured as the proportionate share of the net pension liability. The State's proportion of the net pension liability was based on a projection of the State's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers and non-employer contributors, actuarially determined. The State's proportionate share of the collective net pension liability for each plan at June 30, 2024 and June 30, 2023 is as follows:

(Expressed in Thousands)

Pension Plan	Proportionate Share June 30, 2023	Proportionate Share June 30, 2024	Net Pension Asset June 30, 2024	Net Pension Liability June 30, 2024
SETP - State Employees <sup>1</sup>	95.160789 %	94.845535 %	\$ -	\$ 882,298
SETP - Teachers <sup>2</sup>	93.504374 %	93.677413 %	-	1,421,218
Total Primary Government			\$ -	\$ 2,303,516

<sup>1</sup> Percentage of primary government State Employees in the SETP

<sup>2</sup> Percentage of non-employer contributors to the SETP - Teachers

The State's SETP – State Employee Plan is allocated to governmental and proprietary funds based on employer contributions as shown below. Of the portion charged to governmental funds, 53 percent is posted to the General Fund, 19 percent to Other Special Revenue Funds, 15 percent to Highway Funds and 13 percent to Federal Funds.

Proportion	<u>June 30, 2023</u>	<u>June 30, 2024</u>	<b>Change Increase (Decrease)</b>
Governmental Funds	91.64 %	91.74 %	0.10 %
Internal Service Funds	7.03 %	6.91 %	(0.12)%
Enterprise Funds	1.33 %	1.34 %	0.01 %

Detailed information about the pension plan's fiduciary net position is available in the separately issued Maine Public Employees Retirement System financial report.

For the cost-sharing defined benefit pension plans it shows:

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY**  
(Expressed in Thousands)

	<b>SETP State Employees</b>	<b>SETP Teachers</b>	<b>Total SETP Pension</b>
<b>Total Pension Liability</b>			
Service Cost	\$ 100,610	\$ 177,717	\$ 278,327
Interest	370,794	710,102	1,080,896
Changes in Benefit Terms	2,528	4,047	6,575
Differences Between Expected and Actual Experience	68,824	105,552	174,376
Benefit Payments, Including Refunds of Member Contributions	(362,062)	(639,370)	(1,001,432)
Change in Proportionate Share	-	-	-
Net Change in Total Pension Liability	180,694	358,048	538,742
Beginning Total Pension Liability	5,831,948	11,149,849	16,981,797
Ending Total Pension Liability	6,012,642	11,507,897	17,520,539
<b>Plan Fiduciary Net Position</b>			
Employer Contributions	190,130	74,781	264,911
Non-employer Contributions	-	200,007	200,007
Member Contributions	57,975	113,963	171,938
Transfers	(910)	-	(910)
Net Investment Income	297,555	584,352	881,907
Benefit Payments, Including Refunds of Member Contributions	(362,062)	(639,370)	(1,001,432)
Administrative Expense	(4,052)	(7,913)	(11,965)
Net Change in Plan Fiduciary Net Position	178,636	325,820	504,456
Beginning Plan Fiduciary Net Position	4,903,759	9,664,937	14,568,696
Ending Plan Fiduciary Net Position	5,082,395	9,990,757	15,073,152
Ending Net Pension Liability	\$ 930,247	\$ 1,517,140	\$ 2,447,387
<b>Proportion</b>			
June 30, 2024	94.845535 %	93.677413 %	100 %
June 30, 2023	95.160789 %	93.504374 %	100 %
Change - Increase (Decrease)	(0.315254)%	0.173039 %	0 %

**Actuarial Assumptions**

Actuarial assumptions used in the June 30, 2023 and 2022 valuations were based on results of an actuarial experience study for the period July 1, 2015 through June 30, 2020. Actuarially determined contribution rates are calculated based on 2020 liabilities developed as a roll-forward of the 2019 actuarial valuation, adjusted for expected experience and any assumption or methodology changes during fiscal year end 2020 using assets as of June 30, 2020. The individual entry age normal method is used to determine liabilities. A 3-year smoothed market approach is used for the asset valuation method. Each plan's unfunded actuarial liability is being amortized as a level percentage of payroll. For the SETP, the amortization method used a level percentage of payroll over closed periods. The original UAL is amortized over a remaining 7 years from July 1, 2021. Subsequent layers of UAL are amortized over individual 20 year periods. The amortization period used by both the Judicial and Legislative Plans is an open 10-year amortization. The investment rate of return used for contributions in 2019 was 6.75 percent. Contributions in 2019 used an investment rate of return, inflation rate and annual salary increases, including inflation were 6.75 percent, 2.75 percent and 2.75 percent plus merit component based on employee's years of service, respectively. All plans used a 2.20 percent cost-of-living. Normal retirement age for State employees and teachers is age 60, 62 or 65. The normal retirement age is determined by whether a member had met certain creditable service requirements on specific dates, as established by statute. The Judicial and Legislative Plans assume that 100 percent retirement occurs at age 60 for members with at least 10 years of creditable service on July 1, 1993. For members with less than 5 years of creditable service on July 1, 2001, 50 percent are assumed to retire each year after reaching age 65.

The June 30, 2023 investment rate of return used in the valuation was 6.5 percent, consistent with the 6.5 percent used for June 30, 2021. The SETP used a consistent 3.26 percent annual salaries, including inflation for both years. Judicial and Legislative annual salary increases remained constant at 2.75 percent.

The Maine State Constitution Article IX, Section 18-A was amended in fiscal year 2018 by CR 2017, c. 1. Any unfunded liability resulting from experience losses must be retired over a period not exceeding 20 years. Prior to the change a 10-year amortization period was used.

**ANNUAL PENSION COST AND NET PENSION LIABILITY**

For the year ended June 30, 2024, the State recognized pension expense of \$476,627 which includes \$306,606 of teacher pensions recorded in grant expense.

**PENSION COSTS**  
(Expressed in Thousands)

SETP - State of Maine Primary Government Pension Expense	\$ 171,602
SETP - Teachers Non-Employer Pension Expense (grant expense)	306,606
Legislative Pension Expense	(363)
Judicial Pension Expense	<u>(1,218)</u>
Total	<u>\$ 476,627</u>

At June 30, 2024, the State reported \$227,575 of deferred outflows of resources and \$72,031 of deferred inflows of resources related to its pension plans. Deferred outflows of resources of \$178,430 relate to the State contributions that were made subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense over the next four years. Information by pension plan is as follows:

## (Expressed in Thousands)

	SETP State of Maine		SETP Teachers		Total State of Maine SETP	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience demographic and economic	\$ 49,099	\$ -	\$ 116,441	\$ -	\$ 165,540	\$ -
Net difference between projected and actual earnings on pension plan investments	-	67,830	-	131,850	-	199,680
Changes in proportion and differences between State contributions and proportionate share of contributions	46	2,524	4,251	6,258	4,297	8,782
State and component unit contributions subsequent to the measurement date	178,021	-	214,468	-	392,489	-
Total	<u>\$ 227,166</u>	<u>\$ 70,354</u>	<u>\$ 335,160</u>	<u>\$ 138,108</u>	<u>\$ 562,326</u>	<u>\$ 208,462</u>

## For the Year Ended

2025	(30,381)		(64,845)		(95,226)	
2026	(63,860)		(120,535)		(184,395)	
2027	69,727		161,296		231,023	
2028	3,303		6,671		9,974	
2029	-		-		-	

	Legislative		Judicial	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience demographic and economic	\$ -	\$ -	\$ -	\$ 124
Net difference between projected and actual earnings on pension plan investments	-	238	-	1,315
Changes in proportion and differences between State contributions and proportionate share of contributions	-	-	-	-
State and component unit contributions subsequent to the measurement date	9	-	400	-
Total	<u>\$ 9</u>	<u>\$ 238</u>	<u>\$ 400</u>	<u>\$ 1,439</u>

## For the Year Ended

2025	(198)		(1,162)	
2026	(296)		(1,653)	
2027	244		1,306	
2028	12		70	
2029	-		-	

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 are summarized in the following table.

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Public Equities	30.0 %	6.0 %
U.S. Government	7.5 %	2.6 %
Private Equity	15.0 %	7.6 %
Real Assets:		
Infrastructure	10.0 %	5.3 %
Natural Resources	5.0 %	5.0 %
Traditional Credit	7.5 %	3.2 %
Alternative Credit	5.0 %	7.4 %
Diversifiers	10.0 %	5.0 %

The discount rate used to measure the collective total pension liability was 6.500 percent for the 2023 and 2022 actuarial valuations for the State Employee and Teacher Plan. 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 actuarially determined, contractually required rates. 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.

#### NET PENSION LIABILITY SENSITIVITY

The following table shows how the collective net pension liability would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate. The current rate used for all plans is 6.500 percent.

(Expressed in Thousands)

<b>Defined Benefit Plans Administered Through MPERS</b>	<b>1% Decrease (5.500%)</b>	<b>Current Discount Rate (6.500%)</b>	<b>1% Increase (7.500%)</b>
State Employee and Teacher Plan			
State Employees	\$ 1,551,159	\$ 882,298	\$ 320,963
Teacher Members	2,794,445	1,421,218	278,079
Judicial Pension Plan	(1,882)	(8,837)	(14,907)
Legislative Pension Plan	\$ (4,101)	\$ (5,276)	\$ (6,265)

**RECOGNITION OF CHANGES - EXCEPTIONS**

Changes in net pension liability are recognized in pension expense with the following exceptions:

*Differences Between Expected and Actual Experience* - The difference between actual and expected 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 in each plan. For 2022 and 2023, this was one year for the Legislative Plan, three years for the Judicial Plan, three years for the State Employee and four years for the Teacher Plan.

*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 5 year period.

*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 in each plan. The actuarial assumptions used for the June 30, 2023 valuation were based on the results of an actuarial experience study for the period of July 1, 2015 through June 30, 2020.

*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 in each plan. 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.

**COMPONENT UNIT PARTICIPANTS**

The Maine Municipal Bond Bank, Maine Maritime Academy, Maine State Housing Authority, Maine Turnpike Authority and the Maine Public Employees Retirement System have defined benefit pension plans. All are participating local entity participants in plans administered by the Maine Public Employees Retirement System.

**NOTE 10 - OTHER POSTEMPLOYMENT BENEFIT PLANS****POST RETIREMENT HEALTHCARE PLANS AND BENEFITS****State Employees**

The State has a single-employer defined benefit healthcare OPEB plan that is administered through a trust. The State of Maine funds post retirement health care benefits for most retired State employees and legislators, as authorized by Title 5 MRSA § 285. For fiscal years ending after June 30, 2015 statute limited the total premium increase for active and retired State employee health insurance to no more than any percentage increase in the Consumer Price Index, as defined in Title 5 MRSA §17001, subsection 9 plus 3 percent. Pursuant to Title 5 MRSA § 285 most retired employees of the Maine Turnpike Authority, Maine Community College System, Maine Maritime Academy, Maine Public Employees Retirement System, and Maine Educational Center for the Deaf and Hard of Hearing are eligible to participate in the health plan but are not funded by the State.

The State pays 100 percent of post retirement health insurance premiums for state employee retirees who were first employed on or before July 1, 1991. A pro rata portion, ranging from zero percent for retirees with less than five years participation to 100 percent for retirees with ten or more years of participation, is paid for eligible individuals first employed after July 1, 1991. Per Title 5 MRSA § 285 paragraphs 2 and 3, coverage depends upon terms and conditions contained in collective bargaining agreements with the State Health Commission. Retirees who are not eligible for Medicare retain coverage in the same group health plan as active employees. Retirees must pay for Medicare Part B coverage to be eligible to participate in the State-funded Companion Plan. Coverage for retirees ineligible for Medicare includes basic hospitalization; supplemental major medical and prescription drugs; and costs for treatment of mental health, alcoholism, and substance abuse.

Part-time employees are eligible for prorated benefits. Retirees who worked 50 percent or more of full-time hours receive 100 percent of the benefit. Surviving spouses and dependents may continue in the plan and pay 100 percent of the premium. Retirees ineligible for a State contribution are allowed to participate and pay the retiree premium.

**Teachers and First Responders**

The State also committed to pay a statutorily determined portion of the retiree healthcare premiums for retired Teachers and retired First Responders as authorized by Title 20-A MRSA § 13451 and Title 5 MRSA § 286-M, respectively. First Responders are defined in statute as retired county or municipal law enforcement officers and municipal firefighters who participate in an employer-sponsored retirement plan. Specifically excluded (Title 5 MRSA § 285 1-B) from the definition of Teachers are members of the Maine Municipal Association, Maine Teachers Association and employees of counties and municipalities and their instrumentalities, except as provided in subsection 11-A. Each group is a collection of single employer defined benefit plans. State contributions are based on rates negotiated by each school district and municipality and reflect their individual healthcare experience rating.

The State contribution to retired teacher premiums increased to 60 percent after July 1, 2023. The State contribution to retired teacher and first responder health premiums is 55 percent of the retiree-only premium. For teachers, the rate is based on a single rate for single and employee plus children coverage, or 50 percent of the two-party rate for two party and family coverage. Eligibility mirrors that of State Employees.

For first responders, the rate is defined as being the cost of the retiree's share of the individual premium for the standard plan identified and offered under the group health insurance plan in which the retiree enrolls. The plan allows an enrollee to participate in the group health insurance plan in which the enrollee's spouse participates. The State subsidy ends after the retiree is eligible for Medicare. First Responders are eligible if they retire after age 50 with 25 or more years of service and receive a retirement benefit from either the MPERS or a defined contribution plan. If retirees have fewer than 25 years of service, the normal retirement benefit must be at least 50 percent of final average compensation. Retirees must have participated in the person's employer's health insurance plan or other fully insured health insurance plan while actively working as a county or municipal law enforcement officer or a municipal firefighter. Retirees can elect to participate in the plan at their retirement date. If participation is waived at that time, the retiree is ineligible to participate at a later date.

**POST RETIREMENT GROUP LIFE INSURANCE PLAN**

The Maine Public Employees Retirement System (the System) is a component unit of the State of Maine. For financial reporting purposes, the System administers two multiple-employer cost-sharing, defined benefit Group Life Insurance Plans (GLIP) administered by a third party insurance company in accordance with Title 5 MRSA C. 423 and 425. Members include employees of the State, public school employees (defined by Maine law as teachers), members of the Judiciary and the Legislature, which are eligible for membership in the System. The State of Maine is also a non-employer contributing entity in that the State pays contributions for retired public school teachers in the plan. Group life insurance benefits are also provided to employees of approximately 160 local municipalities and other public entities (Participating Local Districts, or PLDs) in Maine that elect to participate under provisions of the relevant statutes.

The Plan provides Basic group life insurance benefits during retirement to employees who participated in the group life insurance plan prior to retirement for a minimum of 10 years. The 10 year participation requirement does not apply to recipients of disability retirement benefits. The level of coverage in retirement is initially set to an amount equal to the retiree's average final compensation. The initial amount of Basic group life insurance benefit is then subsequently reduced at the rate of 15 percent per year to the greater of 40 percent of the initial amount or \$2,500.

Group life insurance funds managed by the System are constitutionally restricted and held in trust for the payment of benefits to participants or their beneficiaries. The System's Board of Trustees, in its fiduciary capacity, establishes the System's investment policies and their overall implementation. The System maintains separate reserves and accounts for each participating entity and performs a single actuarial valuation that provides separate data for each participating plan.

The System issues a publicly available annual comprehensive financial report that includes financial statements and required supplementary information (RSI) for the plan. The June 30, 2024 report may be obtained from the Maine Public Employees Retirement System, PO Box 349, Augusta, ME 04332-0349 or on-line at [www.maineopers.org](http://www.maineopers.org).



**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The State and the System's fiduciary financial statements are prepared on the accrual basis of accounting. Premiums are recognized when due and benefits are paid when incurred using the accrual basis of accounting. Premium refunds reduce premium revenue and claims recoveries reduce claims expense. Investment income is recognized when earned. In addition, an estimate is made for group life insurance death benefits incurred before year end but not reported to the System until after year end. Group life insurance death benefits incurred but not reported are reflected as other liabilities.

**CONTRIBUTIONS AND RESERVES**

The State Employees Health Insurance Committee establishes contributions to the plan by member employers and employees annually. Both active and retired members pay the same premium rate. Claims liabilities of the plan are periodically computed using statistical techniques to establish premium rates. Administrative costs of the plan are allocated to plan participants.

**INVESTMENTS**

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair value. Fair value of shares in managed investment pools is based on unit values reported by the funds. The fair value of other investments, including real estate holdings and mortgage participation agreements, are based on third-party appraisals and valuations provided by the sponsor of the agreement. Investment purchases and sales are recorded as of their trade date. Proceeds related to securities sold not yet purchased are carried as a liability and adjusted to the fair value of the securities.

**PLAN MEMBERSHIP**

Membership in the OPEB plans is as follows:

	<b>Healthcare</b>			<b>Group Life</b>	
	<b>State</b>	<b>Teachers</b>	<b>First</b>	<b>State</b>	<b>Teachers</b>
	<b>Employees</b>		<b>Responders</b>	<b>Employees*</b>	
Actives	12,101	27,767	696	11,399	15,374
Retirees	8,713	10,851	146	8,977	8,039
Inactives Vested	182	482	-	-	-
Total	20,996	39,100	842	20,376	23,413

\* Group life membership totals include component unit and other members.

**STATE EMPLOYEE HEALTHCARE FUNDING POLICY**

The Trustees of the State Employee Healthcare Plan are the State Controller and State Treasurer. Title 5 MRS § 286-B authorized an Irrevocable Trust Fund for Other Post-Employment Benefits to meet the State's unfunded liability obligations for retiree health benefits for eligible participants who are the beneficiaries of the irrevocable trust fund. MPERS holds and invests long-term funds in the irrevocable trust fund. Its fiduciary responsibilities include setting investment policy in order to fund the plan in accordance with a projected disbursement schedule that does not begin before the year 2027. Annually the Legislature shall appropriate funds to meet the State's obligations under any group health plan, policy or contract purchased by the State Employee Health Commission. Unfunded liabilities may not be created except those resulting from experience losses. Unfunded liability resulting from experience losses must be retired over a period not to exceed 10 years. The unfunded liability for retiree health benefits for eligible participants must be retired in 30 years or less from July 1, 2007.

**TEACHERS PLAN AND FIRST RESPONDERS PLAN HEALTHCARE FUNDING POLICY**

A special funding situation exists for these plans. The State is statutorily responsible for contributions to the Teachers Plan and the First Responders Plan that cover the retirees of other governmental entities. The State is the sole contributing entity for Teachers and for the First Responders, therefore, making the contribution on behalf of the employing jurisdictions at a 55 percent level for the current portion of the health plan costs. The First Responders Plan is currently funded on a pay-as-you-go basis with the State directly paying insurers. The Teachers Plan had been funded on a pay-as-you-go basis until June 30, 2023.

An Irrevocable Trust Fund for Other Post-Employment Benefits for the Teachers Plan was funded with an initial \$103 million deposit on June 30, 2023. The Trustee of the Teachers Plan is Harpswell Capital Advisors, LLC. MPERS holds and invests long-term funds in the irrevocable trust fund. Its fiduciary responsibilities include setting investment policy in order to fund the plan in accordance with a projected disbursement schedule that does not begin before the year 2027. Annually the Legislature shall appropriate funds to meet the State's obligations under any group health plan, policy or contract purchased by the State Employee Health Commission. Unfunded liabilities may not be created except those resulting from experience losses. Unfunded liability resulting from experience losses must be retired over a period not to exceed 10 years. The unfunded liability for retiree health benefits for eligible participants must be

retired in 30 years or less from July 1, 2007.

Public Law 2019, Chapter 280 established a separate trust for the purpose of accumulating resources to assist in retiring the unfunded liability of the first responders plan. Beginning June 30, 2020, all monies not necessary to fund the normal costs and administrative costs of the program must be transferred from the Firefighters and Law Enforcement Officers Health Insurance Program Fund to the investment trust at the end of each fiscal year.

#### GROUP LIFE INSURANCE FUNDING POLICY

Premium rates are those determined by the System's Board of Trustees to be actuarially sufficient to pay anticipated claims and cover administrative costs. For State employee, legislative and judicial classes, the premiums for retiree life insurance coverage are factored into the premiums paid for Basic coverage while participants are active members. The State remits premiums at a single rate that supports basic coverage for active and retired State employees. This rate is 98 cents per month for every \$1,000 of coverage. Premiums for retiree life insurance coverage for retired teachers are paid by the State based on a rate of 36 cents per \$1,000 of coverage per month during the post-employment retirement period.

#### CHANGES IN THE TOTAL OPEB LIABILITY

Changes in total OPEB liability are as follows:

#### (Expressed in Thousands)

	<b>Healthcare Increase (Decrease) First Responders</b>
Balances at June 30, 2023	<u>\$ 29,949</u>
<b>Changes for the Year:</b>	
Service Cost	1,246
Interest	1,079
Contributions - Employee	(769)
Contributions - Non-Employer Contributing Entity	(829)
Administrative Expenses	134
Differences Between Expected and Actual Experience	(1,108)
Changes in Assumptions - Discount Rate	(271)
Changes in Assumptions - Others	<u>(129)</u>
Net Changes	<u>(647)</u>
Balances at June 30, 2024	<u>\$ 29,302</u>
Covered Payroll	\$ 51,267
Total OPEB Liability as a Percentage of Covered Payroll	57.2 %
State's Proportionate Share of the Collective Total OPEB Liability	24 %

The State's proportionate share for fiscal years ended June 30, 2024 and June 30, 2023 was estimated using the same share of implicit subsidy for each municipality's OPEB Plan.

**CHANGES IN NET OPEB LIABILITY**

Changes in net OPEB liabilities are as follows:

**SCHEDULE OF CHANGES IN NET OPEB LIABILITY**  
(Expressed in Thousands)

	<u>Healthcare</u>		<u>Group Life Insurance</u>		
					<b>State</b>
	<b>State</b>		<b>State</b>	<b>Teachers</b>	<b>portion of</b>
	<b>Employees</b>	<b>Teachers</b>	<b>Employees</b>	<b>Teachers</b>	<b>Group</b>
					<b>Life</b>
					<b>Insurance</b>
<b>Total OPEB Liability</b>					
Service Cost	\$ 18,237	\$ 45,372	\$ 1,321	\$ 1,468	\$ 2,789
Interest	68,578	53,324	7,353	7,498	14,851
Changes in Benefit Terms	-	77,309	-	-	-
Differences Between Expected and Actual Experience	(359,371)	(171,039)	-	-	-
Changes in Assumptions Discount Rate	-	(536,445)	-	-	-
Changes in Assumptions Other	56,632	17,667	-	-	-
Change in Proportion	-	-	(139)	-	(139)
Benefit Payments, Including Refunds of Member Contributions	(83,265)	(38,523)	(3,890)	(3,600)	(7,490)
Net Change in Total OPEB Liability	(299,189)	(552,335)	4,645	5,366	10,011
Beginning Total OPEB Liability	1,077,787	1,480,042	113,859	115,657	229,516
Ending Total OPEB Liability	778,598	927,707	118,504	121,023	239,527
<b>Plan Fiduciary Net Position</b>					
Employer Contributions - Explicit	148,265	141,523	6,026	-	6,026
Non-employer Contributions	-	-	-	4,727	4,727
Transfers	-	-	-	8,904	8,904
Net Investment Income	36,502	-	5,109	-	5,109
Changes in Proportion	-	-	(53)	-	(53)
Benefit Payments, Including Refunds of Member Contributions	(83,265)	(38,523)	(3,890)	(3,600)	(7,490)
Administrative Expense	(3)	-	(338)	(596)	(934)
Net Change in Plan Fiduciary Net Position	101,499	103,000	6,854	9,435	16,289
Beginning Plan Fiduciary Net Position	331,180	-	43,886	77,123	121,009
Ending Plan Fiduciary Net Position	432,679	103,000	50,740	86,558	137,298
Ending Net OPEB Liability	\$ 345,919	\$ 824,707	\$ 67,764	\$ 34,465	\$ 102,229
<b>Proportion</b>					
June 30, 2024	100.000000 %	62.000000 %	95.243470 %	100.000000 %	96.794932 %
June 30, 2023	100.000000 %	75.000000 %	95.360195 %	100.000000 %	96.957867 %
Change - Increase (Decrease)	0.000000 %	13.000000 %	(0.116725)%	0.000000 %	0.162935 %
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	55.571553 %	11.102643 %	42.817120 %	71.521942 %	57.320469 %

The group life insurance plan includes discretely presented component units and other entities. Plan numbers in the table above report the primary government's totals.

## ACTUARIAL METHODS AND ASSUMPTIONS

The projection of benefits is based on the terms of the substantive plan at the time of each valuation and include types of benefits in force at the valuation date and the pattern of sharing of costs between the employer and plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

### State Health Insurance

The valuation date is June 30, 2023 and will provide the basis for the State's financial reporting for the fiscal years ending June 30, 2024 and June 30, 2025. Costs are developed using the entry age normal cost method based on a level percentage of payroll. The participation rate for future retirees is 95 percent of active participants currently enrolled. Actuarial assumptions used in the June 30, 2023 and June 30, 2022 actuarial valuations were based on the results of an actuarial experience study conducted for the period of July 1, 2015 to June 30, 2020. No method changes occurred since the prior valuation. Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2023 and June 30, 2022 include: using a discount rate assumption of 6.50 percent, a 2.75 percent inflation rate; and, annual salary increases, including inflation of 2.75 percent plus merit component based on employee's years of service. The June 30, 2007 unfunded actuarial accrued liability is amortized as a level percentage of payroll over 30 years on a closed basis. The unfunded liability will be fully recognized by June 30, 2037. Assumption changes, plan changes and experience gains are amortized over a period to June 30, 2037. Experience losses are amortized over a 10 year fixed period. The initial medical trend rate had been 7.63 percent at June 30, 2022 and -34.13 percent to 7.16 percent at 2023. The ultimate medical trend rate of 4.19 percent reached at 2075 remained constant. The State actively manages premium increases within the statutory cap, so healthcare cost increases are limited to no more than inflation plus 3 percent in any year. For active members and non-disabled retirees, the rates are based on the 2010 Public Plan General Headcount-Weighted Employee and Healthy Retiree Mortality Tables and MP-2020 Mortality Improvement Scale with different adjustments made to base employee and healthy retiree mortality rates.

The long-term expected rate of return on Other Post-Employment Benefit Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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 long-term real rates of return for each major asset class were benchmarked against returns by asset class as forecast by Horizon Actuarial Services, LLC.

### Group Life Insurance

The valuation date is June 30, 2023. Costs are developed using the individual entry age normal cost method based on a level percentage of payroll. The participation rate for future retirees is 100 percent of those currently enrolled. Actuarial assumptions used in the June 30, 2023 and June 30, 2022 actuarial valuations were based on the results of an actuarial experience study conducted for the period of July 1, 2015 to June 30, 2020. Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2023 and June 30, 2022 include: using a discount rate of 6.50 percent, a 2.75 percent inflation rate; and, annual salary increases, including inflation of 2.75 percent plus merit component based on employee's years of service. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll over a 30-year period on a closed basis. As of June 30, 2023, there were 14 years remaining in the amortization schedule for state employees and teachers. For active members and non-disabled retirees, the rates are based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC\_2020 model.

The long-term expected rate of return on Other Post-Employment Benefit Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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 long-term real rates of return for each major asset class included in the target asset allocation as of June 30, 2023 are summarized in the table in the plan section below.

The discount rate used to measure the total OPEB liability for the State Employee and Teacher Plan was 6.50 percent. The projection of cash flows used to determine the discount rate assumed that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the 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 investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

### Teachers Health Insurance

The valuation date is June 30, 2023. Costs are developed using the entry age normal cost method based on a level percentage of payroll. 93.33 percent of all Teachers are assumed to be eligible to receive a State contribution at retirement. 75 percent of active participants currently with coverage continue coverage at retirement. The State funded the plan on June 30, 2023. Prior to that date

the State had funded the plan on a pay-as-you-go basis. The June 30, 2022 valuation assumed the State would continue this policy. Since the State's portion of the Teachers' post retirement medical plans were not being funded by assets in a separate trust, at June 30, 2022, GASB No. 75 required that the discount rate be based on the index rate as of the measurement date of a 20-year tax-exempt general obligation municipal bond index with an average rating of AA/Aa or higher. The State of Maine elected to determine the discount rate using the Bond Buyer 20-Bond General Obligation Index. The discount rate was 3.54 percent. The June 30, 2023 valuation included a discount rate and investment rate of return assumption of 6.5 percent. One third of active participants who have currently waived coverage elect coverage at retirement. Actuarial assumptions used in the June 30, 2023 and June 30, 2022 actuarial valuations were based on the results of an actuarial experience study conducted for the period of July 1, 2015 to June 30, 2020. Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2023 and June 30, 2022 include: using a 2.75 percent inflation rate and 3.00 percent annual salary increases. The initial medical trend rate had been 7.63 percent at June 30, 2022 and was 7.16 percent at June 30, 2023. The ultimate medical trend rate of 4.19 percent reached at 2075 remained constant. For active members and non-disabled retirees, the rates are based on the 2010 Public Plan Teacher Headcount-Weighted Employee and Healthy Retiree Mortality Tables and MP-2020 Mortality Improvement Scale with different adjustments made to base employee and healthy retiree mortality rates.

### First Responders Health Insurance

The valuation date is June 30, 2023. The total OPEB liability was rolled-forward from June 30, 2022 to June 30, 2023 measurement date using generally accepted actuarial principles. Costs are developed using the individual entry age normal cost method based on a level percentage of payroll. 90 percent of all active members who currently have coverage are assumed to elect coverage at retirement. No employee who has waived coverage will be assumed to be eligible for coverage at retirement. The State is currently funding the plan on a pay-as-you-go basis. The valuation assumes the State will continue this policy. Since the State's portion of the First Responders' post retirement medical plans are not being funded by assets in a separate trust, GASB No. 75 requires that the discount rate be based on the index rate as of the measurement date of a 20-year tax-exempt general obligation municipal bond index with an average rating of AA/Aa or higher. The State of Maine elected to determine the discount rate using the Bond Buyer 20-Bond General Obligation Index. The discount rate was 3.65 percent as of the measurement date and 3.54 percent at June 30, 2022. Actuarial assumptions used in the June 30, 2023 and June 30, 2022 actuarial valuations were based on the results of an actuarial experience study conducted for the period of July 1, 2015 to June 30, 2020. Other significant actuarial assumptions employed by the actuary for June 30, 2023 and June 30, 2022 include using a 2.75 percent inflation rate and 3.00 percent annual salary increase. The initial medical trend rate had been 7.63 percent at June 30, 2022 and was 6.40 percent to 7.16 percent at June 30, 2023. The ultimate medical trend rate of 4.19 percent reached at 2075 remained constant. For active members and non-disabled retirees, the rates are based on the 2010 Public Plan General Headcount-Weighted Employee and Healthy Retiree Mortality Tables and MP-2020 Mortality Improvement Scale with different adjustments made to base employee and healthy retiree mortality rates.

### OPEB EXPENSE AND DEFERRALS

For the year ended June 30, 2024, the State recognized OPEB expense of \$9,968. Costs related to non-State employees are charged to the General Fund.

#### OPEB COSTS (Expressed in Thousands)

SETP - State of Maine Healthcare OPEB Expense	\$ (27,318)
SETP - Teachers Non-Employer Healthcare OPEB Expense (grant expense)	25,979
First Responders Healthcare OPEB Expense	(233)
Group Life Insurance OPEB Expense - State Employees	7,081
Group Life Insurance OPEB Expense - Teachers (grant expense)	4,459
Total	<u>\$ 9,968</u>

Of State employee costs charged to governmental funds, 52 percent is charged to the General Fund, 19 percent to Other Special Revenue Funds, 16 percent to the Highway Fund and 13 percent to Federal funds. Contributions made after the measurement date of the net OPEB liability but before the end of June 30, 2024 will be recognized as a reduction of the net OPEB liability. At June 30, 2024, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

**Healthcare**  
(Expressed in Thousands)

	State		Teachers		First Responders	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience demographic and economic	\$ 10,297	\$ 320,436	\$ 21,862	\$ 434,387	\$ -	\$ 2,657
Changes of assumptions	45,964	31,539	225,125	809,125	1,904	3,396
Net difference between projected and actual earnings on OPEB plan investments	48,104	39,823	-	-	-	-
State and component unit contributions subsequent to the measurement date	84,573	-	36,147	-	877	-
<b>Total</b>	<b>\$ 188,938</b>	<b>\$ 391,798</b>	<b>\$ 283,134</b>	<b>\$ 1,243,512</b>	<b>\$ 2,781</b>	<b>\$ 6,053</b>
<b>For the Year Ended</b>						
2025	(84,232)		(139,518)		(1,140)	
2026	(84,204)		(127,308)		(626)	
2027	(42,628)		(136,643)		(516)	
2028	(59,235)		(156,734)		(851)	
2029	(17,134)		(180,876)		(798)	
Thereafter	-		(255,446)		(218)	

**Group Life Insurance**  
(Expressed in Thousands)

	State		Teachers	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience demographic and economic	\$ 406	\$ 576	\$ 1,178	\$ 65
Changes of assumptions	2,306	-	552	2,492
Net difference between projected and actual earnings on OPEB plan investments	1,110	-	1,800	-
Changes in proportion and differences between State contributions and proportionate share of contributions	206	177	-	-
State and component unit contributions subsequent to the measurement date	6,428	-	4,860	-
<b>Total</b>	<b>\$ 10,456</b>	<b>\$ 753</b>	<b>\$ 8,390</b>	<b>\$ 2,557</b>
<b>For the Year Ended</b>				
2025	952		442	
2026	424		(554)	
2027	2,071		2,678	
2028	(22)		(2,078)	
2029	(140)		485	
Thereafter	(10)		-	

The long-term expected rate of return on OPEB 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 OPEB 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 OPEB plan's target asset allocation are summarized in the following table.

Asset Class:	State Employee and Teacher Healthcare		State and Teacher Group Life Insurance	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	45.00 %	6.90 %	- %	- %
U.S. Government Securities	- %	- %	9.00 %	2.30 %
Public Equity	- %	- %	70.00 %	6.00 %
International Equity	25.00 %	6.91 %	- %	- %
Traditional Credit	- %	- %	16.00 %	3.20 %
Real Estate	5.00 %	5.01 %	5.00 %	5.20 %
Fixed Income	25.00 %	2.46 %	- %	- %

For the year ended June 30, 2024, the annual money-weighted average rate of return on investments, net of investment expense was 14.2 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The discount rate used to measure the collective total OPEB liability for the actuarial valuations varied by plan and is disclosed below. 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 the actuarially determined, contractually required rates. Based on the assumption, the OPEB 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**SENSITIVITY ANALYSIS**

The following tables show how the collective OPEB liabilities would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate. The discount rate used for the funded healthcare plans is 6.50 percent. The discount rate used for unfunded healthcare plan is 3.65 percent. The discount rate used for funded group life insurance plans is 6.50 percent.

**Discount Rate**  
(Expressed in Thousands)

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
<b>Net OPEB Liabilities</b>			
State Employee Healthcare Plan	\$ 425,045	\$ 345,919	\$ 278,576
State Employee Group Life	\$ 84,234	\$ 67,764	\$ 54,307
Teacher Group Life	\$ 53,877	\$ 34,465	\$ 18,854
<b>Total OPEB Liabilities</b>			
Teacher Healthcare Plan	\$ 960,141	\$ 824,707	\$ 713,966
First Responders Healthcare Plan	\$ 31,889	\$ 29,302	\$ 26,979

**Healthcare Cost Trend Rate**  
(Expressed in Thousands)

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net OPEB State Employee Healthcare Plan	\$ 265,486	\$ 345,919	\$ 442,216
Total OPEB Teacher Healthcare Plan	\$ 698,155	\$ 824,707	\$ 983,900
Total OPEB First Responder Healthcare Plan	\$ 26,555	\$ 29,302	\$ 32,525

Current healthcare trend rates are as follows: for State Employees the current trend rate is -34.13 percent to 7.16 percent grading to an ultimate of 4.19 percent; for Teachers the rate is 7.16 percent grading down to 4.19 percent; and, for First Responders the current trend rate was 6.40 percent to 7.16 percent grading to a 4.19 ultimate percent.



**Plan Information**

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, principal objective is to improve the usefulness of OPEB information in the external financial statements of State and local governments. GASB established different reporting requirements for OPEB plans based on whether or not plan assets accumulated for benefits are placed in trusts (or equivalent arrangements). Three OPEB Plans met the requirements for funded OPEB trusts or their equivalents: the State Employee Healthcare Plan, the Teachers Healthcare Plan and the Group Life Insurance Plan for State Employees and Teachers.

Information not already contained in this note disclosure at June 30, 2024 follows. The Trustees of the State Retiree Healthcare Plan (SRHP) are the State Controller and State Treasurer. The Trustee of the Teacher Retiree Healthcare Plan is Harpswell Capital Advisors, LLC.

Components of the Net OPEB Liability for the plans at June 30, 2024 were as follows:

(Expressed in Thousands)

	<b>State Employee Healthcare Plan</b>	<b>Teachers Healthcare Plan</b>	<b>State and Teachers Group Life Insurance Benefit Plan</b>
Total OPEB liability	\$ 787,292	\$ 972,024	\$ 248,730
Plan fiduciary net position	496,042	115,312	164,475
State of Maine's net OPEB liability	<u>\$ 291,250</u>	<u>\$ 856,712</u>	<u>\$ 84,255</u>
Plan fiduciary net position as a percentage of the total OPEB liability	63.01 %	11.86 %	66.13 %

Actuarial assumptions for the funded OPEB plans used in the June 30, 2024 valuations were based on results from an actuarial experience study for the period of June 30, 2015 to June 30, 2020. The individual entry age normal method is used to determine liabilities. Asset amounts are taken as reported to the actuaries by the System without audit or change. Specific health and group life insurance OPEB plans' actuarial assumptions are included in the plan specific section of this note. For the 2024 healthcare valuation, the initial medical trend rate of 7.53 percent decreased to 7.09 percent.

The long-term expected rate of return on OPEB 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 OPEB 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 OPEB plans' target asset allocation are summarized in the following table.

	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
<b>Asset Class for the State Employee and Teacher Group Life Insurance Benefit Plan</b>		
Public Equity	70.0 %	6.0 %
Traditional Credit	15.0 %	3.2 %
U.S. Government Securities	15.0 %	2.3 %
<b>Asset Class for State Employee and Teacher Healthcare Plans</b>		
US Equity	45.0 %	6.90 %
Real Estate	5.0 %	5.01 %
US Fixed Income	25.0 %	2.46 %
International Equity	25.0 %	6.91 %

For the year ended June 30, 2024, the annual money-weighted rate of return on investments, net of investment expense, was 14.2 percent for the funded plans. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The discount rate used to measure the collective total OPEB liability for the actuarial valuations varied by plan and is disclosed below. 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 actuarially determined, contractually required rates. Based on these assumptions, the OPEB plans' fiduciary net position were projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

The following table shows how the collective net OPEB liabilities would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate. The current rate used for the plans is 6.50 percent.

(Expressed in Thousands)

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
State Employee Healthcare Plan	\$ 370,327	\$ 291,250	\$ 223,956
Teachers Healthcare Plan	996,461	856,712	742,335
State Employee and Teacher Group Life Insurance Benefit Plan	\$ 121,432	\$ 84,255	\$ 54,124

*Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates.* The following table shows how the collective net OPEB liabilities would change if the healthcare rate used was one percentage point lower or one percentage point higher than the current rate of 7.09 percent grading down to 4.19 percent.

(Expressed in Thousands)

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
State Employee Healthcare Plan	\$ 203,799	\$ 291,250	\$ 396,274
Teachers Healthcare Plan	\$ 717,856	\$ 856,712	\$ 1,031,860

## NOTE 11 - LONG-TERM OBLIGATIONS

### PRIMARY GOVERNMENT

The State records its liability for general obligation bonds in the Governmental Activities column on the Statement of Net Position. Other long-term obligations recognized by the State include: revenue bonds issued by the Maine Governmental Facilities Authority, a blended component unit; obligations under Certificates of Participation and other financing arrangements; loans payable to component unit for repayment of bonds issued by the Maine Municipal Bond Bank on behalf of the Maine Department of Transportation and the Liquor Operations Revenue Fund and compensated employee absences.

### GENERAL OBLIGATIONS BONDS

Programs for which the State issues general obligation bonds include: adaptive equipment loan programs; environmental cleanup and protection; highway and transportation related projects; agricultural and small business job creation; and acquisition, construction, and renovation of major capital facilities including State parks and historic sites. General obligation bonds are secured by the full faith and credit of the State. Debt service requirements are provided by legislative appropriation from the State's general tax revenues and are repaid in annual installments beginning not more than one year after issuance.

Changes in general obligation bonds of the primary government during fiscal year 2024 were:

**Primary Government - Changes in General Obligation Bonds**

(Expressed in Thousands)

	<u>Balance</u> <u>July 1, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2024</u>	<u>Due Within</u> <u>One Year</u>
General Obligation Debt:					
General Fund	\$ 559,370	\$ -	\$ 105,075	\$ 454,295	\$ 93,780
Unamortized Premiums:					
General Fund	<u>79,270</u>	<u>-</u>	<u>13,958</u>	<u>65,312</u>	<u>12,774</u>
Total	<u>\$ 638,640</u>	<u>\$ -</u>	<u>\$ 119,033</u>	<u>\$ 519,607</u>	<u>\$ 106,554</u>

Debt service requirements (principal and interest) for all outstanding general obligation bonds of the primary government, from June 30, 2024 until maturity, are summarized in the following table:

**Future Debt Service on General Obligation Bonds**

(Expressed in Thousands)

Fiscal Year	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 93,780	\$ 21,998	\$ 115,778
2026	83,515	17,712	101,227
2027	73,745	13,722	87,467
2028	63,945	10,068	74,013
2029	52,820	6,898	59,718
2030-2034	<u>86,490</u>	<u>8,080</u>	<u>94,570</u>
Total	<u>\$ 454,295</u>	<u>\$ 78,478</u>	<u>\$ 532,773</u>
Unamortized Premiums	<u>65,312</u>		
Total Principal	<u>\$ 519,607</u>		

General fund, special revenue and other general obligation bonds issued and outstanding at June 30, 2024 are as follows:

**Primary Government - General Obligation Bonds Outstanding**

(Expressed in Thousands)

	Amounts Issued	Outstanding June 30, 2024	Fiscal Year Maturities		Interest Rates
			First Year	Last Year	
General Fund:					
Series 2015	\$ 102,555	\$ 10,255	2016	2025	0.85% - 5.00%
Series 2016	97,705	19,540	2017	2026	1.00% - 5.00%
Series 2017	98,060	29,415	2018	2027	2.00% - 5.00%
Series 2019A	111,255	44,500	2019	2028	3.125% - 5.00%
Series 2019B	140,875	70,425	2020	2029	2.50% - 5.00%
Series 2020	114,905	76,595	2021	2030	1.25% - 5.00%
Series 2021	96,875	75,345	2022	2031	1.00% - 5.00%
Series 2022	85,470	68,895	2023	2032	3.75% - 5.00%
Series 2023	65,920	59,325	2024	2033	4.75% - 5.25%
		454,295			
Plus Unamortized Bond Premium		65,312			
Total General Fund		<u>\$ 519,607</u>			

**AUTHORIZED UNISSUED BONDS**

Any bonds not issued within five years of the date of ratification may not be issued after that date. Within two years after expiration of the five-year period, the Legislature may extend, by a majority vote, the five-year period for an additional five years or may deauthorize the bonds. If the Legislature fails to take action within those two years, the bond issue shall be considered to be deauthorized and no further bonds may be issued. At June 30, 2024, there were no general obligation bonds authorized and unissued.

**REVENUE BONDS OF THE MAINE GOVERNMENTAL FACILITIES AUTHORITY**

The State included \$467.2 million in other financing arrangements to reflect revenue bonds issued by the Maine Governmental Facilities Authority (MGFA), a blended component unit. Payment of the bonds is subject to, and dependent upon, biennial appropriations being made by the State Legislature. Debt issued by MGFA is not debt of the State or any political subdivision within the State. The State is not obligated for such debt, nor is the full faith and credit of the State pledged for such debt. MGFA may not issue securities in excess of \$863.6 million outstanding, at any one time, except for the issuance of certain revenue refunding securities.

During the fiscal year ended June 30, 2024, MGFA issued \$64.5 million in 2024A bonds with an interest rate of 5.00 percent and \$46.0 million in 2024B bonds with an interest rate of 5.00 percent.

At June 30, 2024, there were no MGFA in-substance defeased bonds outstanding.

**CERTIFICATES OF PARTICIPATION AND OTHER FINANCING ARRANGEMENTS**

The State uses financing companies, Certificates of Participation (COP's), and lease/purchase agreements to finance construction of certain State buildings, to purchase or generate software, and to purchase equipment and vehicles, including school buses. COP's are issued through a trustee, and the State is responsible for payments to the trustee that approximate the interest and principal payments made to the certificate holders. The State and school districts maintain custody and use of the assets; however, the trustee holds a lien as security until such time as the certificates are fully paid.

Neither COP's nor the other financing arrangements constitute a legal debt, liability, or contractual obligation in excess of amounts appropriated. The State's obligation to make minimum payments or any other obligation under agreements is subject to, and dependent upon, appropriations being made by the Legislature. The Legislature has no obligation to appropriate the money for future minimum payments or other obligations under any agreement.

**SHORT-TERM OBLIGATIONS**

The State of Maine did not issue or retire Bond Anticipation Notes during fiscal year 2024. Short-term obligations are used to meet temporary operating cash flow needs. At June 30, 2024 there were no outstanding Tax Anticipation Notes or Bond Anticipation Notes.

**OTHER LONG-TERM OBLIGATIONS**

In general, expenditures and fund liabilities are not recorded in governmental funds for long-term obligations until amounts owed are "due and payable." Fund liabilities are recorded in the proprietary funds when obligations are incurred. In the Statement of Net Position, the State has recorded long-term obligations for its compensated employee absences, net pension liability, other post-employment benefit obligations, pollution remediation landfill closure and post-closure care costs.

Changes in other long-term obligations for governmental and business-type activities for the fiscal year ended June 30, 2024, are summarized as follows:

**Primary Government - Changes in Other Long-Term Obligations**  
(Expressed in Thousands)

	<u>Balance</u> <u>July 1, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2024</u>	<u>Due Within</u> <u>One Year</u>
<b>Governmental Activities:</b>					
MGFA Revenue Bonds	\$ 380,523	\$ 110,550	\$ 23,856	\$ 467,217	27,142
COP's and Other Financing	84,113	33,914	17,491	100,536	18,444
Compensated Absences	71,434	17,502	10,824	78,112	11,834
Claims Payable	75,004	189,029	185,245	78,788	23,863
Leases	249,039	10,514	7,677	251,876	8,591
Subscriptions	110,559	8,282	21,516	97,325	18,271
Loans Payable to Component Unit	262,009	3,049	38,287	226,771	39,843
Total Governmental Activities	<u>\$ 1,232,681</u>	<u>\$ 372,840</u>	<u>\$ 304,896</u>	<u>\$ 1,300,625</u>	<u>147,988</u>
<b>Business-Type Activities:</b>					
COP's and Other Financing	\$ 2,571	\$ -	\$ 429	\$ 2,142	428
Compensated Absences	1,056	225	139	1,142	150
Total Business-Type Activities	<u>\$ 3,627</u>	<u>\$ 225</u>	<u>\$ 568</u>	<u>\$ 3,284</u>	<u>578</u>

Debt service requirements (principal and interest) for COP's and other financing arrangements of the primary government, from June 30, 2024 until maturity, are summarized as follows:

**Future Debt Service on MGFA Revenue Bonds, COPS and Other Financing Arrangements**  
(Expressed in Thousands)

Fiscal Year	Governmental Activities				Business-Type Activities	
	Governmental Funds		Internal Service Funds		Enterprise Funds	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 12,467	\$ 1,648	\$ 33,119	\$ 21,311	\$ 428	\$ 66
2026	10,201	1,340	34,036	19,517	428	52
2027	9,434	1,052	32,565	18,173	428	38
2028	7,873	825	32,686	16,836	429	24
2029	8,070	628	34,067	15,537	429	10
2030 - 2034	15,901	896	137,290	59,173	-	-
2035 - 2039	-	-	136,940	29,631	-	-
2040 - 2044	-	-	63,104	5,912	-	-
Total	<u>\$ 63,946</u>	<u>\$ 6,389</u>	<u>\$ 503,807</u>	<u>\$ 186,090</u>	<u>\$ 2,142</u>	<u>\$ 190</u>

**LOANS PAYABLE TO COMPONENT UNIT**

The State of Maine has pledged various revenue streams as security for Grant Anticipation Bonds (GARVEE) and Transportation Infrastructure Revenue Bonds (TransCap) issued by the Maine Municipal Bond Bank (MMBB) on behalf of the Maine Department of Transportation to provide financing for qualified transportation projects.

Changes in GARVEE and TransCap revenue bonds during fiscal year 2024 were:

**Primary Government - Changes in GARVEE, TransCap and Liquor Revenue Bonds Payable**  
(Expressed in Thousands)

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024	Due Within One Year
<b>Loans Payable to Components Unit:</b>					
Federal Funds	\$ 203,378	\$ 3,049	\$ 23,048	\$ 183,379	\$ 23,617
Special Revenue Fund	58,631	-	15,239	43,392	16,225
Total	<u>\$ 262,009</u>	<u>\$ 3,049</u>	<u>\$ 38,287</u>	<u>\$ 226,771</u>	<u>\$ 39,842</u>

Payment of principal and interest on the GARVEE bonds shall be subject to appropriation each year by the Legislature in an amount sufficient to cover the principal and interest requirements of MMBB's debt for these bonds. The State's receipt of these funds is subject to continuing federal appropriations. MMBB insured payments of principal and interest with a financial guaranty insurance policy. The bonds do not constitute a legal debt or obligation of the State.

Principal and interest on TransCap bonds are payable solely from pledged revenues, pledged rights, and pledged TransCap funds and accounts. Pledged revenues include certain motor vehicle registration and other fees, a portion of excise tax on gasoline and other special fuel, and certain amounts required to be transferred from the Highway Fund. All pledged revenues are required to be transferred to the TransCap Fund. The bonds do not constitute a legal debt or liability of the State.

GARVEE and TransCap Revenue bonds issued and outstanding at June 30, 2024 are as follows:

**GARVEE, TransCap and Liquor Revenue Bonds Outstanding**  
(Expressed in Thousands)

	<u>Amounts Issued</u>	<u>Outstanding June 30, 2024</u>	<u>Fiscal Year Maturities</u>		<u>Interest Rates</u>
			<u>First Year</u>	<u>Last Year</u>	
Federal Funds:					
Series 2014A	\$ 44,810	\$ 13,950	2015	2026	2.00% - 5.00%
Series 2016A	44,105	21,510	2017	2028	2.63% - 5.00%
Series 2018A	44,310	39,690	2023	2030	4.00% - 5.00%
Series 2020A	60,925	48,930	2021	2032	5.00%
Series 2022A	47,175	44,235	2023	2035	5.00%
Total Federal Funds		<u>\$ 168,315</u>			
Special Revenue Fund:					
Series 2015A	54,680	16,225	2019	2024	4.00% - 5.00%
Series 2021A	35,070	34,535	2022	2026	5.00%
Total Special Revenue Funds		<u>\$ 50,760</u>			

Total principal and interest requirements over the life of the 2014 GARVEE bonds are \$59.0 million, with annual requirements up to \$5.0 million; for 2016 GARVEE bonds total principal and interest requirements are \$58.0 million, with annual requirements up to \$4.9 million; for 2018A GARVEE bonds total principal and interest requirements are \$63.3 million, with annual requirements up to \$6.7 million; for 2020A GARVEE bonds total principal and interest requirements are \$81.9 million, with annual requirements up to \$6.8 million; for 2022A GARVEE bonds total principal and interest requirements are \$63.4 million, with annual requirements up to \$5.2 million. Total federal highway transportation funds received in federal fiscal year 2024 were \$342.8 million. Current year payments to MMBB for GARVEE bonds were \$28.4 million (8.3 percent of federal highway transportation funds received).

Total principal and interest requirements over the life of the 2015A TransCap Revenue bonds are \$74.4 million, with annual requirements up to \$16.6 million; for the 2021A TransCap Revenue bonds total principal and interest requirements are \$43.1 million, with annual requirements up to \$18.1 million. Total revenue received for revenue sources used as pledged revenues were \$71.9 million in fiscal year 2024.

**MGFA REVENUE BONDS, COP'S AND OTHER FINANCING ARRANGEMENTS**

MGFA revenue bonds will be liquidated by the MGFA Internal Service Fund, from revenues received through lease agreements with various governmental funds. The liability for loans payable to the component unit will be liquidated from the Federal Fund and Highway Fund. The vast majority of COP's and other financing arrangements will be liquidated by the internal service fund in which the leases are recorded; the General and Highway Funds will pay relatively small amounts.

**CLAIMS PAYABLE**

Claims payable that represent Medicaid claims will be paid from the General Fund and Federal Fund. Claims payable that represent workers' compensation and retiree/employee health will be liquidated by the applicable governmental and internal service funds that account for the salaries and wages of the related employees. Other claims and judgments attributable to governmental activities will be liquidated by the General Fund and related special revenue funds.

**COMPENSATED ABSENCES**

In the government-wide statements and proprietary fund financial statements, compensated absences are reported as long-term liabilities as required by GASB. In the governmental fund financial statements, vested or accumulated leave is reported as an expenditure and fund liability when incurred upon retirement, termination or death. Sick and vacation payments made to terminated employees as of June 30, 2024 but paid after the fiscal year end is also reported in the funds.

**COMPONENT UNITS**

Bonds payable of the discretely presented component units are legal obligations of the component units and are not general obligations of the State. The following table summarizes bonds outstanding for selected material balances of discretely presented component units, as reported in their separately issued financial statements, utilizing their respective fiscal year-ends:

**Component Unit Bonds Outstanding**  
(Expressed in Thousands)

<u>Component Unit</u>	<u>Interest Rates</u>	<u>Amount</u>	<u>Maturity Dates</u>
Finance Authority of Maine	2.120% - 5.250%	\$ 103,668	2024 - 2046
Maine Community College System	3.000% - 5.000%	13,326	2024 - 2036
Maine Health and Higher Educational Facilities Authority	0.359% - 5.500%	810,640	2024 - 2054
Maine Municipal Bond Bank	0.350% - 6.120%	1,596,717	2024 - 2054
Maine State Housing Authority	0.000% - 5.810%	1,966,650	2024 - 2058
Maine Turnpike Authority	2.000% - 5.000%	577,197	2024 - 2050
University of Maine System	1.190% - 5.040%	217,650	2024 - 2062

In periods of declining interest rates, Maine Health and Higher Educational Facilities Authority (MHHEFA) has refunded certain bond obligations. The proceeds of any advance refunding bonds are primarily 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 defeased bonds.

On July 25, 2023 Maine Health and Higher Educational Facilities Authority (MHHEFA) issued \$68.4 million in 2023A Reserve Resolution bonds with an average interest rate of 4.62 percent, a portion of which was used to in-substance defease \$5.1 million of 2013A Reserve Resolution bond series. A portion of the net proceeds of approximately \$72.7 million, including other sources of 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 defeased bonds. The economic benefits associated with the refunding inure to the respective institutions and not the Authority.

At June 30, 2024, MHHEFA had approximately \$29.1 million of defeased bonds remaining outstanding with respect to all advance-refunding within the Reserve Fund Resolution.

In periods of declining interest rates, MMBB has refunded certain of its bond obligations, reducing aggregate debt service. Where allowed, the bank retires outstanding bonds prior to their contractual maturity. In other cases, the proceeds of the refunding bonds were principally used to purchase U.S. Government Treasury obligations that will provide for future payment on the debt. The U.S. Treasury obligations are deposited with the trustees of the in-substance defeased bonds.

At June 30, 2024, MMBB had no outstanding in-substance defeased bonds.

For the year ended December 31, 2023, the Maine State Housing Authority (MHSA) redeemed prior to maturity \$92.1 million of its Mortgage Purchase Fund Group bonds from recoveries of principal, reserve funds, mortgage prepayments, surplus revenues and the proceeds of refunded bonds. Mortgage Purchase Fund gains of \$187 thousand were attributed to recognition of the related bond premium.



The following table summarizes debt service requirements for outstanding bonds of the discretely presented component units:

**Component Units Principal Maturities**  
(Expressed in Thousands)

<u>Fiscal Year Ending</u>	<u>FAME</u>	<u>MMBB</u>	<u>MCCS</u>	<u>MSHA</u>	<u>MTA</u>	<u>UMS</u>	<u>MHHEFA</u>
2025	\$ 5,425	\$ 137,260	\$ 980	\$ 62,465	\$ 20,535	\$ 16,020	\$ 34,170
2026	5,785	152,685	960	82,898	21,710	16,613	32,945
2027	5,820	144,360	1,050	87,900	25,700	14,562	33,915
2028	6,870	115,531	1,070	86,293	26,950	15,051	34,885
2029	7,430	115,375	1,120	85,456	28,190	13,465	35,910
2030 - 2034	27,730	410,770	6,430	329,448	124,965	43,401	177,885
2035 - 2039	21,955	262,100	187	348,070	96,960	11,672	162,130
2040 - 2044	14,655	114,415	-	302,220	82,850	12,199	138,225
2045 - 2049	4,230	20,245	-	328,310	71,725	11,490	83,395
2050 - 2054	-	2,545	-	250,200	15,955	14,945	77,180
2055 - 2059	-	225	-	2,075	-	19,540	-
2060 - 2064	-	-	-	-	-	14,490	-
Net Unamortized Premium (or Deferred Amount)	3,768	121,206	1,529	1,315	61,657	14,202	-
Total Principal Payments	<u>\$ 103,668</u>	<u>\$ 1,596,717</u>	<u>\$ 13,326</u>	<u>\$ 1,966,650</u>	<u>\$ 577,197</u>	<u>\$ 217,650</u>	<u>\$ 810,640</u>

**NOTE 12 - RIGHT TO USE LEASED ASSETS AND PUBLIC-PRIVATE PARTNERSHIPS**

**PRIMARY GOVERNMENT - GOVERNMENTAL ACTIVITIES RIGHT TO USE LEASED ASSETS**

In the government-wide and proprietary fund statements, assets and liabilities resulting from right to use leased assets are recorded at lease inception. The principal portion of lease payments reduces the liability; the interest portion is expensed.

Most leases have cancellation clauses in the event that funding is not available. For reporting purposes, such cancellation clauses are not considered because the likelihood that they will be exercised is considered remote. Some lease agreements include renewal or purchase options. The effect of such options is reflected in the minimum lease payments only if it is considered reasonably assured that an option will be exercised.

Leases that exist between the State and the Maine Governmental Facilities Authority (MGFA), a blended component unit, are not recorded as leases in this report. In their separately issued financial statements, MGFA records a lease receivable from the State. Although payables and receivables technically exist between these parties, when combined for government-wide reporting, they are eliminated. A long-term liability exists on the government-wide statements for the bonds issued by MGFA to construct the assets associated with the leases. Future payments to MGFA are, therefore, not included in the schedule of lease commitments below. Note 11 provides information on the amount of MGFA bonds outstanding and a schedule of debt service requirements.

The Bureau of General Services (BGS) negotiates leases for most all state agencies. The accounting for BGS leases is recorded in an internal service fund.

The historical cost of assets acquired under leases, all of which are buildings, on the government-wide financial statements at June 30, 2024, is \$272.8 million. Accumulated amortization is \$30.2 million. Leased assets net of accumulated amortization is \$242.6 million.

**Right to Use Leased Assets**

(Expressed in Thousands)

	<u>General Fund</u>	<u>Other Special Revenue Funds</u>	<u>Internal Service Funds</u>	<u>Total Governmental Activities</u>
Buildings	\$ 13,284	\$ 620	\$ 258,882	\$ 272,786
Less: Accumulated Amortization	2,297	80	27,851	30,228
Total Right to Use Assets, net	<u>\$ 10,987</u>	<u>\$ 540</u>	<u>\$ 231,031</u>	<u>\$ 242,558</u>

A summary of lease commitments to maturity is as follows:

**Future Lease Payments**  
(Expressed in Thousands)

Fiscal Years Ending June 30	<u>Principal</u>	<u>Interest</u>
2025	\$ 8,591	\$ 4,468
2026	8,939	4,322
2027	9,186	4,171
2028	9,314	4,016
2029	9,128	3,858
2030-2034	42,200	17,013
2035-2039	36,334	13,369
2040-2044	30,397	10,295
2045-2049	29,028	7,542
2050-2054	23,346	5,075
2055-2059	18,146	3,315
2060-2064	15,835	1,771
2065-2069	10,873	509
2070-2074	559	6
Total	<u>\$ 251,876</u>	<u>\$ 79,730</u>

Lease liabilities are valued using discount rates between 0.95% and 3.72% based on the lease term, using State Specific Municipal Market Data.

The State of Maine, Bureau of General Services, negotiates leases on behalf of Child Development Services. At June 30, 2024, leases receivable from CDS is \$4.6 million. Fiscal year 2024 lease revenue was \$541 thousand, interest revenue was \$71 thousand.

**COMPONENT UNITS**

**RIGHT TO USE LEASED ASSETS**

The University of Maine System leases building space for various terms under long-term non-cancelable lease agreements. The original lease terms expire at various dates through 2026 and provide for renewal options (ranging from 1-15 years) which extend them to 2044. As of June 30, 2024, right of use lease assets acquired through outstanding leases consisting of building and office space totaled \$71.2 million less \$9.8 million in accumulated amortization, or \$61.4 million net. The lease liabilities outstanding totaled \$62.3 million.

A non-major discretely presented component unit, Midcoast Regional Redevelopment Authority (MRRA), regularly operates and leases property and buildings within its jurisdiction to third parties. As of June 30, 2024, MRRA reported a lease receivable, including accrued interest, of \$38.3 million. At June 30, 2024, MRRA also had a \$36.2 million deferred inflow of resources balance associated with the leases that will be recognized as revenue over the lease terms that extend until 2069.

**PUBLIC-PRIVATE PARTNERSHIP**

On August 15, 2022, the System entered into a public-private partnership with a limited liability corporation (LLC1) to renovate two historic buildings and construct an adjacent 24,800 square foot addition creating a boutique hotel ensemble and extended stay residence consisting of 95 rooms and a café on the University of Maine campus in Orono. The hotel is under the operation of a second limited liability corporation (LLC2) and was opened to the public in March 2024.

As of June 30, 2024, public private leased assets totaled \$25.0 million less \$0.1 million depreciation, or \$24.9 million net. Upon termination, the improvements shall be surrendered to the System in the agreed upon condition.

The arrangement covers 99 years with a base rent subject to scheduled increases every five years. A net present value receivable for installment payments of \$5.9 million recognizing the expected future rental revenue under the lease. The System has reported deferred inflows of resources totaling \$28.2 million as of June 30, 2024, which will be recognized into revenue evenly over the term of the agreement.

The arrangement also includes a performance guarantee and an income sharing arrangement. The arrangement includes certain minimum projected revenues for the first 25 years that the System may have to supplement. In consideration for the services it will provide under the arrangement, the System will receive 20 percent of all net operating income, on a cumulative basis, earned annually in excess of annual amounts outlined in the contract and subject to an annual maximum of \$600 thousand. Both the shortfall supplement and the income sharing are variable in nature and will be recognized as incurred or earned. To date, no such amounts have been recognized.

**NOTE 13 - SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS****PRIMARY GOVERNMENT - GOVERNMENTAL ACTIVITIES**

In the government-wide and proprietary fund statements, assets and liabilities resulting from right to use subscription based information technology arrangements are recorded when the system is placed into service. Any implementation costs incurred prior to the system being placed into service are recorded as prepaid assets. The principal portion of subscription payments reduces the liability; the interest portion is expensed.

Most subscriptions have cancellation clauses in the event that funding is not available. For reporting purposes, such cancellation clauses are not considered because the likelihood that they will be exercised is considered remote. Some subscription agreements include renewal options. The effect of such options is reflected in the minimum subscription payments only if it is considered reasonably assured that an option will be exercised.

The historical cost of assets acquired under subscription based technology arrangements on the government-wide financial statements at June 30, 2024, is \$170.7 million. Accumulated amortization is \$53.4 million. Subscription assets net of accumulated amortization is \$117.3 million.

	<u>General Fund</u>	<u>Highway Fund</u>	<u>Federal Funds</u>	<u>Other Special Revenue Funds</u>	<u>Internal Service Funds</u>	<u>Total Governmental Activities</u>
<b>Right to Use Subscription Assets</b>						
Subscriptions	\$ 82,222	\$ 2,881	\$ 28,245	\$ 7,005	\$ 50,307	\$ 170,660
Less: Accumulated Amortization	15,027	898	11,134	2,548	23,750	53,357
Total Right to Use Assets, net	<u>\$ 67,195</u>	<u>\$ 1,983</u>	<u>\$ 17,111</u>	<u>\$ 4,457</u>	<u>\$ 26,557</u>	<u>\$ 117,303</u>

A summary of subscription based information technology arrangements to maturity is as follows:

**Future Minimum SBITA Payments**  
(Expressed in Thousands)

<b>Fiscal Years Ending June 30</b>	<u>Principal</u>	<u>Interest</u>
2025	\$ 18,271	\$ 2,583
2026	14,853	2,115
2027	14,944	1,672
2028	6,188	1,438
2029	4,887	1,262
2030-2034	26,803	3,722
2035-2039	11,379	221
Total	<u>\$ 97,325</u>	<u>\$ 13,013</u>

Subscription based information technology arrangement liabilities are valued using discount rates between 2.78 percent and 3.32 percent based on the SBITA contract term including optional renewal periods using State Specific Municipal Market Data.

**COMPONENT UNITS**

The University of Maine System (UMS) has subscription based IT arrangements (SBITA). At June 30, 2024, SBITA assets totaled \$14.5 million, net of \$11.0 million of amortization. The associated liabilities totaled \$13.6 million. The remaining balance is reported as a deferred inflow.

The Maine Community College has SBITA right-to-use assets net of amortization that totaled \$13.8 million at June 30, 2024. The associated liabilities totaled \$10.8 million.

**NOTE 14 - SELF - INSURANCE****A. RISK MANAGEMENT**

The State maintains several types of insurance plans and accounts for them in two funds that are combined for financial statement purposes as the Risk Management Fund. The Risk Management Division provides insurance advice and services to State governmental agencies. The State-Administered Fund offers similar services to quasi-governmental entities. Statute requires the Self-Insurance Fund to be replenished by appropriation if the fund balance drops below \$1 million. The State-Administered Fund balance has no similar provision; however, statutes prevent it from being used for any purpose other than providing insurance services.

Insurance plans offered include property, vehicle, boat and aircraft, tort, civil rights, employee bonds, police professionals, and a variety of other insurance products. These plans have limits of liability of as much as \$2 million per occurrence.

In some cases, the State purchases excess insurance to limit the State's liability for insured events. For example, coverage for property damage is \$400 million per occurrence. The State retains \$2 million of this risk per occurrence. A private insurance carrier covers the remaining risk (excess insurance). In some cases, individual claim settlements have exceeded policy limits in the past three fiscal years.

Coverage, risk retention, and excess insurance amounts for major types of insurance are listed below:

<b>Type of Insurance:</b>	<b>Coverage Per Occurrence</b>	<b>Risk Retention Per Occurrence</b>	<b>Excess Insurance Per Occurrence</b>
Property*	Per Schedule	\$2 million	\$400 million
Ocean Marine Boat Liability* <sup>1</sup>	Per Schedule	10 million	10 million
Boiler and Machinery*	150 million	2 million	150 million
General Liability Including Employment Practices	400 thousand	400 thousand	none
Police Professionals	400 thousand	1 million aggregate	none
Vehicular Liability <sup>2</sup>	400 thousand	400 thousand	600 thousand
Bonding	500 thousand	500 thousand	none
Foster Parents	300 thousand	300 thousand	none
Inland Marine (various policies)* <sup>4</sup>	400 thousand	400 thousand	none
Aircraft Liability* <sup>3</sup>	10 million	Various	none
Data Breach	3 million	500 thousand	none

\*These lines of insurance have commercial excess insurance covering losses above the risk retention amount up to the per occurrence amount listed. All other insurance programs are wholly self-insured. The property insurance limit per occurrence is per scheduled location. Total occurrence limit is \$400 million.

<sup>1</sup> 10 million is the maximum limit for per occurrence coverage. Some agencies have chosen \$400 thousand. Retentions vary up to \$10 thousand.

<sup>2</sup> Excess insurance is only for out of state travel.

<sup>3</sup> \$10 million is the maximum limit for per occurrence coverage. Some agencies have chosen \$500 thousand. Retentions vary up to \$10 thousand.

<sup>4</sup> Inland Marine policies vary by line, limit, and retention.

The plan funds the cost of providing claims servicing and claims payment by charging a premium to each agency based on a review of past losses and estimated losses for the current period.

All risk-financing liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Claims liabilities represent the estimated cost of claims as of March 31, 2024. This cost of claims includes case reserves, the development of known claims, and the direct administrative expenses for settling specific claims.

Claims liabilities are determined on an actuarial basis. Biennial re-evaluation occurs to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing claims liability does not necessarily result in an exact amount.

At March 31, 2024 and 2023 the present value of claims payable for the State's self-insurance plan was estimated at \$11.1 million and \$11.3 million, respectively. The actuary calculated this based on the State's rate on investments.

**Risk Management Fund**  
**Changes in Claims Payable**  
(Expressed in Thousands)

	<b>2024</b>	<b>2023</b>
Liability at Beginning of Year	\$ 11,329	\$ 10,898
Current Year Claims and Changes in		
Estimates	2,637	2,914
Claims/Fees Expense	2,824	2,483
Liability at End of Year	\$ 11,142	\$ 11,329

As of June 30, 2024, fund assets of \$32.5 million exceeded fund liabilities of \$12.5 million by \$20.0 million. The portion of this amount that may be reserved for catastrophic losses has not been determined.

**B. UNEMPLOYMENT INSURANCE**

The State is self-insured for unemployment compensation. As a direct reimbursement employer, the State recognizes all costs for unemployment compensation as claims are paid. These costs totaled \$968 thousand for the fiscal year ended June 30, 2024.

**C. WORKERS' COMPENSATION**

Workers' Compensation is accounted for in an Internal Service Fund. Interfund premiums are treated as quasi-external transactions. Each State agency is charged a premium based on the number of employees to be covered plus an added amount to reduce the unfunded liability. The Legislature, Legislative Council, and Law Library employees are self-insured for workers' compensation purposes. The State assumes the full risk of all claims filed for workers' compensation.

Claims liabilities are actuarially determined based on estimates of the ultimate cost of claims, including future claim adjustment expenses that have been incurred but not reported and claims reported but not settled. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are re-evaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors.

The balance of claims liabilities as of June 30, 2024 and 2023:

**Workers' Compensation Fund**  
**Changes in Claims Payable**  
(Expressed in Thousands)

	<b>2024</b>	<b>2023</b>
Liability at Beginning of Year	\$ 51,744	\$ 55,480
Current Year Claims and Changes in		
Estimates	8,028	4,465
Claims Payments	8,537	8,201
Liability at End of Year	\$ 51,235	\$ 51,744

Based on the actuarial calculation as of June 30, 2024, the State is liable for unfunded claims, and incurred but not reported claims, of approximately \$70.6 million. The discounted amount is \$51.2 million and was calculated based on a 3.0 percent interest rate on investments.

#### **D. EMPLOYEE HEALTH INSURANCE**

The employee health and retiree health insurance programs are accounted for in two Internal Service Funds. The State became self-insured for employee and retiree health care coverage on July 1, 2003. A stop loss agreement provides catastrophic coverage for individual claims exceeding \$750 thousand.

The State retained third-party administration (TPA) and pharmacy benefit management (PBM) services for claims administration, utilization review, case management services, and pharmacy fulfillment. Premium equivalents are developed with the technical assistance of the plan's consulting actuary and paid by subscribers and associated State departments.

There are two primary health plans available. A Preferred Provider Organization (PPO) plan is available to all active employees, early retirees, and grandfathered retirees not eligible for Medicare Part A as of July 1, 2019. A Medicare Advantage plan is available to age sixty-five or older retirees. Total enrollment averaged approximately 35,980 covered individuals. This total includes approximately 26,279 active employees, retirees and their dependents in the PPO plan and 9,701 Medicare Advantage retirees and dependents.

The State maintains PPO plan funding through the accumulation of premiums from employee contract holders and from the departments with whom they are employed. Claims and administrative expense are paid through these accumulated premiums based on invoices remitted from the TPA.

Expenses and liabilities for incurred but not reported claims, based on an actuarial analysis of claim lag pattern, have been recorded as liabilities in the amount of \$16.4 million. Changes in the Employee Health Insurance and Retiree Health Insurance claims liability for the fiscal year ending June 30, 2024 follows:

(Expressed in Thousands)

	<b>Employee Health Fund</b>	<b>Retiree Health Fund</b>
Liability at Beginning of Year	\$ 8,948	\$ 2,983
Claims and Changes in Estimate	140,365	37,999
Claims Payments	137,005	36,879
Liability at End of Year	<u>\$ 12,308</u>	<u>\$ 4,103</u>

The table above reflects actual activity of the employee health and retiree health insurance programs. In accordance with GASB Statement No. 75, certain costs reported above were reclassified for financial statement purposes. Retiree healthcare costs of \$44.0 million and teacher healthcare costs of \$38.5 million were reclassified from the internal service fund to the OPEB Trust Fund, a fiduciary fund. Additionally, \$39.3 million of active employee healthcare costs were reclassified from the internal service fund to the OPEB Trust Fund to reflect age-adjusted claims.

#### **NOTE 15 - JOINT VENTURES**

Joint ventures are independently constituted entities generally created by two or more governments for a specific purpose. The State of Maine participates in two separate joint venture arrangements: the Tri-State Lotto Commission (Commission) and the Multi-State Lottery Association (MUSL).

##### **TRI-STATE LOTTO COMMISSION**

The Commission was established in 1985 pursuant to passage into law of the Tri-State Lotto Compact by the States of Maine, New Hampshire, and Vermont. The Commission is authorized and empowered to promulgate rules and regulations regarding the conduct of lottery games, including ticket prices, prizes, and the licensing of agents under Title 8 MRSA C. 16.

The Commission is composed of one member from each of the participating states. Each member State's commission appoints one of its members to serve on the Commission and each member holds office at the pleasure of his or her appointing authority. The Commission annually elects a chairman from among its members. The Commission designated that 50 percent of its sales revenue be reserved for prize awards and agent bonuses.

A prize award liability is established when the winning ticket number is selected. If no winning ticket is selected, the available jackpot

is carried over to the following drawing. The Tri-State Lotto Compact requires that prizes not claimed within one year from the date of the drawing be forfeited. All expired unclaimed prizes are credited to future prize pools. The Commission funds its jackpots through U.S. Government Treasury Strips.

A proportional share of revenues and expenses are allocated to each State based on ticket sales made by each State. Exceptions are the facility's management fee, which is based on a contracted percentage of operating revenue that varies from State to State, per diem charges, advertising, and certain printing, travel, and miscellaneous costs, which are allocated based on actual charges generated by each state.

The table below was obtained from the Tri-State Lotto Commission financial report for fiscal year 2024, which may be obtained from the Bureau of Alcoholic Beverages and Lottery Operations, 8 State House Station, Augusta, ME 04333-0008.

**Tri-State Lotto Commission**  
(Expressed in Thousands)

Current Assets	\$ 19,680
Noncurrent Assets	<u>11,997</u>
Total Assets	<u><u>\$ 31,677</u></u>
Current Liabilities	\$ 19,018
Long-term Liabilities	<u>8,640</u>
Total Liabilities	<u><u>\$ 27,658</u></u>
Designated Prize Reserves	\$ 4,345
Reserve for Unrealized Gains (Losses)	<u>(326)</u>
Total Net Position	<u>4,019</u>
Total Liabilities and Net Position	<u><u>\$ 31,677</u></u>
Total Revenue	\$ 112,523
Total Expenses	83,258
Gain (Loss) on Sale of Investment	11
Allocation to Member States	29,276
Change in Unrealized Gain (Loss) on Investments Held for Resale	<u>69</u>
Change in Net Position	<u><u>\$ 69</u></u>

**Multi-State Lottery Association**

The Maine State Lottery became a member of the Multi-State Lottery Association (MUSL) in July 2004. The MUSL currently has 39 member State lotteries, including the District of Columbia and the United States Virgin Islands. The MUSL is managed by a board of directors, which is comprised of the lottery directors or their designee from each of the party States, and authorized to initiate, promulgate, administer and carry out one or more lottery product offerings that will enhance the participating parties' lottery revenue.

Participating lotteries sell Powerball tickets, collect all revenues, and remit prize funds to the MUSL, net of lower tier prize awards. The operating costs of the board are allocated among all of the participating lotteries. Jackpot prizes payable in installments are satisfied through investments purchased by the MUSL. The MUSL purchases US government obligations which are held in irrevocable trusts established by the MUSL for the benefit of participating State lotteries. Each week the MUSL allocates 50 percent of sales to the prize pool. If no winning ticket is selected, the available jackpot is carried over to the following jackpot drawing.

The table below was obtained from the Multi-State Lottery Association's draft financial report for fiscal year 2023. The final report, once received, will be available from the Bureau of Alcoholic Beverages and Lottery Operations, 8 State House Station, Augusta, ME 04333-0008.

**Multi State Lottery Association (Unaudited)**  
(Expressed in Thousands)

Cash and Cash Equivalents	\$ 341,227
Investments in US Government Securities	357,170
US Government Securities Held for Prize Annuities	38,466
Due from Party Lotteries	44,510
Other Assets	1,069
Total Assets	<u>\$ 782,442</u>
Amount Held for Future Prizes	\$ 667,243
Grand Prize Annuities Payable	39,777
Other Liabilities	12,584
	719,604
Net Position, Unrestricted	<u>62,838</u>
Total Liabilities and Net Position	<u>\$ 782,442</u>
Total Revenue	\$ 45,604
Total Expenses	17,420
Excess (Deficit) of Revenues over Expenses	28,184
Net Position, beginning	<u>34,654</u>
Net Position, ending	<u>\$ 62,838</u>



**NOTE 16 - RELATED PARTY TRANSACTIONS****PRIMARY GOVERNMENT**

The State of Maine entered into a memorandum of understanding with the Wells National Estuarine Research Reserve Management Authority, a jointly governed organization, through the Bureau of Parks and Lands. These agreements outline each entity's responsibilities in relation to the operation of the Reserve and the management of the property included within the boundaries of the Reserve. The agreement continues in effect from year to year until termination by either the Bureau or the Authority pursuant to Articles 8 and 9.

The Maine Technology Institute (MTI), a component unit of the State of Maine, received \$20.4 million in funding from the State of Maine, Department of Economic and Community Development. The Director of MTI is an employee of the State of Maine and two board members are Commissioners of the State of Maine. The Board members receive no compensation.

**COMPONENT UNITS**

The State provided appropriations and grant monies to the following discretely presented component units: University of Maine System, \$310.6 million; Maine Community College System, \$108.6 million; Finance Authority of Maine, \$65.1 million; and Maine State Housing Authority, \$145.4 million.

FAME administers several revolving loan funds on behalf of the State of Maine. FAME recorded these funds, which total \$29.3 million at June 30, 2024, as a liability in Amounts Held Under State Revolving Loan Programs in their fiduciary financial statements. The state reports the asset as a receivable in the Special Revenue Fund. During fiscal year 2024, the State expended \$900.0 thousand to FAME for State revolving loan funds.

Title 20-A MRSA Chapter 419-A established the Maine State Grant Program as a fund under the jurisdiction of the Finance Authority of Maine. All grant revenues under this fund must be distributed by FAME to students who meet the eligibility requirements for a grant under this chapter. FAME paid approximately \$11.8 million in grants to the University of Maine System (UMS) on behalf of eligible students. The UMS reflected these as grant revenues from the State.

The Maine Turnpike Authority (MTA) pays the State for services rendered by the Maine State Police (MSP). MSP has a separate troop responsible for patrolling the Maine Turnpike. MTA pays all costs associated with that troop. For fiscal year 2024, the amount billed totaled \$6.6 million.

**NOTE 17 - DEFERRED OUTFLOWS AND DEFERRED INFLOWS**

The following table provides additional detail regarding deferred outflows of resources and deferred inflows of resources reported on the government-wide Statement of Net Position:

(Expressed in Thousands)

	<b>Primary Government</b>			<b>Component Units</b>
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Totals</b>	
<b>Deferred Outflows of Resources:</b>				
Refunding of Debt	\$ 622	\$ -	\$ 622	\$ 14,359
Pension Related	559,468	3,267	562,735	20,778
OPEB Related	490,978	2,721	493,699	11,539
Total Deferred Outflows of Resources	<u>\$ 1,051,068</u>	<u>\$ 5,988</u>	<u>\$ 1,057,056</u>	<u>\$ 46,676</u>
<b>Deferred Inflows of Resources:</b>				
Grant Income	\$ -	\$ -	\$ -	\$ 298
Benefit Recovery	4,441	-	4,441	-
Loan Origination Fees	-	-	-	348
Accumulated Increase in Fair Value of Hedging Derivatives	-	-	-	16,385
Pension Related	209,191	948	210,139	7,683
OPEB Related	1,639,305	5,368	1,644,673	79,916
Lease Related	4,603	-	4,603	75,526
Public Private Partnerships	-	-	-	28,164
Total Deferred Inflows of Resources	<u>\$ 1,857,540</u>	<u>\$ 6,316</u>	<u>\$ 1,863,856</u>	<u>\$ 208,320</u>

\* Please refer back to Note 6 for information on the Opioid settlement.

The following table provides additional detail regarding deferred inflows of resources reported on the Governmental Funds Balance Sheet:

**Governmental Funds**

(Expressed in Thousands)

	<b>General</b>	<b>Highway</b>	<b>Federal</b>	<b>Other Special Revenue</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Deferred Inflows of Resources:</b>						
Tax Revenue or Assessments	\$ 494,557	\$ 1,145	\$ 2,098	\$ 5,029	\$ -	\$ 502,829
Settlements **	-	-	-	103,312	-	103,312
Benefit Recovery	-	-	4,441	-	-	4,441
Total Deferred Inflows of Resources	<u>\$ 494,557</u>	<u>\$ 1,145</u>	<u>\$ 6,539</u>	<u>\$ 108,341</u>	<u>\$ -</u>	<u>\$ 610,582</u>

\*\* Please refer back to Note 6 and Note 19 for information on the Opioid settlement and the Tobacco settlement, respectively.

**NOTE 18 - TAX ABATEMENTS**

For financial reporting purposes, a tax abatement is defined as an agreement between the government and an individual or entity through which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to the economic development or otherwise benefits the government or its citizens.

As of June 30, 2024, the State provided tax abatements through the following programs:

<b>Program Name</b>	<b>Pine Tree Development Zone Program</b>	<b>Employment Tax Increment Financing</b>	<b>New Markets Capital Investment Tax Credit</b>
Program Purpose	The program encourages capital investment and job creation in designated industries and geographic areas within the state.	The program is designed to create and prevent loss of employment in designated industries and geographic areas within the state.	The program is designed to encourage investment in qualified businesses located in economically distressed areas within the state.
Abatement Type	Personal income, corporate income, insurance premiums, bank franchise and sales taxes.	4.5% of qualified gross wages multiplied by the applicable reimbursement rate.	Personal income, corporate income, insurance premiums, and bank franchise taxes.
Statutory Authority	36 M.R.S. §§2529 and 5219-W	36 M.R.S. §6754	36 M.R.S. §§2533 and 5219-HH
Eligibility Criteria	Businesses apply to be certified as a qualified business, agree to conduct a qualified business activity, and hire at least one net new employee within two years. No business may be certified under the program after December 31, 2024. Businesses certified prior to 2025 may continue to receive PTZ credit for the full benefit period of ten years. No PTZ benefits may be paid after 2034.	Businesses apply for certification and agree to hire at least five net new employees within two years. The program will sunset at the end of 2024. No businesses may be certified under the program after December 31, 2024. Businesses certified prior to 2025 may continue to receive annual ETIF benefits for the full benefit period of ten years. No ETIF benefits may be paid after 2034.	A person must make a qualified equity investment that has been certified by the Finance Authority of Maine, and execute a memorandum of agreement with the state.
Abatement Method	Allowance of credit against taxes attributable to qualified business activity, up to the amount of tax liability (nonrefundable credit).	Qualified business applies for annual reimbursement payment independent of any other tax reporting requirements.	Allowance of credit against taxes. Taxpayer receives full amount of annual credit regardless of tax liability (refundable credit).
Abatement Computation	Credit equals 100 percent of the tax liability attributable to the qualified activity of a certified business for a period of five years. Businesses located in certain areas receive a 50 percent credit for an additional five years.	Reimbursement equals 4.5% of qualified gross wages, multiplied by the applicable reimbursement rate from 30 - 80 percent, depending on the unemployment rate in the area where the employee works, for a period of ten years.	The credit amount equals a total of 39 percent of the qualified investment, spread over a period of seven years in varying amounts each year.
Recapture Provisions	None.	Any overpayment must be applied to reduce future reimbursement payments. Overpayments must be repaid if the business no longer qualifies for future payments.	The abatement amount may be recaptured upon 1) recapture of any amount of the related federal NMTC credits; 2) early repayment of any portion of the principle amount that forms the qualified equity investment, or 3) failure to reinvest less than 85% of the qualified equity investment into a qualified business.
Estimated Revenue Reduction for FYE 6/30/2024	\$3,203,076	\$10,816,787	\$3,515,071

Note: An estimate of PTZ sales tax exemptions claimed at the point of purchase cannot be determined.

Source: Maine Revenue Services

**NOTE 19 - COMMITMENTS AND CONTINGENCIES****PRIMARY GOVERNMENT****LITIGATION**

The State of Maine, its units, and its employees are parties to numerous legal proceedings, many of which are the result of normal governmental operations. In the opinion of the Attorney General and other legal counsel representing the State, in all of the cases listed, the State or its agencies or employees have valid defenses. Certain cases have the potential for liability in excess of \$1 million. Even if liability is found, the State should not expect to pay out the full amounts being sought against it in all of the cases. In any given case, however, the State could incur a large judgment.

*Bryan C. v. Lambrew, et al.* Plaintiffs are six foster children in DHHS's custody and their guardians ad litem. They make various allegations regarding the administration of psychotropic drugs to these six foster children and a putative class of all other foster children in DHHS's custody, including overmedication, a lack of informed consent, inadequate record-keeping, and an inadequate secondary review process. Plaintiffs are seeking declaratory and injunctive relief. Plaintiffs are not seeking monetary damages but, if they prevail, they could be awarded attorneys' fees in excess of \$1 million. The probability that this case will result in future losses to the State in excess of \$1 million is undetermined at this time.

*Dr. Doe v. Maine Board of Dental Practice et al.* Dr. Doe has filed a lawsuit against the Maine Board of Dental Practice and eleven individuals in connection with the Board's emergency suspension of his license to practice medicine and subsequent disciplinary proceedings. Dr. Doe alleges that agents and employees of the Board violated his due process rights. The probability that this case will result in future losses to the State in excess of \$1 million is undetermined at this time.

*Maine Service Employees Association, SEIU, Local 1989 and State of Maine Reclassification appeal of Eligibility Specialists (Case No. 67-2017):* On 2/3/2017, 38 Eligibility Specialists appealed their classification, claiming that they are performing duties not represented in their current classification and requesting reclassification to a higher paying classification. The probability that this case will result in future losses to the State in excess of \$1 million is undetermined at this time.

*Maine Service Employees Association, SEIU, Local 1989 and State of Maine Reclassification appeal of IF&W Resource Biologists (Case No. 361-2018):* On 12/21/2018, 31 IF&W Resource Biologists appealed their classification, claiming that they are performing duties not represented in their current classification and requesting reclassification to a higher paying classification. The probability that this case will result in future losses to the State in excess of \$1 million is undetermined at this time.

*Maine State Law Enforcement Supervisors (Fraternal Order of Police) and State of Maine; Grievance #s 2022-099-F, 2022-124-F, 2022-123-F, 2022-125-F, 2022-128-F, 2022-112-F, 2022-110-F (standby pay):* This is a case made of up of grievances filed by seven groups of law enforcement supervisors represented by MSLES, (including Warden Service Sergeants and Lieutenants, Forestry Service District and Regional Rangers, Marine Patrol Sergeants and Lieutenants and State Police Lieutenants) asserting that the State violated the collective bargaining agreement between the parties when it refused to pay the aforementioned employees standby pay once their subordinates became eligible for standby pay. The State recently received the arbitration award, which found that the State violated the collective bargaining agreement when it failed to pay the aforementioned employees standby pay, and ordered that the State pay the employees standby pay retroactively back to the date the grievances were filed, as well as going forward. The cost of both retroactive pay and prospective pay are currently being calculated but have not yet been finalized.

*Maine State Troopers Association and State of Maine; Grievance # 2024-202-T:* In or around February of 2024 the State submitted reclassification requests for all Maine State Trooper classifications. The reclassification/range changes were implemented in August of 2024. MSTA filed a grievance asserting that the State violated the collective bargaining agreement when it did not compensate its members with retroactive pay back to the date of the reclassification request. The probability that this case will result in future losses to the State in excess of \$1 million is undetermined at this time.

*Mascal v. DOC, et al:* Alexander Mascal alleges that while he was housed at Long Creek Youth Development Center and Mountain View Youth Development Center from 2012 to 2016, he was subject to excessive use of isolation, excessive use of force and restraint, sexual assault, and other violations of his statutory and constitutional rights. The probability that this case will result in future losses to the State in excess of \$1 million is undetermined at this time.

*Meryl Nass, M.D. v. Maine Board of Licensure in Medicine, et al.* Dr. Nass has filed a lawsuit against the Maine Board of Licensure in Medicine and several current and past Board members in their official and individual capacities alleging that the Board improperly restricted Dr. Nass's speech in violation of the First Amendment and the Maine Constitution, along with several other claims. The probability that this case will result in future losses to the State in excess of \$1 million is undetermined at this time.

The Office of the Attorney General is representing Maine Revenue Services in a number of cases in which taxpayers are challenging the assessment of taxes. In most of these cases, the taxpayers are not seeking refunds of taxes previously paid but are instead challenging taxes that were assessed but which the taxpayers have not paid. We are aware of no case in which a taxpayer seeks a

refund in excess of \$1 million.

There are various lawsuits in which plaintiffs seek damages in excess of \$1 million against the State or against State officials, and there are various notices of claim which also specify damages in excess of \$1 million where no lawsuit has been filed. In none of these instances, in our view, is there any reasonable possibility that the State's liability could reach or exceed \$1 million.

In addition to the foregoing, there are various other suits pending against the State, State agencies and State officials involving damages or other potential costs. Since the amounts sought are less than \$1 million, these suits have not been individually identified in this letter.

There are also now pending numerous workers' compensation claims against various State agencies. Since most claims involve the possibility for significant long-term damages, and since the test for demonstrating a causal relationship between the employment and the illness or injury is not as rigorous as in ordinary civil cases, these cases involve the possibility of significant liability for the State. Since possible damages include future medical costs and wage replacements for the employee (and in some cases a spouse), it is difficult to estimate the total potential liability to the State.

*Todd Hood v. DOC, et al:* Todd Hood alleges that excessive confinement in isolation and in mechanical restraints, sexual contact, assault, denial of treatment and educational services, physical and psychological injuries, emotional anguish, and distress occurred while he was detained at Long Creek Youth Development Center (formerly called Maine Youth Center), between 1998 and 2005. The probability that this case will result in future losses to the State in excess of \$1 million is undetermined at this time.

*United States v. Maine.* In early September 2024, the United States, through the Department of Justice, filed a complaint alleging that the State of Maine is violating the Americans With Disabilities Act in its provision of services to children with mental health or developmental disabilities. The probability that this case will result in future losses to the State in excess of \$1 million is undetermined at this time.

*Zachary Swain v. Maine Department of Corrections, et al.* Mr. Swain alleges that while he was confined at the Maine State Prison, staff there willfully ignored his mental illness and unnecessarily placed him in solitary confinement. The probability that this case will result in future losses to the State in excess of \$1 million is undetermined at this time.

#### **ENCUMBRANCES**

Encumbrances are reported in the restricted, committed, and assigned fund balances of the governmental funds. General fund, highway fund, federal fund, other special revenue fund and other governmental funds encumbrance balances are \$142.1 million, \$2.9 million, \$743.0 million, \$103.3 million and \$4.7 million, respectively.

#### **FEDERAL GRANTS**

The State receives significant financial assistance from the federal government. The receipt of grants is generally dependent upon compliance with terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Grants are subject to the Federal Single Audit Act. Disallowances by federal officials as a result of these audits may become liabilities of the State. The amount of expenditures that may be disallowed by the grantor agencies cannot be determined at this time.

#### **POLLUTION REMEDIATION**

The Department of Environmental Protection (DEP) and Department of Transportation (DOT) have pollution remediation obligations as defined by Governmental Accounting Standards Board (GASB) Statement No. 49. The State's total amount of pollution remediation obligation as of June 30, 2024 is \$20.7 million. Superfund sites account for approximately \$6.9 million. Superfund is the federal government program to clean up hazardous waste sites.

The following are Superfund sites for which the State has recorded a liability for pollution remediation activities:

*Eastland Woolen Mill* – The State recorded a liability for pollution remediation activities of approximately \$600 thousand. Currently the State shares the costs with Environmental Protection Agency (EPA) in a cost-sharing ratio of 10 percent State, 90 percent EPA. Beginning in September of 2018, the State assumed 100 percent of the operation and maintenance and long-term monitoring costs.

*Eastern Surplus* – The State recorded a liability for pollution remediation activities of approximately \$2.0 million. Beginning in August of 2012, the State assumed 100 percent of the operation, maintenance and monitoring costs. As of June 30, 2024, the State has received \$2.1 million in recoveries from the Department of Defense. The State expects to recover additional costs of \$14 thousand.

*Callahan Mine* – The State recorded a liability for pollution remediation activities of approximately \$4.3 million. Currently the State shares the costs with EPA in a cost-sharing ratio of 10 percent State, 90 percent EPA. The State will assume 100 percent of the cost for the operation and maintenance of the site.

The State recorded a liability for pollution remediation activities of approximately \$13.5 million (net of unrealized recoveries of \$298 thousand) related to five uncontrolled hazardous substance sites. The State expects to recover \$409 thousand in costs. The Uncontrolled Hazardous Substance Sites Program was created in response to the threats and potential threats to human health and the environment posed primarily by abandoned hazardous waste sites. The Uncontrolled Hazardous Substance Sites program is the State's equivalent to the Federal Superfund Program.

The State has the knowledge and expertise to estimate the remediation obligation based on prior experience in identifying and funding similar remediation activities. The standard requires the liability to be measured using the expected cash flow technique. The remediation obligation estimates are subject to change over time. Cost may vary due to price fluctuations, changes in technology, changes in potential responsible parties, results of environmental studies, changes to statutes or regulations and other factors that could result in revisions to these estimates. Prospective recoveries from responsible parties may reduce the State's obligation.

#### **MUNICIPAL SOLID WASTE LANDFILLS**

*Dolby Landfills* – On September 16, 2011 the State entered into an agreement with Katahdin Paper Company (KPC) to acquire the Dolby Landfill, a solid waste disposal facility, located in the Town of East Millinocket. The State, as a holder of the permits, is responsible for closure and post closure monitoring and maintenance activities and costs.

The Dolby Landfill no longer accepts solid waste. In Calendar Year 2016, the first phase of a multi-year plan to cap approximately 100 acres at the facility was completed. The State originally allocated \$6 million of bond funds to pay for the first phase of capping. In fiscal year 2022, the State issued an additional \$7 million in bonds to complete the capping of the landfill. On June 30, 2024 the remaining unspent bond funds were \$531 thousand. In addition to the closure of the facility, the State anticipates additional post-closure maintenance and monitoring costs of approximately \$18.5 million over the next 30 years based on current annual expense. However, the State anticipates a significant reduction in post closure costs due to the reduction in the amount of the leachate from the site that must be treated after the capping is complete. The State has entered into a cost sharing agreement with the Town of E. Millinocket to treat the leachate at the town's wastewater treatment facility. The State will likely renegotiate the cost sharing agreement once the amount leachate, subsequent to the completion of the capping can be determined or estimated. The State's total obligation related to the Dolby Landfill as of June 30, 2024 is \$18.9 million.

Title 38 M.R.S.A., §1310-F establishes within the Department of Environmental Protection (DEP) a cost-sharing program for the closure and remediation of municipal solid waste landfills that pose a potential hazard and that meet other qualifying criteria. The law provides for reimbursement of 75% of a municipality's closure expenses. If initial closure of a landfill fails to protect public health and the environment, DEP is obligated to reimburse up to 90% of a municipality's subsequent remediation expenses. However, these obligations are subject to the availability of funds approved for that purpose. In 2012, DEP, through bonds, had paid all of the outstanding match requirements for closure, but had \$2,568,654 in outstanding match obligation for remediation. Additionally, several municipalities needed to close their failing landfills early, but could not afford to do so without the state match for closure, which had expired. To address this, in 2013 the legislature enacted a \$2/ton fee on disposal of certain Construction and Demolition Debris (CDD), and in 2015 extended the eligibility date for reimbursement of closure costs from 2015 to 2025. There is no eligibility end date for reimbursement of remediation costs. Therefore, DEP continues to incur new match cost obligations as additional qualifying landfills close before the December 31, 2025 date, and as others undertake necessary remediation actions. As the CDD fee does not generate enough funding to pay the Department's cost share obligations in their entirety, the Department provides partial payments to municipalities on a quarterly basis.

In FY24 the DEP received \$1.1 million from the CDD fee. As required, the entirety of this fee was used to reimburse municipalities for eligible expenses. At the beginning of FY24, DEP's total outstanding reimbursement obligation to municipalities was \$5.1 million. At the end of FY24, the outstanding match obligation was \$5.1 million. Additional debt was incurred due to qualifying closure and remediation expenses which were submitted by municipalities over the course of the year. DEP incurred the oldest outstanding match obligations in 2022.

#### **SAND AND SALT STORAGE PROGRAM**

The State estimates the potential aggregate cost to comply with the environmental requirements associated with the Sand and Salt Storage program to be \$800 thousand. The state no longer provides funding for municipal facilities.

#### **POLLUTION ABATEMENT PROGRAM**

Title 38 MRSA §411, §411-A, and §412 establish within DEP cost-sharing programs for pollution abatement projects. Subject to funding by the Legislature and the approval of the Commissioner, the State may contribute to the planning of municipal pollution abatement facilities; the design, engineering, and construction of private, commercial, and municipal pollution abatement facilities; and make payments to the Maine Municipal Bond Bank to supply the State's share of the revolving loan fund established by Title 30A §6006-A. During the 2024 fiscal year, \$1.8 million of general obligation bond funds and \$2.8 Million of Liquor Operation Revenue Funds were expended for pollution abatement projects. As of June 30, 2024, amounts encumbered for pollution abatement projects

totaled \$4.2 million, and general obligation bonds authorized for these projects, but not yet encumbered, totaled \$7.6 million. As of June 30, 2022, DEP estimates the total cost (federal, State, and local) of future projects to be \$3.1 billion according to the 2022 Clean Watershed Needs Survey.

#### **GROUND WATER OIL CLEAN-UP FUND**

The Maine Ground and Surface Waters Clean-up and Response Fund is established in Title 38 MRSA § 551. Fund activities include, but are not limited to, providing insurance to public and private entities for cleanup of oil spills. The program is funded by a per barrel assessment on petroleum products imported into the State. Coverage is up to \$750 thousand per occurrence for aboveground storage tanks and \$1 million per occurrence for underground storage tanks. Third party injury coverage may not exceed \$200 thousand per claimant.

#### **Number of Priority Sites Requiring Long-term Remediation Calendar Year Ended December 31**

	<u>Completed</u>	<u>Remaining</u>
2023	85	401
2022	105	413
2021	127	440
2020	156	494
2019	137	530

The annual average cost per spill over the past five years is \$9,085. The cost per spill can vary significantly based on the location and type of fuel discharged.

#### **CONSTRUCTION COMMITMENTS**

A portion of the payment that is made to municipalities for General Purpose Aid to Local Schools is allocated for debt service. Although the outstanding indebtedness for school construction projects is debt of the municipalities, the State subsidizes 55.10 percent of the annual payments. As of June 30, 2024, outstanding commitments by municipalities for school bond issues that are eligible for State subsidy totaled \$988.3 million.

At June 30, 2024, the Department of Transportation had contractual commitments of approximately \$594.8 million for construction of various highway projects. The State's share of that amount is expected to be approximately \$116.3 million. Of these amounts, \$14.2 million has already been accrued. Federal and State funds plus bond proceeds are expected to fund these future expenditures.

#### **TOBACCO SETTLEMENTS**

On November 23, 1998, Maine along with 45 other states and six civil jurisdictions, collectively known under the Master Settlement Agreement (MSA) as the "Settling States", entered into the MSA with certain Participating Tobacco Manufacturers (PMs). The MSA is a settlement of lawsuits brought by many States against the four largest tobacco companies alleging multiple counts of misconduct and claiming punitive and compensatory damages, including a claim for all the States' Medicaid costs caused by or related to tobacco use. The MSA includes provisions to annually compensate the State for smoking-related Medicaid costs and to impose marketing and advertising restrictions on PMs to protect public health. In this settlement, the PMs agreed, among other things, to make annual payments to the states and jurisdictions based on their allocable share of the market. In return, the states agreed to relinquish claims to further damages resulting from, among other things, Medicaid costs. Annual payments fluctuate subject to various adjustments and are partially contingent on the passage and enforcement of a State statute imposing economic conditions related to the State's public health claims on the Nonparticipating Manufacturers (NPMs) in the form of an annual escrow payment due from each NPM with in-state sales. The NPM Adjustment is set forth in the Master Settlement Agreement (MSA). If the PMs claim an NPM Adjustment for a given year and prove that they lost market share to the NPMs and it is determined that the MSA was a significant factor contributing to that lost market share then an NPM Adjustment 'shall apply' unless a Settling State passed a qualifying statute and 'diligently enforced' that statute. In effect this means that the Allocated Payment to a Settling State that diligently enforced will not be reduced, but a Settling State that did not diligently enforce its qualifying statute will be subject to a reduction in its payment due to the NPM Adjustment. NPM Adjustment Due to the provisions of the MSA, if a State that is found not to have diligently enforced its qualifying statute may lose up to its entire annual payment amount due to the NPM Adjustment for a given year.

The NPM Adjustment may be claimed each year and has been claimed for each completed calendar year since 2003. Frequently PMs claim entitlement to the NPM Adjustment and either withhold the amount from their annual payments, or place the amount in what is known as a 'disputed payment account'. Each year beginning in 2003 Maine's annual payments have been lower than calculated because many of the PMs have claimed entitlement to the NPM Adjustment and either withheld money or routed it to the disputed payments account. For the year 2003, the Adjustment claimed by the PMs, and calculated as set forth in the MSA, was approximately

18 percent of the total amount paid by the PM's and distributed among the Settling States. However, the total amount related to the NPM Adjustment to which the PMs are entitled is dependent on the number of non-diligent states.

In addition, in the MSA, the PMs agreed to pay \$8.6 billion in Strategic Contribution Payments (SCP) to certain states and jurisdictions as compensation for their contribution to the overall settlement. Maine's share of this total amount was approximately \$114 million. Maine received this amount in ten annual SCP payments which began in 2008 and ended in 2017.

In April 2024, Maine received an annual tobacco settlement payment of \$46.6 million.

#### **CONTINGENT GAINS**

The State of Maine is participating in the National Opioid Settlement, which negotiated conclusions to investigations and litigations by the Attorney General and certain Maine counties, cities, and towns, of the marketing and sales practices of opioid pain medications by entities in the pharmaceutical supply chain. This year the State of Maine agreed to join five additional opioid settlements with similar terms and payment schedules as the original settlements in 2022. The 2022 Settlement will produce a stream of annual payments over 18 years for permissible opioid abatement activities described in the court order which gives effect to the Settlement, and this year's new settlements will add to the funding and will pay out over a somewhat shorter time, all for the same permissible opioid abatement activities. All the settlements also impose certain injunctive terms agreed to by the Defendants. The expected range of the settlements is \$68 million to \$72 million.

#### **CONTINGENT LIABILITIES**

Overpayments made by the Office for Family Independence (OFI) client services are recorded as accounts receivable in the State financial statements. The total overpayments for Temporary Assistance for Needy Families (TANF) and Supplemental Nutrition Assistance Program (SNAP), applicable to federal funds, are \$23.0 million as of June 30, 2024. All overpayments that are outstanding for more than one year, \$18.6 million, are fully reserved.

Federal regulations in the former Aid to Families with Dependent Children (AFDC) require States to continue collection efforts until the full amount is recovered. The AFDC Program was repealed and replaced with the TANF Program effective October 1, 1996. The federal portion of any AFDC overpayments (made prior to October 1, 1996) that are recovered, must be returned to the federal government. For AFDC and TANF overpayment recoveries, made from October 1, 1996 and forward, States are not required to repay any portion to the federal government. Instead, the full amount of the recovered overpayments is to be retained by the State and used for TANF program costs during the grant year in which they are recovered, or later.

The liability for TANF and SNAP overpayments that may be recovered and remitted to the federal government or retained for program costs cannot be determined at this time.

Overpayments made by the Department of Labor are recorded as accounts receivable in the State financial statements. The total overpayments for Unemployment Benefits applicable to federal funds, are \$56.8 million as of June 30, 2024. All overpayments that are outstanding for more than one year, \$54.7 million, are fully reserved. The liability for Unemployment Benefit overpayments that may be recovered and remitted to the Unemployment Insurance Trust Fund cannot be determined at this time.

#### **ESCHEAT PROPERTY**

The State Abandoned Property Statute requires the deposit of certain defined and unclaimed assets into a state-managed Abandoned Property Fund (Private Purpose Trust Fund). The State Statute provides that whenever the cash balance of the fund exceeds \$.5 million at fiscal year-end, the excess must be remitted to the General Fund where it is reported as operating transfers from other funds. At June 30, 2024, the Fund included \$10.0 million of securities not yet liquidated that were not subject to transfer to the General Fund. Net collections from inception (1979) to June 30, 2024 of approximately \$333.4 million represent a contingent liability to the State since claims for refund may be filed by the owners of such property.

A liability representing the probable amount of escheat property that will be reclaimed and paid to claimants and other third parties is reported in the Fund. To the extent that the assets in the Fund are less than the claimant liability, a receivable (due from other funds) is reported in that Fund and an equal liability (due to other funds) is reported in the General Fund. At June 30, 2024, the amount reported in the Fund for claimant liability is \$67.2 million. The General Fund shows a \$66.7 million payable to the Escheat Fund.

#### **CONSTITUTIONAL OBLIGATIONS**

The State of Maine's constitutional obligations represent nonexchange financial guarantees, as defined by GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. The State acts as the guarantor for these ongoing insurance and loan programs operated by 2 discrete component units. The Finance Authority of Maine's mission covers commercial financing and loan insurance to Maine businesses and assistance to Maine students and their parents to finance costs of attendance at institutions of higher education. Maine State Housing Authority's mission encompasses loans to Maine veterans and members of Indian tribes or reservations. Details of the nonexchange financial guarantees are provided below.

Article 9, § 14-A, C, and D of the Maine State Constitution provides that the State may insure the payment of mortgage loans for industrial, manufacturing, fishing, agricultural and recreational enterprises; mortgage loans for the acquisition, construction, repair and remodeling of houses owned or to be owned by members of two tribes on several Indian reservations; and mortgage loans to resident



Maine veterans of the Armed Forces of the United States, including loans to a business organization owned in whole or in part by resident Maine veterans. The aggregate of these obligations, at any one time, may not exceed \$90 million, \$1 million, and \$4 million, respectively. At June 30, 2024, loans outstanding pursuant to these authorizations are \$90.0 million, \$0 and less than \$0.1 million, respectively. The State has not paid, nor does it expect to pay, any amounts as a result of these authorizations as of June 30, 2024.

Article 8, § 2, of the Maine State Constitution provides that the State may secure funds, through the issuance of bonds authorized by the Governor, for loans to Maine students attending institutions of higher education. The amount of bonds issued and outstanding shall not at any one time exceed \$4 million in the aggregate. At June 30, 2024, no bonds were outstanding. The State has not paid, nor does it expect to pay, any amount as a result of this authorization as of June 30, 2024.

#### MORAL OBLIGATIONS

The State of Maine, through statute, enables certain Authorities to establish capital reserve funds. These funds may be used to secure a variety of financial undertakings including the issuance of bonds. The minimum amount of the capital reserve fund may be determined by statute or set by the Authority. The statutes may also limit the amount of debt that may be secured by the capital reserve funds, and allow the Authority to issue debt that is not secured by these funds.

On or before December first of each year, the Authorities are required to certify to the Governor the amount, if any, necessary to restore any capital reserve fund to its required minimum. If there is a shortfall, the Governor is required to pay first from the "Contingent Account" the amounts necessary for restoration. The Governor shall certify any remaining unpaid amounts to the Legislature, which is then required to appropriate and pay the remaining amounts to the Authority during the then-current State fiscal year.

These moral obligations are not considered to be "full faith and credit" obligations of the State, and voter approval of the underlying bonds is not required. No capital reserve fund restorations have been made in the current or previous years.

The following summarizes information regarding outstanding moral obligations:

#### Moral Obligation Bonds

(Expressed in Thousands)

Issuer	Bonds Outstanding	Required Debt Reserve	Obligation Debt Limit <sup>1</sup>	Legal Citation
Maine Health and Higher Educational Facilities Authority	\$ 810,640	\$ 75,000	NIL	22 MRSA § 2075
Finance Authority of Maine	60,756	-	730,500	10 MRSA §1032, 1053
	-	-	50,000	20-A MRSA §11449
	-	-	50,000	38 MRSA §2221
	99,000	1,384	225,000	20-A MRSA §11424
Maine Municipal Bond Bank	1,329,051	135,100	NIL	30-A MRSA §6006
Maine State Housing Authority	1,904,225	124,150	2,150,000	30-A MRSA §4906
Total	\$ 4,203,672	\$ 335,634		

<sup>1</sup> NIL indicates a "no limit" obligation.

#### COMPONENT UNITS

##### CONSTRUCTION CONTRACTS

At June 30, 2024, UMS and MCCS had outstanding commitments on uncompleted construction contracts. They totaled \$137.8 million and \$2.4 million, respectively. A non-major discretely reported component unit, Maine Maritime Academy, had commitments on construction projects at June 30, 2024 totaling \$129.0 million.

At December 31, 2023, the Maine Turnpike Authority had \$78.4 million remaining in commitments on outstanding construction projects for improvements and maintenance.

##### MORTGAGE COMMITMENTS

Mortgage commitments are agreements to lend provided there is no violation of any term or condition of the agreement. Generally, once exercised, the loans made under the terms of such commitments are secured by a lien on the related property and other collateral as deemed necessary. At December 31, 2023 Maine State Housing Authority (MSHA) had outstanding commitments to originate multi-family loans of approximately \$501.6 million.

MSHA, under its single-family program, enters into purchase agreements to lenders to purchase mortgage loans. At December 31,

2023, single-family loans being processed by lenders totaled \$64.3 million.

#### **INSURED LOAN COMMITMENTS**

The Finance Authority of Maine (FAME) insures loans made by financial institutions to qualifying businesses under various insurance programs. FAME is contingently liable for the insured portion of payments due on these loans. At June 30, 2024, FAME had insurance outstanding for commercial loans under the Loan Insurance Program totaling approximately \$150.8 million. At June 30, 2024, FAME was insuring loans with an aggregate outstanding principle balance approximating \$2.6 million which were 90 or more days delinquent. The aggregate insured balance of these loans was approximately \$1.6 million at June 30, 2024. In addition, FAME has entered into commitments to insure loans at some future date. At June 30, 2024, these commitments under the Loan Insurance Program were approximately \$4.9 million. FAME provides loan insurance on direct educational loans and consolidation loans made by participating financial institutions in the Maine Private Education Loan Network. At June 30, 2024, approximately \$20.1 million of loans were insured under this program. Such loans are unsecured.

#### **NOTE 20 - SUBSEQUENT EVENTS**

##### **PRIMARY GOVERNMENT**

On September 26, 2024, The Maine Municipal Bond Bank defeased \$34.5 million of Transportation Revenue Refunding Series 2021A bonds. Funds from the State of Maine totaling \$37.1 million have been deposited into a defeasance trust account to cover all remaining principal and interest payments. After the final maturity in 2026, any remaining funds will inure to the State of Maine.

On October 4, 2024, the State issued \$7.0 million of certificates of participation (COP's) for the purpose of financing an estimated 180 motor vehicle purchases for Central Fleet Management. The COP's carry interest rates of 3.63 percent and maturities from 2025 to 2029.

##### **COMPONENT UNITS**

Maine State Housing Authority (MSHA), has a December 31 fiscal year end. On February 28, 2024, MSHA issued at par \$40.0 million of bonds in the General Mortgage Purchase Bond Resolution. The bonds have interest rates between 3.40 percent and 4.75 percent and mature from 2029 to 2054.

On June 5, 2024, MSHA issued at par \$80.0 million of bonds in the General Mortgage Purchase Bond Resolution. The bonds have interest rates between 3.45 percent and 4.70 percent and mature from 2027 to 2054.

On July 11, 2024, MSHA issued at par \$70.0 million of bonds in the General Mortgage Purchase Bond Resolution. The bonds have interest rates between 3.40 percent and 4.85 percent and mature from 2025 to 2054.

On August 29, 2024, MSHA issued two series of bonds at par in the General Mortgage Purchase Bond Resolution. 2024 Series D bonds total \$60.0 million and have interest rates between 3.15 percent and 4.75 percent and mature from 2037 to 2054. 2024 Series E bonds total \$60.0 million and have an interest rate of 3.25 percent and mature from 2026 to 2054.

On November 11, 2024, MSHA issued at par \$95.0 million of bonds in the General Mortgage Purchase Bond Resolution. The bonds have interest rates between 3.30 percent and 4.75 percent and mature from 2026 to 2054.

After its December 31 fiscal year end, MSHA retired \$77.9 million of bonds in the General Mortgage Purchase Bond Resolution. It also retired \$3.0 million bonds in the Maine Energy, Housing and Economic Recovery Fund.

On September 10, 2024, Maine Health and Higher Education Facilities Authority (MHHEFA) issued \$86.4 million of Series 2024 A Reserve Fund Resolution Bonds with an average interest rate of 4.77 percent with principal payments beginning July 1, 2025 and maturing July 1, 2054.

On September 12, 2024, Maine Health and Higher Education Facilities Authority (MHHEFA) issued \$187.4 million of General Resolution Fund series bonds with an average interest rate of 5.16%, with principal payments beginning October 1, 2025 and maturing October 1, 2054.

On November 7, 2024, the Maine Municipal Bond Bank issued \$32.6 million of Series 2024B General Resolution Bonds with an interest rate of 5.00 percent with principal payments beginning November 1, 2025, and maturing November 1, 2054.

On November 7, 2024, the Maine Municipal Bond Bank issued \$30.7 million of Series 2024C General Resolution Refunding Bonds with an interest rate of 5.00 percent to in-substance defease \$40.3 million in outstanding maturities of the 2014C bonds. The \$30.7 million par value plus \$1.9 million in premium and \$17.5 million in other funds were used to fund \$9.5 million in reserves and to purchase \$40.4 million in State and Local Government Series securities which will provide for all future debt service payments on the defeased bonds.

On August 19, 2024 as a result of a fault in the fire suppression system, a non-major component unit, Midcoast Regional Redevelopment Authority (MRRA), released 1,450 gallons of aqueous film-forming foam (AFFF) mixed with approximately 50,000

gallons of water. AFFF is a National Fire Protection Association approved fire suppressant used to fight flammable liquid fires. AFFF contains PFAS, toxic chemicals known to negatively impact human health and do not easily break down in the environment, waterways, wildlife or human bodies. Invoiced costs total less than \$1 million and the insurance company denies any responsibility for any claims due to a PFAS exclusion clause. MRRA is still evaluating the claim for building insurance. At this time it is unclear whether the spill violated the Federal Clean Water Act. To date MRRA has not received any third party claims.



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**REQUIRED  
SUPPLEMENTARY  
INFORMATION**

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**STATE OF MAINE  
REQUIRED SUPPLEMENTARY INFORMATION  
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**STATE OF MAINE**  
**BUDGETARY COMPARISON SCHEDULE**  
**MAJOR GOVERNMENTAL FUNDS**

Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)

	General Fund				Highway Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>								
Taxes	\$ 5,262,807	\$ 5,440,302	\$ 5,420,931	\$ (19,371)	\$ 275,872	\$ 266,884	\$ 216,013	\$ (50,871)
Assessments and Other	95,387	98,605	102,853	4,248	99,504	102,571	110,193	7,622
Federal Grants	1,445	1,630	94	(1,536)	(1)	(1)	-	1
Service Charges	47,266	40,862	46,112	5,250	6,467	6,390	6,473	83
Income from Investments	27,009	55,103	100,988	45,885	613	2,327	2,763	436
Miscellaneous Revenue	61,558	94,096	208,143	114,047	5,445	13,411	175,429	162,018
<b>Total Revenues</b>	<b>5,495,472</b>	<b>5,730,598</b>	<b>5,879,121</b>	<b>148,523</b>	<b>387,900</b>	<b>391,582</b>	<b>510,871</b>	<b>119,289</b>
<b>Expenditures</b>								
Governmental Support & Operations	476,566	540,462	501,053	39,409	52,903	60,597	2,662	57,935
Economic Development & Workforce								
Training	60,887	68,318	62,181	6,137	-	-	-	-
Education	2,113,298	2,182,353	2,112,114	70,239	-	-	-	-
Health and Human Services	1,657,916	1,906,011	1,737,741	168,270	-	-	-	-
Business Licensing & Regulation	-	-	-	-	-	-	-	-
Natural Resources Development & Protection	111,611	139,609	127,359	12,250	34	38	37	1
Justice and Protection	444,692	511,943	461,033	50,910	35,340	35,876	34,597	1,279
Arts, Heritage & Cultural Enrichment	9,842	13,679	11,444	2,235	-	-	-	-
Transportation Safety & Development	-	-	-	-	401,013	432,604	443,489	(10,885)
<b>Total Expenditures</b>	<b>4,874,812</b>	<b>5,362,375</b>	<b>5,012,925</b>	<b>349,450</b>	<b>489,290</b>	<b>529,115</b>	<b>480,785</b>	<b>48,330</b>
Revenues Over (Under) Expenditures	620,660	368,223	866,196	497,973	(101,390)	(137,533)	30,086	167,619
<b>Other Financing Sources (Uses)</b>								
Operating Transfers Net	(401,248)	(417,090)	(890,858)	(473,768)	101,862	107,534	-	(107,534)
Proceeds from Pledged Future Revenues	-	-	-	-	-	-	-	-
<b>Net Other Financing Sources (Uses)</b>	<b>(401,248)</b>	<b>(417,090)</b>	<b>(890,858)</b>	<b>(473,768)</b>	<b>101,862</b>	<b>107,534</b>	<b>-</b>	<b>(107,534)</b>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ 219,412	\$ (48,867)	\$ (24,662)	\$ 24,205	\$ 472	\$ (29,999)	\$ 30,086	\$ 60,085
Fund balances, beginning of year			1,934,104				49,061	
Fund balances, end of year			<u>\$ 1,909,442</u>				<u>\$ 79,147</u>	



Federal Funds				Other Special Revenue Fund			
Original Budget	Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	Variance with Final Budget
\$ -	\$ -	\$ -	\$ -	\$ 398,188	\$ 399,704	\$ 398,911	\$ (793)
641	1,078	-	(1,078)	228,247	230,982	213,506	(17,476)
4,834,291	5,519,782	4,703,420	(816,362)	19,241	21,042	23,536	2,494
7,372	7,372	4	(7,368)	251,765	278,573	281,899	3,326
-	-	23,805	23,805	1,419	2,339	12,569	10,230
112	568	5,752	5,184	268,770	287,192	82,349	(204,843)
<u>4,842,416</u>	<u>5,528,800</u>	<u>4,732,981</u>	<u>(795,819)</u>	<u>1,167,630</u>	<u>1,219,832</u>	<u>1,012,770</u>	<u>(207,062)</u>
24,377	85,033	26,400	58,633	700,614	380,464	339,282	41,182
125,178	373,878	176,325	197,553	79,887	176,475	134,530	41,945
287,344	912,883	485,765	427,118	48,564	77,247	51,518	25,729
3,708,644	4,046,161	3,621,196	424,965	604,634	768,074	667,818	100,256
19,336	108,199	46,330	61,869	79,479	89,361	70,923	18,438
102,147	221,490	77,340	144,150	222,713	352,156	138,592	213,564
79,153	270,673	142,624	128,049	86,250	152,209	97,822	54,387
4,095	10,379	8,108	2,271	2,108	2,300	1,056	1,244
489,164	565,320	376,622	188,698	293,981	488,089	159,060	329,029
<u>4,839,438</u>	<u>6,594,016</u>	<u>4,960,710</u>	<u>1,633,306</u>	<u>2,118,230</u>	<u>2,486,375</u>	<u>1,660,601</u>	<u>825,774</u>
2,978	(1,065,216)	(227,729)	837,487	(950,600)	(1,266,543)	(647,831)	618,712
5,492	3,321	(10,860)	(14,181)	1,140,515	952,893	722,310	(230,583)
-	-	-	-	25,000	27,000	42,495	15,495
<u>5,492</u>	<u>3,321</u>	<u>(10,860)</u>	<u>(14,181)</u>	<u>1,165,515</u>	<u>979,893</u>	<u>764,805</u>	<u>(215,088)</u>
<u>\$ 8,470</u>	<u>\$ (1,061,895)</u>	<u>\$ (238,589)</u>	<u>\$ 823,306</u>	<u>\$ 214,915</u>	<u>\$ (286,650)</u>	<u>\$ 116,974</u>	<u>\$ 403,624</u>
		726,423				1,110,318	
		<u>\$ 487,834</u>				<u>\$ 1,227,292</u>	



**STATE OF MAINE**  
**BUDGETARY COMPARISON SCHEDULE**  
**BUDGET TO GAAP RECONCILIATION**

Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)

	<b>General Fund</b>	<b>Highway Fund</b>	<b>Federal Funds</b>	<b>Special Revenue Fund</b>
Fund Balances - Non-GAAP Budgetary Basis	\$ 1,909,442	\$ 79,147	\$ 487,834	\$ 1,227,292
<b>Basis Differences</b>				
Revenue Accruals/Adjustments:				
Taxes Receivable	524,710	2,744	-	17,326
Settlement Receivables	-	-	-	108,646
Other Receivables	60,099	4,628	159,983	36,419
Inventories	3,693	-	9,802	-
Due from Component Units	92	-	1,188	92,050
Due from Other Governments	-	-	771,549	1,072
Due from Other Funds	50,985	29,267	14,906	324,509
Other Assets	397	23	501	283
Unearned Revenues	-	(3,079)	(3,124)	(4,991)
Deferred Inflows - Taxes and Assessment Revenues	(494,557)	(1,145)	(6,539)	(108,341)
Total Revenue Accruals/Adjustments	<u>145,419</u>	<u>32,438</u>	<u>948,266</u>	<u>466,973</u>
Expenditure Accruals/Adjustments:				
Accounts Payable	(342,529)	(54,196)	(674,570)	(85,074)
Due to Component Units	(1,031)	(101)	(11,322)	(2,033)
Accrued Liabilities	(30,305)	(9,566)	(9,879)	(15,074)
Taxes Payable	(436,356)	-	-	-
Intergovernmental Payables	-	-	(717,562)	-
Due to Other Funds	(129,181)	(6,727)	(16,239)	(28,724)
Total Expenditure Accruals/Adjustments	<u>(939,402)</u>	<u>(70,590)</u>	<u>(1,429,572)</u>	<u>(130,905)</u>
Fund Balances - GAAP Basis	<u>\$ 1,115,459</u>	<u>\$ 40,995</u>	<u>\$ 6,528</u>	<u>\$ 1,563,360</u>

**STATE OF MAINE**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY REPORTING**

Fiscal Year Ended June 30, 2024

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**Statutory/Budgetary Presentation**

In accordance with statute, the Governor presents a biennial budget for the General Fund and special revenue funds to the Legislature for enactment or revision. Effective November 27, 1995, a State Constitutional Amendment provided the Governor a “line item” veto of dollar amounts, allowing a dollar substitution for those amounts disapproved, as long as an appropriation or allocation is not increased (or a deappropriation or deallocation decreased) either in the specified line or in any other line in the legislative document. Another Constitutional Amendment requires the State to fund at least 90 percent of the annual cost of future mandates imposed on local governments; any exception requires a two-thirds vote of the elected members of the House and Senate.

Once passed and signed, the budget becomes the financial plan for the next biennium. It includes proposed expenditures for all departments and agencies, interest and debt redemption charges, and expenditures for capital projects to be undertaken and executed during each fiscal year. The budget also includes anticipated revenues and any other means of financing expenditures. The State Budget Officer is required to use the revenue projections of the Revenue Forecasting Committee in preparing the General Fund and Highway Fund budgets.

Exceptional circumstances do not apply to new programs or program expansions that go beyond existing program criteria and operation.

Detailed budgetary control is maintained at the program and line category level at which appropriations and allocations are approved by the Legislature, principally through a quarterly allotment system. The State Budget Officer and the Governor must approve budget revisions during the year, reflecting program changes or intradepartmental administrative transfers. Except in specific instances, only the Legislature may transfer appropriations between departments. Increases in appropriation, allocation, or funding for new programs are presented to the Legislature as a supplemental budget or separate pieces of legislation. For the year ended June 30, 2024, the legislature increased appropriations to the General Fund by \$1.0 million.

Governmental funds use encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to reserve a portion of the applicable appropriation or allocation. Unencumbered appropriations in the General Fund and Highway Fund lapse at June 30 unless, by law, they are carried forward to a subsequent year. For financial statement purposes, unless amounts would create deficits, fund balance is classified based on existing resources, if any, which will liquidate the encumbrances outstanding at June 30 (shown as restrictions, commitments or assignments of fund balance).

The State’s budget is prepared primarily on a cash basis. Sales, income, corporate and fuel taxes include a modified accrual basis adjustment to recognize revenues that are expected to be collected within 60 days of the end of the fiscal year. The Budgetary Comparison Schedule is presented as Required Supplementary Information (RSI) in this report. Actual amounts in this schedule are presented on a budgetary basis. Because this basis differs from accounting principles generally accepted in the United States of America (GAAP), a reconciliation between the budgetary and GAAP basis is presented in the RSI.

The various funds and programs within funds utilize a number of different budgetary control processes. Annual legislative appropriations and revenue estimates are provided for most “operating” funds.

The original executive budget and original legislative appropriations provide general purpose (unrestricted) revenue estimates in order to demonstrate compliance with constitutional provisions. Revenues restricted by law or outside grantors to a specific program are estimated at a level of detail consistent with controlling related expenditure accounts.

For programs financed from restricted revenues, spending authorization is generally contingent upon recognition of the related revenue. Reductions of spending authority occur if revenues fall short of estimates. If revenues exceed the estimate, supplemental appropriations are required before the additional resources can be spent.

The budgetary comparison schedule presented for the General Fund, the Highway Fund, the Federal Fund, and the Other Special Revenue Fund presents the original and final appropriated budgets for fiscal year 2024 - 2025, as well as the actual resource inflows, outflows and fund balances stated on the budgetary basis.

The original budget and related estimated revenues represent the spending authority enacted into law by the appropriation bills as of August 9, 2024, and includes encumbrances carried forward from the prior year.

**STATE OF MAINE**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY REPORTING**

Fiscal Year Ended June 30, 2024

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Generally accepted accounting principles (GAAP) require that the final legal budget be reflected in the “final budget” column. Therefore, updated revenue estimates available for appropriations as of June 30, 2024 rather than the amounts shown in the original budget, are reported.

The final appropriations budget represents original and supplemental appropriations, carry-forwards, approved transfers, and executive order reductions. Expenditures, transfers out, other financing uses, and encumbrances are combined and classified by policy area rather than being reported by character and function as shown in the GAAP statements. This policy area classification is used to better reflect organizational responsibility and to be more consistent with the budget process.

**Compliance at the Legal Level of Budgetary Control**

The Budgetary Comparison Schedules by Agency depict budgeted to actual expenditures at the Department level, which is the legal level of budgetary control for all governmental funds. The schedules provide further detail at the agency level within departments for transparency.

**STATE OF MAINE**  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET)**  
**JUDICIAL PENSION PLAN**

Last Ten Fiscal Years  
(Expressed in Thousands)

	<b>2024</b>	<b>2023</b>	<b>2022</b>
<b>Total Pension Liability</b>			
Service Cost	\$ 1,770	\$ 1,734	\$ 1,547
Interest	4,915	4,876	4,823
Changes in Benefit Terms	19	274	-
Differences Between Expected and Actual Experience	(110)	(151)	1,066
Changes of Assumptions	-	-	836
Benefit Payments, Including Refunds of Member Contributions	(5,434)	(5,095)	(4,681)
Net Change in Total Pension Liability	1,160	1,638	3,591
Beginning Total Pension Liability	77,426	75,788	72,197
Ending Total Pension Liability	78,586	77,426	75,788
<b>Plan Fiduciary Net Position</b>			
Employer Contributions	620	868	739
Member Contributions	663	651	636
Net Investment Income	5,094	(454)	19,280
Transfers	730	30	473
Benefit Payments, Including Refunds of Member Contributions	(5,434)	(5,095)	(4,681)
Administrative Expense	(71)	(73)	(68)
Net Change in Plan Fiduciary Net Position	1,602	(4,073)	16,379
Beginning Plan Fiduciary Net Position	85,821	89,894	73,515
Ending Plan Fiduciary Net Position	87,423	85,821	89,894
Ending Net Pension Liability (Asset)	\$ (8,837)	\$ (8,395)	\$ (14,106)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	111.2 %	110.8 %	118.6 %
Covered Payroll	\$ 8,658	\$ 8,502	\$ 8,312
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(102.1)%	(98.7)%	(169.7)%

	2021	2020	2019	2018	2017	2016	2015
\$	1,609	\$ 1,597	\$ 1,487	\$ 1,466	\$ 1,397	\$ 1,606	\$ 1,518
	4,645	4,582	4,442	4,358	4,155	3,863	3,736
	-	-	-	-	2,017	28	17
	943	(1,087)	469	(893)	(1,746)	2,238	(292)
	-	-	698	-	2,490	-	426
	(4,317)	(4,068)	(3,805)	(3,652)	(3,502)	(3,384)	(3,219)
	2,880	1,024	3,291	1,279	4,811	4,351	2,186
	69,317	68,293	65,002	63,723	58,912	54,561	52,375
	72,197	69,317	68,293	65,002	63,723	58,912	54,561
	716	1,213	1,179	1,144	1,078	979	932
	617	620	604	585	550	550	528
	2,165	4,709	6,607	7,800	130	1,055	8,416
	765	(3)	-	-	6,343	-	-
	(4,317)	(4,068)	(3,805)	(3,652)	(3,502)	(3,384)	(3,219)
	(69)	(68)	(62)	(57)	(48)	(49)	(42)
	(123)	2,403	4,523	5,820	4,551	(849)	6,615
	73,638	71,235	66,712	60,892	56,341	57,190	50,575
	73,515	73,638	71,235	66,712	60,892	56,341	57,190
\$	(1,318)	\$ (4,321)	\$ (2,942)	\$ (1,710)	\$ 2,831	\$ 2,571	\$ (2,629)
	101.8 %	106.2 %	104.3 %	102.6 %	95.6 %	95.6 %	104.8 %
\$	8,054	\$ 8,117	\$ 7,894	\$ 7,640	\$ 7,188	\$ 7,186	\$ 6,742
	(16.4)%	(53.2)%	(37.3)%	(22.4)%	39.4 %	35.8 %	(39.0)%

**STATE OF MAINE**  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET)**  
**LEGISLATIVE PLAN**

Last Ten Fiscal Years  
(Expressed in Thousands)

	<b>2024</b>	<b>2023</b>	<b>2022</b>
<b>Total Pension Liability</b>			
Service Cost	\$ 311	\$ 376	\$ 287
Interest	703	699	658
Changes in Benefit Terms	6	44	-
Differences Between Expected and Actual Experience	65	(200)	181
Changes of Assumptions	-	-	374
Benefit Payments, Including Refunds of Member Contributions	(655)	(619)	(550)
Net Change in Total Pension Liability	430	300	950
Beginning Total Pension Liability	10,979	10,679	9,729
Ending Total Pension Liability	11,409	10,979	10,679
<b>Plan Fiduciary Net Position</b>			
Employer Contributions	6	44	-
Member Contributions	227	162	215
Net Investment Income	975	(90)	3,560
Benefit Payments, Including Refunds of Member Contributions	(655)	(619)	(550)
Transfers	-	-	(3)
Administrative Expense	(13)	(12)	(12)
Net Change in Plan Fiduciary Net Position	540	(515)	3,210
Beginning Plan Fiduciary Net Position	16,145	16,660	13,450
Ending Plan Fiduciary Net Position	16,685	16,145	16,660
Ending Net Pension Liability (Asset)	\$ (5,276)	\$ (5,166)	\$ (5,981)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	146.3 %	147.1 %	156.0 %
Covered Payroll	\$ 2,962	\$ 2,802	\$ 2,802
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(178.1)%	(184.3)%	(213.5)%



	2021	2020	2019	2018	2017	2016	2015
\$	335	\$ 297	\$ 282	\$ 265	\$ 412	\$ 451	\$ 450
	611	578	565	530	549	545	503
	-	-	-	-	-	4	4
	414	239	(91)	158	(246)	(508)	(93)
	-	-	100	-	(147)	-	86
	(698)	(607)	(460)	(469)	(446)	(439)	(318)
	662	507	396	484	122	53	632
	9,067	8,560	8,164	7,680	7,558	7,505	6,873
	9,729	9,067	8,560	8,164	7,680	7,558	7,505
	-	-	-	-	-	4	4
	157	221	154	202	138	193	140
	391	845	1,176	1,366	48	206	1,622
	(698)	(607)	-	-	-	-	-
	366	45	(460)	(469)	(446)	(439)	(318)
	(14)	(12)	(11)	(9)	(8)	(9)	(8)
	202	492	859	1,090	(268)	(45)	1,440
	13,248	12,756	11,897	10,807	11,075	11,120	9,680
	13,450	13,248	12,756	11,897	10,807	11,075	11,120
\$	(3,721)	\$ (4,181)	\$ (4,196)	\$ (3,733)	\$ (3,127)	\$ (3,517)	\$ (3,615)
	138.2 %	146.1 %	149.0 %	145.7 %	140.7 %	146.5 %	148.2 %
\$	2,814	\$ 2,660	\$ 2,711	\$ 2,651	\$ 2,590	\$ 2,528	\$ 2,535
	(132.2)%	(157.2)%	(154.8)%	(140.8)%	(120.7)%	(139.1)%	(142.6)%

**STATE OF MAINE**  
**SCHEDULE OF STATE CONTRIBUTIONS**  
**SINGLE EMPLOYER DEFINED BENEFIT PENSION PLANS - EMPLOYER CONTRIBUTIONS**

Last ten Fiscal Years  
(Expressed in Thousands)

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>Judicial Pension Plan</b>			
Actuarially Determined Contribution	\$ 401	\$ 602	\$ 594
Contributions in Relation to the Actuarially Determined Employer Contribution	<u>(401)</u>	<u>(602)</u>	<u>(594)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 9,568	\$ 8,658	\$ 8,502
Contributions as a percentage of covered payroll	4.19 %	6.95 %	6.99 %
<b>Legislative Pension Plan</b>			
Actuarially Determined Contribution	\$ -	\$ -	\$ -
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 3,057	\$ 2,962	\$ 2,801
Contributions as a Percentage of Covered Payroll	0.00 %	0.00 %	0.00 %

(continued)

2021	2020	2019	2018	2017	2016	2015
\$ 739 (739)	\$ 716 (716)	\$ 1,213 (1,213)	\$ 1,179 (1,179)	\$ 1,144 (1,144)	\$ 1,078 (1,078)	\$ 951 (951)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 8,312 8.89 %	\$ 8,054 8.89 %	\$ 8,117 14.94 %	\$ 7,894 14.94 %	\$ 7,640 14.97 %	\$ 7,188 15.00 %	\$ 7,186 13.23 %
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 2,802 0.00 %	\$ 2,814 0.00 %	\$ 2,660 0.00 %	\$ 2,711 0.00 %	\$ 2,651 0.00 %	\$ 2,590 0.00 %	\$ 2,528 0.00 %

**STATE OF MAINE**  
**SCHEDULE OF STATE CONTRIBUTIONS**  
**SINGLE EMPLOYER DEFINED BENEFIT PENSION PLANS - EMPLOYER CONTRIBUTIONS (CONTINUED)**

A complete description of the methods and assumptions used to determine contribution rates for the year ending June 30, 2024 can be found in the June 30, 2022 actuarial valuation report.

Notes to Schedule

**Key Methods and Assumptions Used to Determine Contribution Rates**

Valuation date	June 30, 2021  June 30, 2024 actuarially determined contribution rates are calculated based on 2022 liabilities developed as a roll-forward of the 2021 actuarial valuation, adjusted for expected experience and any assumption or methodology changes during fiscal year end 2022 using assets as of June 30, 2022.
Actuarial cost method	Entry age normal
Asset valuation method	3-Year smoothed market
Amortization method	Level percent of payroll, open 10-year amortization
Discount rate	6.5%
Amortization growth rate	2.75%
Price inflation	2.75%
Salary increases	2.75%
Retirement age	Normal retirement age for State employees and teachers is age 60, 62 or 65. The normal retirement age is determined by whether a member had met certain creditable service requirements on specific dates, as established by statute.
Most recent review of plan experience	2020
Mortality	Based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC_2020 model.

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**Former and future actuarial assumptions:**

Discount rate and other information

Change in assumptions 2021: Demographic assumptions were changed based on recommendations from the July 1, 2015 to June 30, 2020 experience study as well as the actuarial audit completed of the June 30, 2020 actuarial valuation, first effective with the development of the NPL as of June 30, 2021. The annual rate of investment interest was also reduced from 6.75 percent to 6.50 percent effective as of this same date.

Discount rate

Change in assumptions 2018: The annual rate of investment return was reduced from 6.875 percent used at funding to 6.75 percent. The impact of this change is included in the TPL reconciliation as a change in assumptions.

Other information

Change in assumptions 2016: the amounts reported as changes of assumptions were due to assumptions that were updated based on the experience study covering the period from June 30, 2012 through June 30, 2015.

Benefit changes. By law, the COLA is based on the Consumer Price Index for Urban Consumers (CPI-U) as of June 30th applied to the statutory COLA base. If the percentage is negative, then no adjustment is made in that year. In subsequent years the adjustment that would have been made will be adjusted downward to the extent necessary to recoup the full actuarial value of not having made the previous year's negative adjustment. This process of adjustment may occur over a multi-year period if needed to recoup the full actuarial value of the negative CPI-U. Cost-of-living adjustments are effective September 1. Retirees are eligible to receive a cost-of-living adjustment after being retired for at least 12 months, except that retirees with less than 10 years of service on July 1, 1993 who retire prior to normal retirement age are not eligible to receive a cost-of-living adjustment until 12 months after reaching normal retirement age. The maximum annual limit is 3% of up to the first \$20,000 of annual benefit, indexed. This is a permanent increase in retiree's benefit. The \$20,000 COLA base is indexed each year going forward by the same percentage as the COLA that is paid.

Per GASB Statement No. 68, governments should present information for those years for which information is available. If information is not available, the government may implement them prospectively.

**STATE OF MAINE**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**STATE EMPLOYEES AND TEACHERS PLAN - STATE EMPLOYEES ONLY**

Last Ten Fiscal Years  
(Expressed in Thousands)

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>State Employees - Primary Government</b>			
Proportion of the Collective Net Pension Liability	94.845535 %	95.160789 %	95.299042 %
Proportionate Share (Amount) of the Collective Net Pension Liability	\$ 882,298	\$ 883,273	\$ 615,520
Covered Payroll	\$ 775,283	\$ 733,368	\$ 726,579
Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	113.80 %	120.44 %	84.71 %
Plan Fiduciary Net Position As a Percentage of the Total Pension Liability	84.50 %	84.10 %	88.60 %
<b>Maine Community College System - DCU</b>			
Proportion of the Collective Net Pension Liability	4.512781 %	4.205865 %	4.085948 %
Proportionate Share (Amount) of the Collective Net Pension Liability	\$ 41,980	\$ 39,038	\$ 26,390
Covered Payroll	\$ 39,033	\$ 32,896	\$ 32,619
Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	107.55 %	118.67 %	80.90 %
Plan Fiduciary Net Position As a Percentage of the Total Pension Liability	84.50 %	84.10 %	88.60 %
<b>Non-Major and Formerly Reported Component Units</b>			
Proportion of the Collective Net Pension Liability	0.641684 %	0.633346 %	0.615050 %
Proportionate Share (Amount) of the Collective Net Pension Liability	\$ 5,969	\$ 5,878	\$ 3,972
Covered Payroll	\$ 5,415	\$ 5,029	\$ 4,768
Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	110.23 %	116.88 %	83.31 %
Plan Fiduciary Net Position As a Percentage of the Total Pension Liability	84.50 %	84.10 %	88.60 %
<b>Total SETP - State of Maine Employees</b>			
Proportion of the Collective Net Pension Liability	100.000000 %	100.000000 %	100.000000 %
Proportionate Share (Amount) of the Collective Net Pension Liability	\$ 930,247	\$ 928,189	\$ 645,881
Covered Payroll	\$ 819,731	\$ 771,293	\$ 763,966
Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	113.48 %	120.34 %	84.54 %
Plan Fiduciary Net Position As a Percentage of the Total Pension Liability	84.50 %	84.10 %	88.60 %

**Notes to Schedule:**

As of June 30, 2024, the SETP includes the State, 1 major component unit, 1 non-major component unit and 1 formerly reported component unit in its definition of state employees. Totals for the non-major and formerly reported component unit have been combined.

A complete description of the methods and assumptions used to determine contribution rates for the year ending June 30, 2024 can be found in the June 30, 2022 actuarial valuation report.

Per GASB Statement No. 68, governments should present information for those years for which information is available. If information is not available, the government may implement them prospectively.

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2021	2020	2019	2018	2017	2016	2015
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95.090771 %	94.775523 %	94.652308 %	94.829879 %	94.498857 %	92.825250 %	92.853946 %
\$ 1,129,955	\$ 991,147	\$ 993,438	\$ 1,080,168	\$ 1,269,080	\$ 950,597	\$ 837,743
\$ 688,817	\$ 627,615	\$ 608,615	\$ 601,904	\$ 588,415	\$ 520,115	\$ 525,765
164.04 %	157.92 %	163.23 %	179.46 %	215.68 %	182.77 %	159.34 %
77.30 %	79.41 %	78.70 %	76.10 %	71.00 %	76.80 %	79.21 %

4.295313 %	4.610452 %	4.695230 %	4.605776 %	4.969634 %	6.640831 %	6.618303 %
\$ 51,041	\$ 48,215	\$ 49,280	\$ 52,462	\$ 66,740	\$ 68,007	\$ 59,710
\$ 32,713	\$ 31,535	\$ 31,106	\$ 30,867	\$ 32,627	\$ 32,008	\$ 31,679
156.03 %	152.89 %	158.43 %	169.96 %	204.55 %	212.47 %	188.48 %
77.30 %	79.41 %	78.70 %	76.10 %	71.00 %	76.80 %	79.21 %

0.613916 %	0.614025 %	0.652461 %	0.564345 %	0.531509 %	0.533919 %	0.527751 %
\$ 7,295	\$ 6,421	\$ 6,848	\$ 6,428	\$ 7,138	\$ 5,468	\$ 4,760
\$ 4,571	\$ 4,115	\$ 4,240	\$ 3,700	\$ 3,424	\$ 3,927	\$ 3,776
159.59 %	156.04 %	161.51 %	173.73 %	208.47 %	139.24 %	126.06 %
77.30 %	79.41 %	78.70 %	76.10 %	71.00 %	76.80 %	79.21 %

100.000000 %	100.000000 %	100.000000 %	100.000000 %	100.000000 %	100.000000 %	100.000000 %
\$ 1,188,292	\$ 1,045,784	\$ 1,049,566	\$ 1,139,058	\$ 1,342,959	\$ 1,024,072	\$ 902,213
\$ 726,101	\$ 663,265	\$ 643,961	\$ 636,471	\$ 624,466	\$ 556,050	\$ 561,220
163.65 %	157.67 %	162.99 %	178.96 %	215.06 %	184.17 %	160.76 %
77.30 %	79.41 %	78.70 %	76.10 %	71.00 %	76.80 %	79.21 %

**STATE OF MAINE**  
**SCHEDULE OF STATE CONTRIBUTIONS**  
**COST-SHARING MULTIPLE EMPLOYER DEFINED BENEFIT PENSION PLANS - EMPLOYER CONTRIBUTIONS**  
**STATE EMPLOYEES AND TEACHERS PLAN - STATE EMPLOYEES ONLY**

Last ten Fiscal Years  
(Expressed in Thousands)

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>State Employees - Primary Government</b>				
Actuarially Determined Contribution	\$ 177,789	\$ 177,882	\$ 167,081	\$ 164,103
Contributions in Relation to the Actuarially Determined Employer Contribution	<u>(177,789)</u>	<u>(177,882)</u>	<u>(167,081)</u>	<u>(164,103)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 824,519	\$ 775,283	\$ 733,367	\$ 726,579
Contributions Recognized by the Pension Plan in Relation to the Actuarially Determined Employer Contribution as a Percentage of Employer's Covered Payroll	21.56 %	22.94 %	22.78 %	22.59 %
<b>Maine Community College System - DCU</b>				
Actuarially Determined Contribution	\$ 9,047	\$ 8,468	\$ 7,385	\$ 7,036
Contributions in Relation to the Actuarially Determined Employer Contribution	<u>(9,047)</u>	<u>(8,468)</u>	<u>(7,385)</u>	<u>(7,036)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 43,964	\$ 39,033	\$ 32,896	\$ 32,619
Contributions Recognized by the Pension Plan in Relation to the Actuarially Determined Employer Contribution as a Percentage of Employer's Covered Payroll	20.58 %	21.69 %	22.45 %	21.57 %
<b>Combined Non-major and Formerly Reported Component Units</b>				
Actuarially Determined Contribution	\$ 1,189	\$ 1,204	\$ 926	\$ 1,059
Contributions in Relation to the Actuarially Determined Employer Contribution	<u>(1,189)</u>	<u>(1,204)</u>	<u>(926)</u>	<u>(1,059)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 5,645	\$ 5,415	\$ 5,030	\$ 4,768
Contributions Recognized by the Pension Plan in Relation to the Actuarially Determined Employer Contribution as a Percentage of Employer's Covered Payroll	21.06 %	22.23 %	18.41 %	22.21 %
<b>Total SETP - State of Maine Employees</b>				
Actuarially Determined Contribution	\$ 188,025	\$ 187,554	\$ 175,392	\$ 172,198
Contributions in Relation to the Actuarially Determined Employer Contribution	<u>(188,025)</u>	<u>(187,554)</u>	<u>(175,392)</u>	<u>(172,198)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 874,128	\$ 819,731	\$ 771,293	\$ 763,966
Contributions Recognized by the Pension Plan in Relation to the Actuarially Determined Employer Contribution as a Percentage of Employer's Covered Payroll	21.51 %	22.88 %	22.74 %	22.54 %



(continued)

	2020	2019	2018	2017	2016	2015
\$	155,628	\$ 152,439	\$ 148,115	\$ 141,295	\$ 136,139	\$ 107,807
	(155,628)	(152,439)	(148,115)	(141,295)	(136,139)	(107,807)
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
\$	688,817	\$ 627,615	\$ 608,615	\$ 601,904	\$ 588,415	\$ 521,846
	22.59 %	24.29 %	24.34 %	23.47 %	23.14 %	20.66 %
\$	7,030	\$ 7,416	\$ 7,347	\$ 6,863	\$ 7,159	\$ 8,135
	(7,030)	(7,416)	(7,347)	(6,863)	(7,159)	(8,135)
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
\$	32,713	\$ 31,535	\$ 31,106	\$ 30,867	\$ 32,627	\$ 30,257
	21.49 %	23.52 %	23.62 %	22.23 %	21.94 %	26.89 %
\$	1,005	\$ 987	\$ 1,021	\$ 840	\$ 766	\$ 635
	(1,005)	(987)	(1,021)	(840)	(766)	(635)
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
\$	4,571	\$ 4,115	\$ 4,240	\$ 3,700	\$ 3,424	\$ 3,947
	21.99 %	23.99 %	24.08 %	22.70 %	22.37 %	16.09 %
\$	163,663	\$ 160,842	\$ 156,483	\$ 148,998	\$ 144,064	\$ 116,577
	(163,663)	(160,842)	(156,483)	(148,998)	(144,064)	(116,577)
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
\$	726,101	\$ 663,265	\$ 643,961	\$ 636,471	\$ 624,466	\$ 556,050
	22.54 %	24.25 %	24.30 %	23.41 %	23.07 %	20.97 %

**STATE OF MAINE**  
**SCHEDULE OF STATE CONTRIBUTIONS**  
**COST-SHARING MULTIPLE EMPLOYER DEFINED BENEFIT PENSION PLANS - EMPLOYER CONTRIBUTIONS**  
**STATE EMPLOYEES AND TEACHERS PLAN - STATE EMPLOYEES ONLY (CONTINUED)**

Notes to Schedule:

The SETP includes the State, 1 major component unit, 1 non-major component unit and 1 formerly reported component unit in its definition of state employees. Totals for the non-major and formerly reported component unit have been combined.

Valuation date	June 30, 2021  June 30, 2024 actuarially determined contribution rates are calculated based on 2022 liabilities developed as a roll-forward of the 2021 valuation liability, adjusted for expected experience and any assumption or methodology changes during fiscal year end 2022 using actual assets at June 30, 2022.
Actuarial cost method	Entry age normal
Asset valuation method	3-Year smoothed market
Amortization method	Level Percentage of payroll, closed periods. Cumulative UAL amortized over a remaining 7 years from July 1, 2021. Subsequent layers of UAL are amortized over individual 20-year periods.
Discount rate	6.5%
Amortization growth rate	2.75%
Price inflation	2.75%
Salary increases	2.75% plus merit component based on employee's years of service.
Retirement age	Normal retirement age for State employees and teachers is age 60, 62 or 65. The normal retirement age is determined by whether a member had met certain creditable service requirements on specific dates, as established by statute.
Mortality	Based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC_2020 model.

A complete description of the methods and assumptions used to determine contribution rates for the year ending June 30, 2024 can be found in the June 30, 2022 actuarial valuation report.

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**Former and future actuarial assumptions:**

Discount rate and other assumptions

Change in assumptions 2021: Demographic assumptions were changed based on recommendations from the July 1, 2015 to June 30, 2020 experience study as well as the actuarial audit completed of the June 30, 2020 actuarial valuation, first effective with the development of the NPL as of June 30, 2021. The annual rate of investment interest was also reduced from 6.75 percent to 6.50 percent effective as of this same date.

Discount rate

Change in assumptions 2018: The annual rate of investment return was reduced from 6.875 percent used at funding to 6.75 percent. The impact of this change is included in the TPL reconciliation as a change in assumptions.

Other information

Change in assumptions 2016: the amounts reported as changes of assumptions were due to assumptions that were updated based on the experience study covering the period from June 30, 2012 through June 30, 2015.

Benefit changes. By law, the COLA is based on the Consumer Price Index for Urban Consumers (CPI-U) as of June 30th applied to the statutory COLA base. If the percentage is negative, then no adjustment is made in that year. In subsequent years the adjustment that would have been made will be adjusted downward to the extent necessary to recoup the full actuarial value of not having made the previous year's negative adjustment. This process of adjustment may occur over a multi-year period if needed to recoup the full actuarial value of the negative CPI-U. Cost-of-living adjustments are effective September 1. Retirees are eligible to receive a cost-of-living adjustment after being retired for at least 12 months, except that retirees with less than 10 years of service on July 1, 1993 who retire prior to normal retirement age are not eligible to receive a cost-of-living adjustment until 12 months after reaching normal retirement age. The maximum annual limit is 3% of up to the first \$20,000 of annual benefit, indexed. This is a permanent increase in retiree's benefit. The \$20,000 COLA base is indexed each year going forward by the same percentage as the COLA that is paid.

Per GASB Statement No. 68, governments should present information for those years for which information is available. If information is not available, the government may implement them prospectively.

**STATE OF MAINE**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**STATE EMPLOYEES AND TEACHERS PLAN - TEACHERS**

Last Ten Fiscal Years  
(Expressed in Thousands)

	<b>2024</b>	<b>2023</b>	<b>2022</b>
<b>Non-employer Contributing Entity's Proportion of:</b>			
Percentage of the Collective Net Pension Liability	93.677413 %	93.504374 %	94.381819 %
Amount of the Collective Net Pension Liability	\$ 1,517,141	\$ 1,484,911	\$ 845,826
Plan Fiduciary Net Position As a Percentage of the Total Pension Liability	86.80 %	86.70 %	92.10 %

Notes to Schedule:

Per GASB Statement No. 68, governments should present information for those years for which information is available. If information is not available, the government may implement them prospectively.

2021	2020	2019	2018	2017	2016	2015
95.704826 %	95.540502 %	95.298384 %	95.016790 %	95.002519 %	95.036038 %	95.069591 %
\$ 1,632,252	\$ 1,465,876	\$ 1,349,443	\$ 1,452,536	\$ 1,766,662	\$ 1,350,118	\$ 1,027,065
83.10 %	84.50 %	85.20 %	83.30 %	79.00 %	83.60 %	86.46 %

**STATE OF MAINE**  
**SCHEDULE OF STATE CONTRIBUTIONS**  
**COST-SHARING MULTIPLE EMPLOYER DEFINED BENEFIT PENSION PLANS - EMPLOYER CONTRIBUTIONS**  
**STATE EMPLOYEES AND TEACHERS PLAN - TEACHERS**

Last ten Fiscal Years  
(Expressed in Thousands)

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>Teachers - Non-Employer Contributions</b>			
Actuarially Determined Contribution	\$ 214,918	\$ 200,007	\$ 194,229
Contributions in Relation to the Actuarially Determined Non-Employer Contribution	<u>(214,918)</u>	<u>(200,007)</u>	<u>(194,229)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Employer Contributions</b>			
Actuarially Determined Contribution	\$ 81,730	\$ 70,616	\$ 68,677
Contributions in Relation to the Actuarially Determined Employer Contribution	<u>(81,730)</u>	<u>(70,616)</u>	<u>(68,677)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Total SETP - Teachers</b>			
Actuarially Determined Contribution	\$ 296,647	\$ 270,623	\$ 262,906
Contributions in Relation to the Actuarially Determined Employer Contribution	<u>(296,647)</u>	<u>(270,623)</u>	<u>(262,906)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 179,330 <u>(179,330)</u>	\$ 174,530 <u>(174,530)</u>	\$ 132,981 <u>(132,981)</u>	\$ 129,422 <u>(129,422)</u>	\$ 116,080 <u>(116,080)</u>	\$ 112,478 <u>(112,478)</u>	\$ 147,048 <u>(147,048)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 67,031 <u>(67,031)</u>	\$ 61,582 <u>(61,582)</u>	\$ 56,761 <u>(56,761)</u>	\$ 54,472 <u>(54,472)</u>	\$ 47,659 <u>(47,659)</u>	\$ 45,349 <u>(45,349)</u>	\$ 38,404 <u>(38,404)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 246,361 <u>(246,361)</u>	\$ 236,112 <u>(236,112)</u>	\$ 189,742 <u>(189,742)</u>	\$ 183,894 <u>(183,894)</u>	\$ 163,739 <u>(163,739)</u>	\$ 157,827 <u>(157,827)</u>	\$ 185,452 <u>(185,452)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**STATE OF MAINE**  
**SCHEDULE OF STATE CONTRIBUTIONS**  
**COST-SHARING MULTIPLE EMPLOYER DEFINED BENEFIT PENSION PLANS - EMPLOYER CONTRIBUTIONS**  
**STATE EMPLOYEES AND TEACHERS PLAN - TEACHERS (CONTINUED)**

Notes to Schedule:

Valuation date	June 30, 2021  June 30, 2024 actuarially determined contribution rates are calculated based on 2020 liabilities developed as a roll-forward of the 2021 valuation liability, adjusted for expected experience and any assumption or methodology changes during fiscal year end 2022 using actual assets at June 30, 2022.
Actuarial cost method	Entry age normal
Asset valuation method	3-Year smoothed market
Amortization method	Level Percentage of payroll, closed period amortization of the UAL prior to 2012 amortized over a remaining 7 years from July 1, 2021. Subsequent layers of UAL are amortized over individual 20 year periods.
Discount rate	6.5
Amortization growth rate	2.75%
Price inflation	2.75%
Salary increases	2.75% plus merit component based on employee's years of service.
Retirement age	Normal retirement age for State employees and teachers is age 60, 62 or 65. The normal retirement age is determined by whether a member had met certain creditable service requirements on specific dates, as established by statute.
Mortality	Based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC_2020 model.
A complete description of the methods and assumptions used to determine contribution rates for the year ending June 30, 2024 can be found in the June 30, 2020 actuarial valuation report.	
 Discount rate and other information	 Change in assumptions 2021: Demographic assumptions were changed based on recommendations from the July 1, 2015 to June 30, 2020 experience study as well as the actuarial audit completed of the June 30, 2020 actuarial valuation, first effective with the development of the NPL as of June 30, 2021. The annual rate of investment interest was also reduced from 6.75 percent to 6.50 percent effective as of this same date.
Discount rate	Change in assumptions 2018: The annual rate of investment return was reduced from 6.875 percent used at funding to 6.75 percent. The impact of this change is included in the TPL reconciliation as a change in assumptions.
Other information	Change in assumptions 2016: the amounts reported as changes of assumptions were due to assumptions that were updated based on the experience study covering the period from June 30, 2012 through June 30, 2015.



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Benefit changes. By law, the COLA is based on the Consumer Price Index for Urban Consumers (CPI-U) as of June 30th applied to the statutory COLA base. If the percentage is negative, then no adjustment is made in that year. In subsequent years the adjustment that would have been made will be adjusted downward to the extent necessary to recoup the full actuarial value of not having made the previous year's negative adjustment. This process of adjustment may occur over a multi-year period if needed to recoup the full actuarial value of the negative CPI-U. Cost-of-living adjustments are effective September 1. Retirees are eligible to receive a cost-of-living adjustment after being retired for at least 12 months, except that retirees with less than 10 years of service on July 1, 1993 who retire prior to normal retirement age are not eligible to receive a cost-of-living adjustment until 12 months after reaching normal retirement age. The maximum annual limit is 3% of up to the first \$20,000 of annual benefit, indexed. This is a permanent increase in retiree's benefit. The \$20,000 COLA base is indexed each year going forward by the same percentage as the COLA that is paid.

Per GASB Statement No. 68, governments should present information for those years for which information is available. If information is not available, the government may implement them prospectively.

**STATE OF MAINE**  
**SCHEDULE OF CHANGES IN**  
**THE NET OPEB LIABILITIES**  
**HEALTHCARE PLANS - STATE EMPLOYEES AND TEACHERS**

Last Eight Fiscal Years  
(Expressed in Thousands)

	2024	2023	2022
<b>State Employee Healthcare Plan</b>			
<b>Total OPEB Liability</b>			
Beginning Total Liability	\$ 1,100,482	\$ 1,077,787	\$ 1,236,901
Service Cost	12,482	18,237	17,706
Interest	69,701	68,578	79,021
Changes in Benefit Terms	-	-	554
Differences Between Expected and Actual Experience	(373,843)	19,145	(59,931)
Changes of Assumptions Discount Rate	-	-	-
Changes of Assumptions Others	61,043	-	(116,306)
Benefit Payments, Including Refunds of Member Contributions	(82,573)	(83,265)	(80,158)
Net Change in Total OPEB Liability	(313,190)	22,695	(159,114)
Ending Total OPEB Liability	787,292	1,100,482	1,077,787
<b>Plan Fiduciary Net Position</b>			
Beginning Plan Fiduciary Net Position	432,679	331,180	382,842
Employer Contributions	82,573	83,265	82,158
Discretionary/Prefunded	2,000	65,000	-
Net Investment Income	61,365	36,502	(53,659)
Benefit Payments, Including Refunds of Member Contributions	(82,573)	(83,265)	(80,158)
Administrative Expense	(2)	(3)	(3)
Net Change in Plan Fiduciary Net Position	63,363	101,499	(51,662)
Ending Plan Fiduciary Net Position	496,042	432,679	331,180
Ending Net OPEB Liability	\$ 291,250	\$ 667,803	\$ 746,607
<b>Proportion</b>			
Plan Fiduciary Net Position as Percentage of the Total OPEB Liability	63.0 %	39.3 %	30.7 %
Covered Payroll	\$ 835,682	\$ 785,462	\$ 737,707
Net OPEB Liability as a Percentage of Covered Payroll	34.9 %	85.0 %	101.2 %
<b>Teacher Healthcare Plan</b>			
<b>Total OPEB Liability</b>			
Beginning Total Liability	\$ 1,006,594	\$ 1,480,042	\$ -
Service Cost	19,954	45,372	-
Interest	65,569	53,324	-
Changes in Benefit Terms	77,309	-	-
Differences Between Expected and Actual Experience	(180,235)	2,824	-
Changes of Assumptions Discount Rate	-	(536,445)	-
Changes of Assumptions Others	18,980	-	-
Benefit Payments, Including Refunds of Member Contributions	(36,147)	(38,523)	-
Net Change in Total OPEB Liability	(34,570)	(473,448)	-
Ending Total OPEB Liability	972,024	1,006,594	-
<b>Plan Fiduciary Net Position</b>			
Beginning Plan Fiduciary Net Position	103,000	-	-
Non-Employer Contributions	36,147	38,523	-
Discretionary/Prefunded	-	103,000	-
Net Investment Income	12,314	-	-
Benefit Payments, Including Refunds of Member Contributions	(36,147)	(38,523)	-
Administrative Expense	(2)	-	-
Net Change in Plan Fiduciary Net Position	12,312	103,000	-
Ending Plan Fiduciary Net Position	115,312	103,000	-
Ending Net OPEB Liability	\$ 856,712	\$ 903,594	\$ -
<b>Proportion</b>			
Plan Fiduciary Net Position as Percentage of the Total OPEB Liability	11.9 %	10.2 %	-
Covered Payroll	\$ 1,562,947	\$ 1,492,683	\$ -
Net OPEB Liability as a Percentage of Covered Payroll	54.8 %	60.5 %	-

This information relates to the OPEB Plans at June 30, 2024 administered through trusts. This is not the employer's or non-employer contributing entity's plan. The Teacher's Plan was funded on June 30, 2023.

Per GASB Statement No. 75, governments should present information for those years for which information is available. If information is not available, the government may implement them prospectively.

	2021	2020	2019	2018	2017
\$	1,180,487	\$ 1,226,111	\$ 1,199,512	\$ 1,161,320	\$ 1,143,542
	18,311	17,777	17,425	16,917	12,246
	78,426	81,020	79,128	76,921	75,650
	-	-	-	-	-
	6,689	(56,455)	20,875	17,725	-
	28,083	-	-	-	-
	-	652	-	5,241	-
	(75,095)	(88,618)	(90,829)	(78,612)	(70,118)
	<u>56,414</u>	<u>(45,624)</u>	<u>26,599</u>	<u>38,192</u>	<u>17,778</u>
	<u>1,236,901</u>	<u>1,180,487</u>	<u>1,226,111</u>	<u>1,199,512</u>	<u>1,161,320</u>
	291,559	277,703	256,860	233,596	203,088
	77,095	88,618	92,829	80,612	74,118
	-	-	-	-	-
	89,286	13,859	18,846	21,270	26,513
	(75,095)	(88,618)	(90,829)	(78,612)	(70,118)
	(3)	(3)	(3)	(6)	(5)
	<u>91,283</u>	<u>13,856</u>	<u>20,843</u>	<u>23,264</u>	<u>30,508</u>
	<u>382,842</u>	<u>291,559</u>	<u>277,703</u>	<u>256,860</u>	<u>233,596</u>
\$	<u>854,059</u>	<u>888,928</u>	<u>948,408</u>	<u>942,652</u>	<u>927,724</u>
	31.0 %	24.7 %	22.6 %	21.4 %	20.1 %
\$	736,411	\$ 687,595	\$ 626,384	\$ 612,195	\$ 574,663
	116.0 %	129.3 %	151.4 %	154.0 %	161.4 %

**STATE OF MAINE**  
**SCHEDULE OF CHANGES IN**  
**THE NET OPEB LIABILITY**  
**GROUP LIFE INSURANCE PLAN - STATE EMPLOYEES AND TEACHERS**

Last Eight Fiscal Years  
(Expressed in Thousands)

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>Total OPEB Liability</b>			
Beginning Total Liability	\$ 245,450	\$ 235,060	\$ 223,516
Service Cost	2,934	2,856	2,757
Interest	16,241	15,219	15,240
Changes of Assumptions Other	1,754	-	-
Differences Between Expected and Actual Experience	(10,415)	-	365
Changes of Assumptions Discount Rate	-	-	-
Benefit Payments, Including Refunds of Member Contributions	<u>(7,234)</u>	<u>(7,685)</u>	<u>(6,818)</u>
Net Change in Total OPEB Liability	<u>3,280</u>	<u>10,390</u>	<u>11,544</u>
Ending Total OPEB Liability	<u>248,730</u>	<u>245,450</u>	<u>235,060</u>
<b>Plan Fiduciary Net Position</b>			
Beginning Plan Fiduciary Net Position	139,836	123,155	140,600
Employer and Non-Employer Contributions	12,163	11,053	10,585
Net Investment Income	20,683	14,264	(20,387)
Benefit Payments, Including Refunds of Member Contributions	(7,234)	(7,685)	(6,818)
Administrative Expense	<u>(973)</u>	<u>(951)</u>	<u>(825)</u>
Net Change in Plan Fiduciary Net Position	<u>24,639</u>	<u>16,681</u>	<u>(17,445)</u>
Ending Plan Fiduciary Net Position	<u>164,475</u>	<u>139,836</u>	<u>123,155</u>
Ending Net OPEB Liability	<u>\$ 84,255</u>	<u>\$ 105,614</u>	<u>\$ 111,905</u>
<b>Proportion</b>			
Plan Fiduciary Net Position as Percentage of the Total OPEB Liability	66.1 %	57.0 %	52.4 %
Covered Payroll	\$ 1,734,788	\$ 1,644,477	\$ 1,600,465
Net OPEB Liability as a Percentage of Covered Payroll	4.9 %	6.4 %	7.0 %

Per GASB Statement No. 75, governments should present information for those years for which information is available. If information is not available, the government may implement them prospectively.

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
\$	213,309	\$ 204,432	\$ 196,263	\$ 183,723	\$ 175,647
	2,683	2,191	2,132	2,122	2,065
	13,847	14,275	13,155	12,531	12,015
	-	-	-	-	-
	-	589	-	1,957	-
	291	-	-	3,200	-
	<u>(6,614)</u>	<u>(8,178)</u>	<u>(7,118)</u>	<u>(7,270)</u>	<u>(6,004)</u>
	<u>10,207</u>	<u>8,877</u>	<u>8,169</u>	<u>12,540</u>	<u>8,076</u>
	<u>223,516</u>	<u>213,309</u>	<u>204,432</u>	<u>196,263</u>	<u>183,723</u>
	105,617	100,617	94,287	86,883	77,416
	9,867	9,311	7,756	7,639	6,921
	32,552	4,886	6,418	7,805	9,886
	(6,614)	(8,178)	(7,118)	(7,270)	(6,004)
	<u>(822)</u>	<u>(1,019)</u>	<u>(726)</u>	<u>(770)</u>	<u>(1,336)</u>
	<u>34,983</u>	<u>5,000</u>	<u>6,330</u>	<u>7,404</u>	<u>9,467</u>
	<u>140,600</u>	<u>105,617</u>	<u>100,617</u>	<u>94,287</u>	<u>86,883</u>
\$	<u>82,916</u>	<u>\$ 107,692</u>	<u>\$ 103,815</u>	<u>\$ 101,976</u>	<u>\$ 96,840</u>

	62.9 %	49.5 %	49.2 %	48.0 %	47.3 %
\$	1,525,193	\$ 1,484,373	\$ 1,380,619	\$ 1,343,669	\$ 1,277,009
	5.4 %	7.3 %	7.5 %	7.6 %	7.6 %

**STATE OF MAINE**  
**SCHEDULE OF CHANGES IN**  
**TOTAL OPEB LIABILITY**  
**HEALTHCARE PLAN - TEACHERS**

Fiscal Years 2017 - 2022  
(Expressed in Thousands)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total OPEB Liability</b>						
Beginning Total Liability	\$ 1,905,991	\$ 1,441,260	\$ 1,235,862	\$ 1,248,326	\$ 1,323,731	\$ 1,323,731
Service Cost	68,197	44,132	33,787	35,795	42,214	-
Interest	43,314	51,449	48,502	45,495	38,521	-
Changes in Benefit Terms	325,417	-	-	-	-	-
Contribution - Non-Employer Contributing Entity	(28,719)	(31,133)	(33,032)	(26,855)	(28,848)	-
Differences Between Expected and Actual Experience	(457,831)	846	59,296	(5,178)	-	-
Changes of Assumptions Discount Rate	12,837	399,437	90,624	(61,721)	(170,420)	-
Changes of Assumptions - Others	(79,412)	-	6,221	-	-	-
Differences Between Expected and Actual Investment Earnings	-	-	-	-	43,128	-
Net Change in Total OPEB Liability	<u>(116,197)</u>	<u>464,731</u>	<u>205,398</u>	<u>(12,464)</u>	<u>(75,405)</u>	<u>-</u>
Ending Total OPEB Liability	<u>1,789,794</u>	<u>1,905,991</u>	<u>1,441,260</u>	<u>1,235,862</u>	<u>1,248,326</u>	<u>1,323,731</u>

**Proportion**

Covered-Employee Payroll	\$ 1,414,447	\$ 1,276,975	\$ 1,260,742	\$ 1,156,592	\$ 1,149,126	\$ 1,125,444
Net OPEB Liability as Percentage of Covered Employee Payroll	126.5 %	149.3 %	114.3 %	106.9 %	107.5 %	117.6 %
State's Proportionate Share of the Collective Total OPEB	78 %	80 %	75 %	74 %	83 %	83 %

This information relates to the OPEB Plan up to the date that the plan was funded on June 30, 2023. The plan did not previously accumulate assets in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits. The plan was funded on a pay-as-you go basis prior to June 30, 2023. Information related to the funded plan is included in a schedule titled "Changes in Net OPEB Liability - Healthcare - State and Teachers."

Per GASB Statement No. 75, governments should present information for those years for which information is available. If information is not available, the government may implement them prospectively.



**STATE OF MAINE**  
**SCHEDULE OF CHANGES IN**  
**TOTAL OPEB LIABILITY**  
**HEALTHCARE PLAN - FIRST RESPONDERS**

Last Eight Fiscal Years  
(Expressed in Thousands)

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>Total OPEB Liability</b>			
Beginning Total Liability	\$ 29,949	\$ 32,680	\$ 31,926
Service Cost	1,246	1,639	1,553
Interest	1,079	729	731
Changes in Benefit Terms	-	-	165
Contribution - Employee	(769)	(837)	(693)
Contribution - Non-Employer Contributing Entity	(829)	(397)	(218)
Administrative Expenses	134	98	72
Differences Between Expected and Actual Experience	(1,108)	(287)	(1,641)
Changes of Assumptions Discount Rate	(271)	(3,676)	138
Changes of Assumptions - Others	(129)	-	647
Net Change in Total OPEB Liability	<u>(647)</u>	<u>(2,731)</u>	<u>754</u>
Ending Total OPEB Liability	<u>\$ 29,302</u>	<u>\$ 29,949</u>	<u>\$ 32,680</u>
<b>Proportion</b>			
Covered Payroll	\$ 51,267	\$ 55,806	\$ 46,207
Total OPEB Liability as Percentage of Covered-Employee Payroll	57.2 %	53.7 %	70.7 %
State's Proportionate Share of the Collective Total OPEB	24 %	24 %	24 %

The plan does not accumulate assets in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits. This plan is funded on a pay-as-you go basis.

Per GASB Statement No. 75, governments should present information for those years for which information is available. If information is not available, the government may implement them prospectively.



	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
\$	27,506	\$ 19,232	\$ 18,980	\$ 26,052	\$ -
	1,142	751	776	1,836	-
	989	763	698	786	-
	-	8,247	-	-	-
	(696)	(592)	(617)	(618)	-
	(242)	(48)	(5)	(78)	-
	132	92	98	99	-
	(210)	(863)	(191)	(2,909)	-
	3,305	939	(507)	(1,325)	-
	-	(1,015)	-	(4,863)	-
	<u>4,420</u>	<u>8,274</u>	<u>252</u>	<u>(7,072)</u>	<u>-</u>
\$	<u>31,926</u>	<u>\$ 27,506</u>	<u>\$ 19,232</u>	<u>\$ 18,980</u>	<u>\$ 26,052</u>

\$	46,395	\$ 66,360	\$ 64,427	\$ 62,551	\$ 55,651
	68.8 %	41.4 %	29.9 %	30.3 %	46.8 %
	24 %	23 %	13 %	23 %	23 %

**STATE OF MAINE**  
**SCHEDULE OF STATE CONTRIBUTIONS**  
**STATE FUNDED OPEB PLANS**

Last Eight Fiscal Years  
(Expressed in Thousands)

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>State Employee Healthcare</b>			
Actuarially Determined Contribution	\$ 27,551	\$ 74,913	\$ 52,922
Contributions in Relation to the Actuarially Determined Employer Contribution	<u>(84,573)</u>	<u>(148,265)</u>	<u>(82,158)</u>
Contribution Deficiency (Excess)	<u>\$ (57,022)</u>	<u>\$ (73,352)</u>	<u>\$ (29,236)</u>
Covered Payroll	\$ 835,682	\$ 785,462	\$ 737,707
Contributions as a Percentage of Covered Payroll	10.12 %	18.88 %	11.14 %
<b>State Employee and Teacher Group Life Insurance Benefit Plan</b>			
Actuarially Determined Contribution	\$ 13,057	\$ 11,593	\$ 11,242
Contributions in Relation to the Actuarially Determined Employer Contribution	<u>(12,163)</u>	<u>(11,053)</u>	<u>10,585</u>
Contribution Deficiency (Excess)	<u>\$ 894</u>	<u>\$ 540</u>	<u>\$ 657</u>
Covered Payroll	\$ 1,734,788	\$ 1,644,477	\$ 1,600,465
Contributions as a Percentage of Covered Payroll	0.70 %	0.67 %	0.66 %
<b>Teacher Healthcare</b>			
Actuarially Determined Contribution	\$ 99,341	\$ 106,617	\$ -
Contributions in Relation to the Actuarially Determined Employer Contribution	<u>(36,147)</u>	<u>(141,523)</u>	<u>-</u>
Contribution Deficiency (Excess)	<u>\$ 63,194</u>	<u>\$ (34,906)</u>	<u>\$ -</u>
Covered Payroll	\$ 1,562,947	\$ 1,492,683	\$ -
Contributions as a Percentage of Covered Payroll	2.31 %	9.48 %	- %

Notes to Schedule:

Actuarial assumptions for State Health Insurance and Group Life Insurance plans:

All plans use the same basic assumptions including: the entry age normal actuarial cost method, inflation based on 2.75 percent, and a 5-year smoothed market asset valuation; and an investment interest rate and discount rate of 6.5 percent. Salary increases mirror the inflation rate plus a merit component. Plans based their mortality assumptions using the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC\_2020 model adjusted for experience. The experience study used is the one from July 1, 2015 to June 30, 2020. The unfunded actuarial liability is being amortized as a level percentage of payroll over a 30-year period on a closed basis.

State Health Insurance

The valuation date is June 30, 2024. The participation rate for future retirees is 95 percent of active participants currently enrolled. Experience losses (gains) are amortized over a 10-year fixed period. Assumption changes and plan changes are amortized over a period to June 30, 2037. The unfunded liability will be fully recognized by June 30, 2037. The initial medical trend rate started at 7.09 percent. The ultimate medical trend rate of 4.19 percent is used at 2075. The State actively manages premium increases within the statutory cap, so healthcare cost increases are limited to no more than inflation plus 3 percent in any year.

Group Life Insurance

The valuation date is June 30, 2024. The ADCs for 2024 and 2025 were based on the June 30, 2020 valuation rolled forward and adjusted for changes in assumptions. The participation rate for future retirees is 100 percent of those currently enrolled.

Teacher Health Insurance

The valuation date is 2024 and establishment of a funded Irrevocable OPEB Trust was June 30, 2023. Prior to that date the State funded the plan on a pay-as-you-go basis. 93.33 percent of all Teachers are assumed to be eligible to receive a State contribution at retirement. 75 percent of active participants currently with coverage continue coverage at retirement. One third of active participants who have currently waived coverage elect coverage at retirement. The initial medical trend rate was 7.09 percent. The ultimate medical trend rate of 4.19 percent is used at 2075. Assumption changes and plan changes are amortized over a period to June 30, 2037. The unfunded liability will be fully recognized by June 30, 2037.

Per GASB Statement No. 74, governments should present information for those years for which information is available. If information is not available, the government may implement them prospectively.

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
\$	58,819	\$ 56,241	\$ 71,363	\$ 71,179	\$ 69,000
	(77,095)	(88,618)	(92,829)	(80,612)	(74,000)
\$	<u>(18,276)</u>	<u>(32,377)</u>	<u>(21,466)</u>	<u>(9,433)</u>	<u>(5,000)</u>
\$	736,411	\$ 687,595	\$ 626,384	\$ 612,195	\$ 582,934
	10.47 %	12.89 %	14.82 %	13.17 %	12.67 %
\$	10,965	\$ 10,671	\$ 9,040	\$ 8,806	\$ 8,240
	(9,867)	(9,310)	(7,756)	(7,638)	(6,921)
\$	<u>1,098</u>	<u>1,361</u>	<u>1,284</u>	<u>1,168</u>	<u>1,319</u>
\$	1,525,193	\$ 1,484,373	\$ 1,380,619	\$ 1,343,669	\$ 1,277,009
	0.65 %	0.63 %	0.56 %	0.57 %	0.54 %
\$	-	\$ -	\$ -	\$ -	\$ -
	-	-	-	-	-
\$	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$	-	\$ -	\$ -	\$ -	\$ -
	- %	- %	- %	- %	- %

**SCHEDULE OF INVESTMENT RETURNS  
STATE FUNDED OPEB PLANS**

Last Eight Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>State Employee Healthcare Plan &amp; State Employee and Teacher Group Life Insurance Benefit Plan</b>								
Annual money-weighted rate of return, net of investment expense	14.2 %	11.0 %	14.1 %	30.6 %	6.0 %	6.6 %	9.0 %	12.9 %

Notes to Schedule:

The Teacher Healthcare Plan was funded on June 30, 2023. There was no investment return in 2023.

Per GASB Statement No. 74, governments should present information for those years for which information is available. If information is not available, the government may implement them prospectively.

**STATE OF MAINE**  
**INFORMATION ABOUT INFRASTRUCTURE ASSETS REPORTING USING THE MODIFIED APPROACH**

As allowed by GASB Statement No. 34, the State has adopted an alternative process for recording depreciation expense on selected infrastructure assets. Under this process, the State does not record depreciation expense nor are amounts capitalized in connection with improvements to those assets, unless the improvements expand the capacity or efficiency of an asset. Assets accounted for under the modified approach include 8,779 highway miles or 17,835 lane miles of roads and 3,033 bridges having a total deck area of 12.5 million square feet that the State is responsible to maintain.

In order to utilize the modified approach, the State is required to:

- Maintain an asset management system that includes an up-to-date inventory of eligible infrastructure.
- Perform condition assessments of eligible assets and summarize the results using a measurement scale.
- Estimate each year the annual amount to maintain and preserve the assets at the condition level established and disclosed by the State.
- Document that the assets are being preserved at, or above, the established condition level.

Roads and bridges maintained by the Department of Transportation are accounted for using the modified approach.

**HIGHWAYS**

**Measurement Scale for Highways**

The Maine Department of Transportation (MDOT) uses six indicators to determine the condition of highway adequacy. The six indicators and their relative point weighting are listed in the table below.

<b>Data Element</b>	<b>Point Rating (%)</b>	<b>Description</b>
Pavement Condition Rating (PCR)	45	PCR is defined as the composite condition of the pavement on a roadway only, and is compiled from the severity and extent of pavement distresses such as cracking, rutting and patching. It is the key indicator used to determine the optimum time to treat a particular section of road. Points decrease as PCR decreases
Safety	20	Statewide crash rates are used to allocate points. Locations with high rates get fewer points.
Backlog (Built vs. Unbuilt roadway)	15	A "Built" road is one that has been constructed to a modern standard, usually post 1950. This includes adequate drainage, base, and pavement to carry the traffic load, and adequate sight distance and width to meet current safety standards. "Unbuilt" (backlog) is defined as a roadway section that has not been built to modern standards. Yes or No (15 or 0).
Annual Average Daily Traffic divided by the hourly highway capacity (AADT/C)	10	This ratio measures how intensely a highway is utilized. As a highway facility's AADT/C ratio increases, the average speed of vehicles on that facility tends to decrease. This decrease in average speed is evidence of reduced mobility. As congestion increases, points decrease (0-10).
Posted Speed	5	Lower speeds equal fewer points
Paved Shoulder	5	In general, roadways with paved shoulders perform at a higher level and last longer than those without shoulders or with only gravel shoulders. Yes or No (5 or 0).
<hr style="border-top: 3px double #000;"/> 100		

**STATE OF MAINE**  
**INFORMATION ABOUT INFRASTRUCTURE ASSETS REPORTING USING THE MODIFIED APPROACH**

**BRIDGES**

MDOT uses four separate factors to obtain a numerical value used to indicate the ability of bridges to remain in service at the current level of usage. The numeric value is a percentage ranging from 0 percent to represent an entirely insufficient or deficient bridge, and 100 percent to represent an entirely sufficient bridge. The four indicators and their relative point weighting are listed in the table below. The composite numeric value is based on the sufficiency rating formula in the Recording and Coding Guide for Structure Inventory and Appraisal of the Nation's Bridges.

<b>Data Element</b>	<b>Point Rating (%)</b>	<b>Description</b>
Structural Adequacy and Safety	55	This category considers inventory rating, superstructure, substructure and culverts.
Serviceability and Functional Obsolescence	30	Serviceability and functional obsolescence that addresses the number of lanes, average daily traffic, roadway width, bridge width, deck condition, under clearances, waterway adequacy, alignment, and defense highway designation.
Essentiality for Public Use	15	This considers detour length, average daily traffic, and defense highway designation.
Special Reduction	(13)	The sufficiency rating also includes consideration of special reductions for detour length, safety features, and type of structure.

**Assessed Conditions**

The following table shows adequacy ratings for maintenance levels from Excellent to Poor.

<b>Adequacy Rating</b>	<b>Total</b>
Excellent	80 - 100
Good	70 - 80
Fair	60 - 70
Poor	0 - 60

MDOT intends to maintain highways and bridges at an adequacy rating of 60 or higher. The following table shows adequacy ratings achieved by MDOT.

<b>Fiscal Year</b>	<b>Highways</b>	<b>Bridges</b>
2024	73.1	74.0
2023	74.3	74.0
2022	76.2	74.0

**STATE OF MAINE**  
**INFORMATION ABOUT INFRASTRUCTURE ASSETS REPORTING USING THE MODIFIED APPROACH**

**Comparison of Estimated-to-Actual Preservation Costs**

The following table presents the State’s preservation costs for the past five fiscal years. It also shows the estimate of spending necessary to preserve and maintain the roads and bridges at, or above, a sufficiency rating of 60 for both highways and bridges (in millions).

		<b>Actual Preservation Costs</b> (Expressed in millions)				
		<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Highways		\$ 198.4	\$ 197.0	\$ 153.2	\$ 157.4	\$ 148.3
Bridges		<u>18.3</u>	<u>8.7</u>	<u>22.8</u>	<u>34.9</u>	<u>32.0</u>
Total		<u>\$ 216.7</u>	<u>\$ 205.7</u>	<u>\$ 176.0</u>	<u>\$ 192.3</u>	<u>\$ 180.3</u>

		<b>Estimated Preservation Costs</b> (Expressed in millions)				
		<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Highways		\$ 185.0	\$ 175.0	\$ 150.0	\$ 150.0	\$ 130.0
Bridges		<u>22.0</u>	<u>30.0</u>	<u>35.0</u>	<u>35.0</u>	<u>15.0</u>
Total		<u>\$ 207.0</u>	<u>\$ 205.0</u>	<u>\$ 185.0</u>	<u>\$ 185.0</u>	<u>\$ 145.0</u>

**Transportation Bonds**

Transportation bonds, approved by referendum, are issued to fund improvements to highways and bridges. Of the amount authorized by PL 2021, Chapter 408, \$31.1 million in General Fund bonds were spent during FY2024. Of the amount authorized by PL 2019, Chapter 673, \$3.1 million in General Fund bonds were spent during FY2024.





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**COMBINING AND  
INDIVIDUAL FUND FINANCIAL  
STATEMENTS AND SCHEDULES**

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**STATE OF MAINE**  
**COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**  
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# NON-MAJOR GOVERNMENTAL FUNDS

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Special Revenue Funds - include operating fund activities financed by specific revenue sources that are legally restricted for specified purposes.

Capital Projects Funds - account for the acquisition or construction of major capital assets and other programs financed by bond proceeds.

Permanent Trust Funds - report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that benefit the government or its citizenry.

**STATE OF MAINE**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE**

June 30, 2024  
(Expressed in Thousands)

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Permanent</u>	<u>Total Other Governmental Funds</u>
<b>Assets</b>				
Equity in Treasurer's Cash Pool	\$ 483	\$ -	\$ -	\$ 483
Investments	117,406	-	52,447	169,853
Restricted Assets:				
Restricted Equity in Treasurer's Cash Pool	-	65,202	-	65,202
Total Assets	<u>\$ 117,889</u>	<u>\$ 65,202</u>	<u>\$ 52,447</u>	<u>\$ 235,538</u>
<b>Liabilities and Fund Balances</b>				
Accounts Payable	\$ -	\$ 1,211	\$ -	\$ 1,211
Due to Other Funds	-	16	-	16
Due to Component Units	-	629	-	629
Unearned Revenue	-	3	-	3
Total Liabilities	-	1,859	-	1,859
<b>Fund Balances</b>				
Non-Spendable Legal or Contractual	-	-	52,447	52,447
Restricted	117,889	63,343	-	181,232
Total Fund Balances	<u>117,889</u>	<u>63,343</u>	<u>52,447</u>	<u>233,679</u>
Total Liabilities and Fund Balances	<u>\$ 117,889</u>	<u>\$ 65,202</u>	<u>\$ 52,447</u>	<u>\$ 235,538</u>

**STATE OF MAINE**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE**

Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Permanent</u>	<u>Total Other Governmental Funds</u>
<b>Revenues</b>				
Investment Income (Loss)	\$ 14,758	\$ -	\$ 6,525	\$ 21,283
Total Revenues	<u>14,758</u>	<u>-</u>	<u>6,525</u>	<u>21,283</u>
<b>Expenditures</b>				
Governmental Support & Operations	80	1	-	81
Economic Development & Workforce Training	-	3,746	-	3,746
Education	-	3,455	-	3,455
Natural Resources Development & Protection	-	5,784	-	5,784
Debt Service:				
Capital Outlay	-	45,566	-	45,566
Total Expenditures	<u>80</u>	<u>58,552</u>	<u>-</u>	<u>58,632</u>
Revenue over (under) Expenditures	<u>14,678</u>	<u>(58,552)</u>	<u>6,525</u>	<u>(37,349)</u>
<b>Other Financing Sources (Uses)</b>				
Transfer to Other Funds	(4,047)	-	-	(4,047)
Net Change in Fund Balances	<u>10,631</u>	<u>(58,552)</u>	<u>6,525</u>	<u>(41,396)</u>
Fund Balance at Beginning of Year	<u>107,258</u>	<u>121,895</u>	<u>45,922</u>	<u>275,075</u>
Fund Balances, End of Year	<u>\$ 117,889</u>	<u>\$ 63,343</u>	<u>\$ 52,447</u>	<u>\$ 233,679</u>



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# OTHER GOVERNMENTAL FUNDS

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## SPECIAL REVENUE FUNDS

Baxter Park Fund – This fund accounts for a gift to the State of Maine by former Governor Baxter, which allows for the principal and interest to be used to purchase public reserved lands. Interest income may also be used for operations of the Baxter State Park.

Revenue on Permanent Funds – This fund accounts for expendable earnings on permanent fund balances.

## PERMANENT FUNDS

Baxter Park Trust Fund – This fund accounts for a gift to the State of Maine by former Governor Baxter, calling for principal to be maintained intact and income to be used for park operations.

Other Trust Funds – These funds are comprised of numerous small Permanent Funds, the income from which may be used for specified purposes.

Permanent School Fund – Established in 1828, the fund generates income used to support schools through the Department of Education.

**STATE OF MAINE**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR SPECIAL REVENUE FUNDS**

June 30, 2024  
(Expressed in Thousands)

	<u>Baxter Park</u>	<u>Revenue on Permanent Funds</u>	<u>Total Special Revenue Funds</u>
<b>Assets</b>			
Equity in Treasurer's Cash Pool	\$ -	\$ 483	\$ 483
Investments	117,392	14	117,406
Total Assets	<u>\$ 117,392</u>	<u>\$ 497</u>	<u>\$ 117,889</u>
<b>Liabilities and Fund Balances</b>			
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:			
Restricted	<u>117,392</u>	<u>497</u>	<u>117,889</u>
Total Fund Balances	<u>117,392</u>	<u>497</u>	<u>117,889</u>
Total Liabilities and Fund Balances	<u>\$ 117,392</u>	<u>\$ 497</u>	<u>\$ 117,889</u>



**STATE OF MAINE**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON-MAJOR SPECIAL REVENUE FUNDS**

Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)

	<u>Baxter Park</u>	<u>Revenue on Permanent Funds</u>	<u>Total Special Revenue Funds</u>
<b>Revenues</b>			
Investment Income (Loss)	\$ 14,180	\$ 578	\$ 14,758
Total Revenues	<u>14,180</u>	<u>578</u>	<u>14,758</u>
<b>Expenditures</b>			
Current:			
General Government	-	80	80
Total Expenditures	<u>-</u>	<u>80</u>	<u>80</u>
Revenue over (under) Expenditures	<u>14,180</u>	<u>498</u>	<u>14,678</u>
<b>Other Financing Sources (Uses)</b>			
Transfer to Other Funds	<u>(3,694)</u>	<u>(353)</u>	<u>(4,047)</u>
Net Other Financing Sources (Uses)	(3,694)	(353)	(4,047)
Net Change in Fund Balances	<u>10,486</u>	<u>145</u>	<u>10,631</u>
Fund Balance at Beginning of Year	<u>106,906</u>	<u>352</u>	<u>107,258</u>
Fund Balances at End of Year	<u>\$ 117,392</u>	<u>\$ 497</u>	<u>\$ 117,889</u>

**STATE OF MAINE  
COMBINING BALANCE SHEET  
NON-MAJOR PERMANENT FUNDS**

June 30, 2024  
(Expressed in Thousands)

	<u>Baxter Trust</u>	<u>Other Trust</u>	<u>Permanent School</u>	<u>Total Permanent Funds</u>
<b>Assets</b>				
Investments	\$ 11,852	\$ 34,666	\$ 5,929	\$ 52,447
Total Assets	<u>\$ 11,852</u>	<u>\$ 34,666</u>	<u>\$ 5,929</u>	<u>\$ 52,447</u>
<b>Fund Balances</b>				
Non-Spendable Legal or Contractual	<u>\$ 11,852</u>	<u>\$ 34,666</u>	<u>\$ 5,929</u>	<u>\$ 52,447</u>

**STATE OF MAINE**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON-MAJOR PERMANENT FUNDS**

Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)

	<u>Baxter Trust</u>	<u>Other Trust</u>	<u>Permanent School</u>	<u>Total Permanent Funds</u>
<b>Revenues</b>				
Investment Income (Loss)	\$ 1,368	\$ 4,472	\$ 685	\$ 6,525
Total Revenues	<u>1,368</u>	<u>4,472</u>	<u>685</u>	<u>6,525</u>
<b>Expenditures</b>				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenue over (under) Expenditures	<u>1,368</u>	<u>4,472</u>	<u>685</u>	<u>6,525</u>
<b>Other Financing Sources (Uses)</b>				
Revenues and Other Sources over (under) Expenditures and Other Uses	<u>1,368</u>	<u>4,472</u>	<u>685</u>	<u>6,525</u>
Fund Balance at Beginning of Year	<u>10,484</u>	<u>30,194</u>	<u>5,244</u>	<u>45,922</u>
Fund Balances at End of Year	<u>\$ 11,852</u>	<u>\$ 34,666</u>	<u>\$ 5,929</u>	<u>\$ 52,447</u>



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# **BUDGETARY COMPARISON SCHEDULES**

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**STATE OF MAINE**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND EXPENDITURES BY AGENCY**

Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Department of Administrative and Financial Services</b>			
Administrative Services	\$ 22,623	\$ 20,719	\$ 1,904
Financial Services	271,047	260,244	10,803
Human Resources	3,750	3,330	420
Financial and Personnel Services	4,162	352	3,810
Liquor and Lottery	1,922	1,853	69
Marijuana	2,771	2,722	49
Purchasing	4,899	1,853	3,046
Bureau of Information Services	21,606	12,969	8,637
State Employee Health Commission	773	773	-
	<u>333,553</u>	<u>304,815</u>	<u>28,738</u>
<b>Department of Agriculture, Conservation and Forestry</b>	<u>55,819</u>	<u>49,834</u>	<u>5,985</u>
<b>Attorney General</b>	<u>27,186</u>	<u>26,531</u>	<u>655</u>
<b>State Auditor</b>	<u>1,701</u>	<u>1,588</u>	<u>113</u>
<b>Department of Corrections</b>			
Corrections	127,449	96,085	31,364
Maine State Prison	46,713	44,692	2,021
Maine Correctional Center	34,968	32,677	2,291
Downeast Correctional Facility	2,362	2,210	152
Charleston Correctional Facility	21,125	20,299	826
Long Creek Youth Development Center	14,175	13,767	408
County Jail Operations	20,342	20,342	-
	<u>267,134</u>	<u>230,072</u>	<u>37,062</u>
<b>Department of Economic and Community Development</b>	<u>20,146</u>	<u>14,631</u>	<u>5,515</u>
<b>Department of Environmental Protection</b>	<u>18,477</u>	<u>18,181</u>	<u>296</u>
<b>Department of Human Services</b>			
Human Services	<u>1,903,719</u>	<u>1,736,151</u>	<u>167,568</u>
<b>Department of Labor</b>			
Labor	14,816	14,231	585
Labor Relations Board	479	441	38
	<u>15,295</u>	<u>14,672</u>	<u>623</u>
<b>Department of Transportation</b>			
<b>Defense, Veterans and Emergency Management</b>	<u>17,788</u>	<u>14,139</u>	<u>3,649</u>
<b>Department of Education</b>			
Education	1,799,402	1,731,086	68,316
Education - Unorganized Territory	15,674	13,777	1,897
	<u>1,815,076</u>	<u>1,744,863</u>	<u>70,213</u>
<b>General Government</b>			
Office of the Governor	14,739	11,177	3,562
Ombudsman Program	427	340	87
	<u>15,166</u>	<u>11,517</u>	<u>3,649</u>
<b>Department of Inland Fisheries and Wildlife</b>	<u>41,282</u>	<u>36,750</u>	<u>4,532</u>
<b>Judicial Department</b>	<u>107,933</u>	<u>106,944</u>	<u>989</u>

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Legislative Department</b>			
Legislative	32,865	31,285	1,580
Law and Legislative Reference Library	1,861	1,518	343
Statehouse Preservation and Maintenance	800	237	563
Program Evaluation and Government Accountability	1,837	1,716	121
	<u>37,363</u>	<u>34,756</u>	<u>2,607</u>
<b>Department of Marine Resources</b>	<u>23,833</u>	<u>22,397</u>	<u>1,436</u>
<b>Department of Public Safety</b>	<u>66,012</u>	<u>61,113</u>	<u>4,899</u>
<b>Secretary of State</b>			
Secretary of State	6,839	5,800	1,039
Archives Services	4,334	2,245	2,089
	<u>11,173</u>	<u>8,045</u>	<u>3,128</u>
<b>Treasurer of State</b>	<u>132,507</u>	<u>131,653</u>	<u>854</u>
<b>Other Agencies</b>			
Maine Maritime Academy	15,251	15,251	-
University of Maine	269,225	269,225	-
Board of Education	204	177	27
Office of Affordable Healthcare	535	307	228
Permanent Commission Status of Racial Indigenous and Tribal	1,537	1,276	261
Maine Fire Protection Service Commission	1,504	2	1,502
Com. On Governmental Ethics and Election Practices	666	606	60
Finance Authority of Maine	28,540	28,540	-
Saco River Corridor Commission	47	47	-
Human Rights Commission	1,405	1,192	213
Maine Indian Tribal State Council	269	269	-
Board of Property Tax Review	306	303	3
Museum	3,312	3,086	226
Maine Municipal Bond Bank	69	69	-
Maine State Cultural Affairs Council	46	9	37
Maine Historic Preservation Commission	666	613	53
Library	6,722	4,911	1,811
Maine State Retirement System	6,154	6,154	-
Arts and Humanities Administration	1,025	918	107
Dirigo Health	1,545	1,073	472
Commission on Indigent Legal Services	22,330	20,391	1,939
Maine Humanities Council	163	163	-
Centers for Innovation	118	118	-
NE International Water Pollution Control Commission	53	53	-
Downeast Institute Appl Marine	13	13	-
St. Croix International Waterway	85	85	-
Disability Rights Center	146	146	-
Maine Historical Society	95	95	-
Maine Hospice Counsel	64	64	-
Maine Development Foundation	58	58	-
Maine Public Broadcasting Corporation	1,650	1,650	-
Maine State Housing Authority	4,000	4,000	-
Maine Potato Board	161	161	-
Pine Tree Legal	650	650	-
Maine Community College System	82,598	82,598	-
	<u>451,212</u>	<u>444,273</u>	<u>6,939</u>
<b>Grand Total</b>	<u>\$ 5,362,375</u>	<u>\$ 5,012,925</u>	<u>\$ 349,450</u>





**BUDGETARY COMPARISON SCHEDULE  
HIGHWAY FUND EXPENDITURES BY AGENCY**

Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Actual Budget</u>
<b>Department of Administrative and Financial Services</b>			
Administrative Services	\$ 2,196	\$ 1,931	\$ 265
Financial Services	856	731	125
	<u>3,052</u>	<u>2,662</u>	<u>390</u>
<b>Department of Environmental Protection</b>	<u>38</u>	<u>37</u>	<u>1</u>
<b>Legislative Department</b>			
Legislative	<u>13</u>	<u>-</u>	<u>13</u>
<b>Department of Transportation</b>			
Transportation	<u>432,603</u>	<u>396,963</u>	<u>35,640</u>
<b>Department of Public Safety</b>	<u>35,876</u>	<u>34,597</u>	<u>1,279</u>
<b>Secretary of State</b>			
Motor Vehicles	<u>57,533</u>	<u>46,526</u>	<u>11,007</u>
<b>Grand Total</b>	<u>\$ 529,115</u>	<u>\$ 480,785</u>	<u>\$ 48,330</u>

**STATE OF MAINE**  
**BUDGETARY COMPARISON SCHEDULE**  
**FEDERAL FUND EXPENDITURES BY AGENCY**

Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Department of Administrative and Financial Services</b>			
Administrative Services	\$ 2,327	\$ 2,327	\$ -
Bureau of Information Services	42,646	14,072	28,574
Financial Services	11,250	2,186	9,064
Financial and Personnel Services	1,029	878	151
Purchasing	1,009	178	831
State Employee Health Commission	8	-	8
	<u>58,269</u>	<u>19,641</u>	<u>38,628</u>
<b>Department of Agriculture, Conservation and Forestry</b>	<u>70,518</u>	<u>25,719</u>	<u>44,799</u>
<b>Attorney General</b>	<u>6,183</u>	<u>3,151</u>	<u>3,032</u>
<b>Department of Corrections</b>			
Corrections	4,925	1,826	3,099
Maine State Prison	1	-	1
Maine Correctional Center	63	-	63
Charleston Correctional Facility	75	-	75
Long Creek Youth Development Center	231	196	35
	<u>5,295</u>	<u>2,022</u>	<u>3,273</u>
<b>Department of Economic and Community Development</b>	<u>172,572</u>	<u>81,896</u>	<u>90,676</u>
<b>Department of Environmental Protection</b>	<u>60,324</u>	<u>18,887</u>	<u>41,437</u>
<b>Department of Human Services</b>			
Human Services	<u>4,046,162</u>	<u>3,621,196</u>	<u>424,966</u>
<b>Department of Labor</b>	<u>139,186</u>	<u>78,548</u>	<u>60,638</u>
<b>Department of Transportation</b>			
Transportation	549,884	368,591	181,293
Air Transportation	3,636	1,181	2,455
Ferry Service/Ports and Marine	1,700	166	1,534
Rail/Van Pool	10,100	6,684	3,416
	<u>565,320</u>	<u>376,622</u>	<u>188,698</u>
<b>Defense, Veterans and Emergency Management</b>	<u>227,717</u>	<u>120,540</u>	<u>107,177</u>
<b>Department of Education</b>			
Education	818,812	468,072	350,740
Education - Unorganized Territory	979	779	200
	<u>819,791</u>	<u>468,851</u>	<u>350,940</u>
<b>General Government</b>			
Office of the Governor	19,380	3,960	15,420
Ombudsman Program	71	57	14
	<u>19,451</u>	<u>4,017</u>	<u>15,434</u>
<b>Department of Inland Fisheries and Wildlife</b>	<u>41,518</u>	<u>19,819</u>	<u>21,699</u>
<b>Judicial Department</b>	<u>1,516</u>	<u>821</u>	<u>695</u>
<b>Department of Marine Resources</b>	<u>49,131</u>	<u>12,915</u>	<u>36,216</u>

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Department of Professional and Financial Regulation</b>			
Professional and Financial Regulation	47,778	39,332	8,446
Board of Nursing	10	-	10
<b>Department of Public Safety</b>	27,824	15,655	12,169
<b>Public Utilities Commission</b>	61	48	13
<b>Secretary of State</b>			
Secretary of State	5,541	1,546	3,995
Motor Vehicles	1,335	1,081	254
Archives Services	32	4	28
	6,908	2,631	4,277
<b>Other Agencies</b>			
Maine Maritime Academy	834	834	-
University of Maine	50,995	8,477	42,518
Maine Connectivity Authority	21,000	1,384	19,616
Permanent Commission Status of Racial Indigenous and Tribal	404	111	293
Finance Authority of Maine	6,573	987	5,586
Human Rights Commission	636	435	201
Museum	226	95	131
Maine Historic Preservation Commission	969	798	171
Library	1,777	1,425	352
Arts and Humanities Administration	1,825	1,282	543
Maine Efficiency Trust	60,350	6,950	53,400
Commission on Indigent Legal Services	1,500	-	1,500
Maine Public Broadcasting Corporation	5,583	4,508	1,075
Maine State Housing Authority	34,547	13,510	21,037
Maine Community College System	41,263	7,603	33,660
	228,482	48,399	180,083
<b>Grand Total</b>	<u>\$ 6,594,016</u>	<u>\$ 4,960,710</u>	<u>\$ 1,633,306</u>

**STATE OF MAINE**  
**BUDGETARY COMPARISON SCHEDULE**  
**OTHER SPECIAL REVENUE FUND EXPENDITURES BY AGENCY**

Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Department of Administrative and Financial Services</b>			
Administrative Services	\$ 35,862	\$ 19,099	\$ 16,763
Bureau of Information Services	949	573	376
Financial Services	56,598	45,475	11,123
Human Resources	5	-	5
Financial and Personnel Services	30	16	14
Liquor and Lottery	19	13	6
Marijuana	9,430	3,900	5,530
State Employee Health Commission	75	-	75
Purchasing	4	-	4
	<u>102,972</u>	<u>69,076</u>	<u>33,896</u>
<b>Department of Agriculture, Conservation and Forestry</b>	<u>249,210</u>	<u>76,188</u>	<u>173,022</u>
<b>Attorney General</b>	<u>23,899</u>	<u>22,282</u>	<u>1,617</u>
<b>State Auditor</b>	<u>3,228</u>	<u>2,552</u>	<u>676</u>
<b>Department of Corrections</b>			
Corrections	1,335	243	1,092
Maine State Prison	133	83	50
Maine Correctional Center	417	-	417
Charleston Correctional Facility	152	54	98
Long Creek Youth Development Center	43	-	43
County Jail Operations	566	103	463
	<u>2,646</u>	<u>483</u>	<u>2,163</u>
<b>Department of Economic and Community Development</b>	<u>38,438</u>	<u>22,640</u>	<u>15,798</u>
<b>Department of Environmental Protection</b>			
Department of Environmental Protection	<u>67,293</u>	<u>40,391</u>	<u>26,902</u>
<b>Department of Human Services</b>			
Human Services	<u>765,482</u>	<u>666,012</u>	<u>99,470</u>
<b>Department of Labor</b>			
Labor	35,606	14,388	21,218
Labor Relations Board	140	46	94
	<u>35,746</u>	<u>14,434</u>	<u>21,312</u>
<b>Department of Transportation</b>			
Transportation	480,050	156,219	323,831
Air Transportation	2,993	1,102	1,891
Ferry Service/Ports & Maine	366	293	73
Rail/Van Pool	4,680	1,445	3,235
	<u>488,089</u>	<u>159,059</u>	<u>329,030</u>
<b>Defense, Veterans and Emergency Management</b>	<u>12,323</u>	<u>4,169</u>	<u>8,154</u>
<b>Department of Education</b>			
Education	58,230	33,237	24,993
Education - Unorganized Territory	8	-	8
	<u>58,238</u>	<u>33,237</u>	<u>25,001</u>
<b>General Government</b>			
Office of the Governor	3,894	1,549	2,345
Public Advocate	4,372	2,973	1,399
	<u>8,266</u>	<u>4,522</u>	<u>3,744</u>
<b>Department of Inland Fisheries and Wildlife</b>	<u>16,191</u>	<u>7,933</u>	<u>8,258</u>
<b>Judicial Department</b>	<u>16,459</u>	<u>10,643</u>	<u>5,816</u>
<b>Legislative Department</b>			
Legislative	<u>14</u>	<u>7</u>	<u>7</u>

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Department of Marine Resources</b>	12,769	8,518	4,251
<b>Department of Professional and Financial Regulation</b>			
Professional and Financial Regulation	37,764	27,539	10,225
Board of Dental Examiners	5	-	5
Board of Nursing	1,511	1,468	43
Board of Optometry	107	105	2
Board of Osteopathic Examination and Registration	312	283	29
Board of Professional Engineers	405	398	7
Board of Registration in Medicine	2,558	1,990	568
	<u>42,662</u>	<u>31,783</u>	<u>10,879</u>
<b>Department of Public Safety</b>	<u>63,823</u>	<u>34,968</u>	<u>28,855</u>
<b>Public Utilities Commission</b>	<u>26,729</u>	<u>21,670</u>	<u>5,059</u>
<b>Secretary of State</b>			
Secretary of State	819	554	265
Motor Vehicles	1,445	730	715
Archives Services	34	-	34
	<u>2,298</u>	<u>1,284</u>	<u>1,014</u>
<b>Treasurer of State</b>	<u>262,150</u>	<u>260,816</u>	<u>1,334</u>
<b>Other Agencies</b>			
Maine Maritime	199	199	-
University of Maine	5,269	4,841	428
Worker's Compensation Board	14,773	14,110	663
Maine Health Data Organization	2,545	1,802	743
Permanent Commission Status of Racial Indigenous and Tribal	51	-	51
Maine Charter School	877	735	142
Maine Redevelopment Land Bank Authority	1,845	1,845	-
Baxter State Park Authority	6,518	5,388	1,130
Com. On Governmental Ethics and Election Practices	5,855	3,994	1,861
Finance Authority of Maine	4,809	4,581	228
Saco River Corridor Commission	175	175	-
Human Rights Commission	108	35	73
Board of Property Tax Review	3	-	3
Museum	466	105	361
Maine State Cultural Affairs Council	66	3	63
Maine Historic Preservation Commission	506	167	339
Library	1,158	764	394
Lobster Promotion Council	2,306	1,438	868
Arts and Humanities Administration	104	17	87
Maine Efficiency Trust	161	158	3
Commission on Indigent Legal Services	32,951	25,244	7,707
Telecommunication Relay Services Council	663	229	434
Maine Children's Trust Incorporated	48	4	44
Maine State Housing Authority	88,249	87,654	595
Maine Potato Board	1,586	797	789
ConnectME Authority	1,716	-	1,716
Maine Community College System	12,663	12,507	156
Wild Blueberry Commission of Maine	1,780	1,142	638
	<u>187,450</u>	<u>167,934</u>	<u>19,516</u>
<b>Grand Total</b>	<u>\$ 2,486,375</u>	<u>\$ 1,660,601</u>	<u>\$ 825,774</u>



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# NON-MAJOR ENTERPRISE FUNDS

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Lottery Fund – This fund was established to account for all operations of the Maine State Lottery. This includes the Tri-State Lotto Commission and the Multi-State Lottery Association. The Tri-State Lotto Commission was established in 1985 and is a joint venture between the States of Maine, New Hampshire, and Vermont. The Commission is authorized and empowered to promulgate rules and regulations regarding the conduct of lottery games, including the prices of tickets, the number and size of prizes for winning tickets, and the licensing of agents. The Multi-State Lottery Association was established in July 2004 and is authorized to initiate, promulgate, administer and carry out one or more lottery product offerings.

Alcoholic Beverages Fund - This fund was established to license and regulate the sale of alcoholic beverages. During fiscal year 2014, the State entered into a ten-year contract with a vendor to manage and operate wholesale liquor distribution as the State's agent.

Maine Military Authority Fund – This fund was created for the purpose of operating the Maine Readiness Sustainment Maintenance Center. The Center maintains, rebuilds, repairs, stores and manufactures equipment for the United States Departments of Defense, Army, Air Force, Navy and Treasury.

State Ferry Service Fund – This fund accounts for the operation of ferry services between the mainland and various islands for the purpose of transporting vehicles, freight, and passengers to and from those islands.

Prison Industries Fund – This fund accounts for a self-supporting program of job training through the employment of inmates in manufacturing and selling products.

Dirigo Health Agency – This fund was created to arrange for the provision of comprehensive, affordable health care coverage to eligible small employers, including the self-employed, their employees and dependents, and individuals on a voluntary basis.

Consolidated Emergency Communications Fund – This fund accounts for payments made by municipal, county, and state governmental entities towards the implementation and on-going costs of the Statewide Communication System.

Competitive Skills Scholarship Fund – This fund provides scholarships to eligible Maine residents to access post-secondary education including certificate programs and two- and four-year degrees.

Maine Retirement Savings Program Fund – The fund accounts for administrative costs and expenses of the Maine Retirement Savings Program which is to promote individual retirement savings through a Public-Private partnership.

**STATE OF MAINE**  
**COMBINING STATEMENT OF NET POSITION**  
**NON-MAJOR ENTERPRISE FUNDS**

June 30, 2024  
(Expressed in Thousands)

	<u>Lottery</u>	<u>Alcoholic Beverages</u>	<u>Maine Military Authority</u>	<u>Ferry Service</u>
<b>Assets</b>				
Current assets:				
Equity in Treasurer's Cash Pool	\$ -	\$ 2,886	\$ -	\$ 232
Cash & Short-Term Investments	750	-	-	3
Cash with Fiscal Agent	-	2,224	-	-
Restricted Assets				
Restricted Deposits & Investments	-	-	-	-
Inventories	-	-	-	207
Receivables, Net of Allowance for Uncollectibles:				
Other Receivable	33,178	3,460	-	142
Due from Other Funds	-	-	-	-
Total Current assets	<u>33,928</u>	<u>8,570</u>	<u>-</u>	<u>584</u>
Noncurrent Assets:				
Equity in Treasurer's Cash Pool	-	2,098	-	168
Capital Assets, Net of Accumulated Depreciation	-	956	-	79,436
Total Noncurrent Assets	<u>-</u>	<u>3,054</u>	<u>-</u>	<u>79,604</u>
Total Assets	<u>33,928</u>	<u>11,624</u>	<u>-</u>	<u>80,188</u>
<b>Deferred Outflows of Resources</b>	<u>\$ 618</u>	<u>\$ 127</u>	<u>\$ -</u>	<u>\$ 2,646</u>
<b>Liabilities</b>				
Current Liabilities:				
Accounts Payable	\$ 2,793	\$ 7,400	\$ -	\$ 536
Accrued Payroll	119	36	-	378
Due to Other Funds	602	29	170	169
Current Portion of Long-Term Obligations:				
Certificates of Participation and Other Financing Arrangements	-	428	-	-
Compensated Absences	10	5	-	86
Other Accrued Liabilities	27,765	2	-	-
Total Current Liabilities	<u>31,289</u>	<u>7,900</u>	<u>170</u>	<u>1,169</u>
Long-Term Liabilities				
Certificates of Participation & Other Financing Arrangements	-	1,714	-	-
Compensated Absences	66	31	-	565
Net Pension Liability	1,326	236	-	5,175
Net Other Post-Employment Benefit Liability	645	106	-	2,498
Total Long-Term Liabilities	<u>2,037</u>	<u>2,087</u>	<u>-</u>	<u>8,238</u>
Total Liabilities	<u>33,326</u>	<u>9,987</u>	<u>170</u>	<u>9,407</u>
<b>Deferred Inflows of Resources</b>	<u>\$ 717</u>	<u>\$ 114</u>	<u>\$ -</u>	<u>\$ 2,812</u>
<b>Net Position</b>				
Net Investment in Capital Assets				
Unrestricted	503	694	(170)	(8,821)
Total Net Position	<u>\$ 503</u>	<u>\$ 1,650</u>	<u>\$ (170)</u>	<u>\$ 70,615</u>



<u>Prison Industries</u>	<u>Dirigo Health</u>	<u>Consolidated Emergency Communications</u>	<u>Competitive Skills Scholarship Fund</u>	<u>Maine Retirement Savings Program</u>	<u>Total Other Enterprise Funds</u>
\$ 416	\$ 37	\$ 530	\$ 9,504	\$ 687	\$ 14,292
1	-	-	-	-	754
-	-	-	-	-	2,224
-	-	-	11	-	11
5,665	-	-	-	-	5,872
9	-	11	-	-	36,800
5	-	1,915	-	-	1,920
<u>6,096</u>	<u>37</u>	<u>2,456</u>	<u>9,515</u>	<u>687</u>	<u>61,873</u>
302	27	386	6,910	499	10,390
128	-	138	-	-	80,658
<u>430</u>	<u>27</u>	<u>524</u>	<u>6,910</u>	<u>499</u>	<u>91,048</u>
<u>6,526</u>	<u>64</u>	<u>2,980</u>	<u>16,425</u>	<u>1,186</u>	<u>152,921</u>
\$ 93	\$ -	\$ 2,254	\$ 250	\$ -	\$ 5,988
\$ 56	\$ -	\$ 1	\$ 70	\$ -	\$ 10,856
12	-	459	48	-	1,052
18	-	153	26	-	1,167
-	-	-	-	-	428
1	-	43	5	-	150
-	-	-	-	-	27,767
<u>87</u>	<u>-</u>	<u>656</u>	<u>149</u>	<u>-</u>	<u>41,420</u>
-	-	-	-	-	1,714
6	-	291	33	-	992
194	-	4,400	531	-	11,862
72	-	2,037	273	-	5,631
<u>272</u>	<u>-</u>	<u>6,728</u>	<u>837</u>	<u>-</u>	<u>20,199</u>
<u>359</u>	<u>-</u>	<u>7,384</u>	<u>986</u>	<u>-</u>	<u>61,619</u>
\$ 83	\$ -	\$ 2,290	\$ 300	\$ -	\$ 6,316
128	-	138	-	-	80,658
<u>6,049</u>	<u>64</u>	<u>(4,578)</u>	<u>15,389</u>	<u>1,186</u>	<u>10,316</u>
\$ 6,177	\$ 64	\$ (4,440)	\$ 15,389	\$ 1,186	\$ 90,974

**STATE OF MAINE**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**NON-MAJOR ENTERPRISE FUNDS**

Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)

	<u>Lottery</u>	<u>Alcoholic Beverages</u>	<u>Maine Military Authority</u>	<u>Ferry Service</u>
<b>Operating Revenues</b>				
Charges for Services	\$ 429,083	\$ 257,639	\$ -	\$ 6,742
Assessments	-	-	-	-
Miscellaneous Revenues	219	-	-	-
Total Operating Revenues	<u>429,302</u>	<u>257,639</u>	<u>-</u>	<u>6,742</u>
<b>Operating Expenses</b>				
General Operations	343,962	191,627	271	14,324
Depreciation and Amortization	-	-	-	3,139
Total Operating Expenses	<u>343,962</u>	<u>191,627</u>	<u>271</u>	<u>17,463</u>
Operating Income (Loss)	<u>85,340</u>	<u>66,012</u>	<u>(271)</u>	<u>(10,721)</u>
<b>Nonoperating Revenues (Expenses)</b>				
Other Nonoperating Revenues (Expenses) - net	468	212	(1)	57
Interest Expense	-	(79)	-	-
Operating Subsidy and Grants	-	-	-	1,000
Total Nonoperating Revenues (Expenses)	<u>468</u>	<u>133</u>	<u>(1)</u>	<u>1,057</u>
Income (Loss) Before Capital Contributions, Transfers and Special Items	<u>85,808</u>	<u>66,145</u>	<u>(272)</u>	<u>(9,664)</u>
<b>Capital Contributions, Transfers and Special Items</b>				
Capital Contributions from (to) Other Funds	-	-	-	17,349
Transfer from Other Funds	-	-	129	7,496
Transfer to Other Funds	<u>(96,682)</u>	<u>(67,147)</u>	<u>-</u>	<u>-</u>
Total Capital Contributions, Transfers In (Out) and Special Items	<u>(96,682)</u>	<u>(67,147)</u>	<u>129</u>	<u>24,845</u>
Change in Net Position	<u>(10,874)</u>	<u>(1,002)</u>	<u>(143)</u>	<u>15,181</u>
Net Position - Beginning of Year (as restated)	<u>11,377</u>	<u>2,652</u>	<u>(27)</u>	<u>55,434</u>
Net Position - End of Year	<u>\$ 503</u>	<u>\$ 1,650</u>	<u>\$ (170)</u>	<u>\$ 70,615</u>

<u>Prison Industries</u>	<u>Dirigo Health</u>	<u>Consolidated Emergency Communications</u>	<u>Competitive Skills Scholarship Fund</u>	<u>Maine Retirement Savings Program</u>	<u>Total Other Enterprise Funds</u>
\$ 2,068	\$ -	\$ 7,928	\$ -	\$ -	\$ 703,460
-	-	-	7,494	-	7,494
-	-	-	-	-	219
<u>2,068</u>	<u>-</u>	<u>7,928</u>	<u>7,494</u>	<u>-</u>	<u>711,173</u>
1,645	-	7,750	1,554	269	561,402
20	-	19	-	-	3,178
<u>1,665</u>	<u>-</u>	<u>7,769</u>	<u>1,554</u>	<u>269</u>	<u>564,580</u>
<u>403</u>	<u>-</u>	<u>159</u>	<u>5,940</u>	<u>(269)</u>	<u>146,593</u>
31	-	-	439	50	1,256
-	-	-	-	-	(79)
-	-	-	-	1,600	2,600
<u>31</u>	<u>-</u>	<u>-</u>	<u>439</u>	<u>1,650</u>	<u>3,777</u>
<u>434</u>	<u>-</u>	<u>159</u>	<u>6,379</u>	<u>1,381</u>	<u>150,370</u>
-	-	-	-	-	17,349
-	-	-	-	-	7,625
-	-	-	-	-	(163,829)
-	-	-	-	-	(138,855)
<u>434</u>	<u>-</u>	<u>159</u>	<u>6,379</u>	<u>1,381</u>	<u>11,515</u>
<u>5,743</u>	<u>64</u>	<u>(4,599)</u>	<u>9,010</u>	<u>(195)</u>	<u>79,459</u>
<u>\$ 6,177</u>	<u>\$ 64</u>	<u>\$ (4,440)</u>	<u>\$ 15,389</u>	<u>\$ 1,186</u>	<u>\$ 90,974</u>

**STATE OF MAINE**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NON-MAJOR ENTERPRISE FUNDS**

Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)

	<u>Lottery</u>	<u>Alcoholic Beverages</u>	<u>Maine Military Authority</u>	<u>Ferry Service</u>
<b>Cash Flows from Operating Activities</b>				
Receipts from Customers and Users	\$ 429,191	\$ 258,032	\$ -	\$ 6,696
Cash Received from Interfund Services	11,708	19	143	75
Payments to Prize Winners	(291,307)	-	-	-
Payments to Suppliers	(50,763)	(192,255)	(154)	(4,880)
Payments to Employees	(1,805)	(325)	(110)	(9,006)
Payments for Interfund Goods and Services	(810)	(521)	(7)	(809)
Net Cash Provided (Used) by Operating Activities	<u>96,214</u>	<u>64,950</u>	<u>(128)</u>	<u>(7,924)</u>
<b>Cash Flows from Noncapital Financing Activities</b>				
Transfers from Other Funds	-	-	129	7,496
Transfers to Other Funds	(96,682)	(67,147)	-	-
Operating Subsidy and Grants	-	-	-	1,000
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(96,682)</u>	<u>(67,147)</u>	<u>129</u>	<u>8,496</u>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Payments for Acquisition of Capital Assets	-	(596)	-	(1,038)
Principal and Interest Paid on Financing Arrangements	-	(508)	-	-
Proceeds from Sale of Capital Assets	-	-	-	2
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>-</u>	<u>(1,104)</u>	<u>-</u>	<u>(1,036)</u>
<b>Cash Flows from Investing Activities</b>				
Investment Income	468	212	(1)	55
Net Cash Provided (Used) by Investing Activities	<u>468</u>	<u>212</u>	<u>(1)</u>	<u>55</u>
Net Increase (Decrease) in Cash/Cash Equivalents	-	(3,089)	-	(409)
Cash/Cash Equivalents - Beginning of Period	750	10,297	-	812
Cash/Cash Equivalents - End of Period	<u>\$ 750</u>	<u>\$ 7,208</u>	<u>\$ -</u>	<u>\$ 403</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>				
Operating Income (Loss)	<u>\$ 85,340</u>	<u>\$ 66,012</u>	<u>\$ (271)</u>	<u>\$ (10,721)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Depreciation Expense	-	-	-	3,139
Decrease (Increase) in Assets & Liabilities				
Accounts Receivable	(111)	393	-	(2)
Interfund Balances	11,708	19	143	31
Inventories	-	-	-	60
Deferred Outflows	176	18	-	564
Increase (Decrease) in Liabilities				
Accounts Payable	(1,341)	(1,532)	-	108
Accrued Payroll Expense	25	12	-	24
Compensated Absences	14	9	-	31
Deferred Inflows	277	53	-	1,141
Net Pension Liability	(24)	36	-	71
Other Accruals	788	(1)	-	-
Net OPEB Liability	(638)	(69)	-	(2,370)
Total Adjustments	10,874	(1,062)	143	2,797
Net Cash Provided (Used) by Operating Activities	<u>\$ 96,214</u>	<u>\$ 64,950</u>	<u>\$ (128)</u>	<u>\$ (7,924)</u>
<b>Non Cash Investing, Capital and Financing Activities</b>				
Contributed Capital Assets	-	-	-	17,349

<b>Prison Industries</b>	<b>Dirigo Health</b>	<b>Consolidated Emergency Communications</b>	<b>Competitive Skills Scholarship Fund</b>	<b>Maine Retirement Savings Program</b>	<b>Total Other Enterprise Funds</b>
\$ 1,411	\$ -	\$ 1,491	\$ 9,381	\$ -	\$ 706,202
692	-	6,599	17	-	19,253
-	-	-	-	-	(291,307)
(924)	-	(366)	(752)	(89)	(250,183)
(329)	-	(7,203)	(748)	-	(19,526)
(944)	-	(782)	(125)	(180)	(4,178)
<u>(94)</u>	<u>-</u>	<u>(261)</u>	<u>7,773</u>	<u>(269)</u>	<u>160,261</u>
-	-	-	-	-	7,625
-	-	-	-	-	(163,829)
-	-	-	-	-	1,000
-	-	-	-	-	(155,204)
-	-	(157)	-	-	(1,791)
-	-	-	-	-	(508)
-	-	-	-	-	2
-	-	(157)	-	-	(2,297)
31	-	-	439	50	1,254
31	-	-	439	50	1,254
(63)	-	(418)	8,212	(219)	4,014
782	64	1,334	8,213	1,405	23,657
<u>\$ 719</u>	<u>\$ 64</u>	<u>\$ 916</u>	<u>\$ 16,425</u>	<u>\$ 1,186</u>	<u>\$ 27,671</u>
<u>\$ 403</u>	<u>\$ -</u>	<u>\$ 159</u>	<u>\$ 5,940</u>	<u>\$ (269)</u>	<u>\$ 146,593</u>
20	-	19	-	-	3,178
17	-	46	-	-	343
18	-	116	1,904	-	13,939
(480)	-	-	-	-	(420)
17	-	457	80	-	1,312
(11)	-	(6)	49	-	(2,733)
(2)	-	43	5	-	107
(10)	-	43	(1)	-	86
24	-	876	112	-	2,483
(12)	-	37	(30)	-	78
-	-	-	-	-	787
(78)	-	(2,051)	(286)	-	(5,492)
(497)	-	(420)	1,833	-	13,668
<u>\$ (94)</u>	<u>\$ -</u>	<u>\$ (261)</u>	<u>\$ 7,773</u>	<u>\$ (269)</u>	<u>\$ 160,261</u>
-	-	-	-	-	17,349



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# INTERNAL SERVICE FUNDS

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Motor Transport Service Fund – This fund accounts for all the equipment and vehicle operations of the Department of Transportation.

Postal, Printing and Supply Fund – This fund accounts for the purchase of general office supplies, materials and photocopiers required by any State department or agency, the purchase of and contract for all postal and mailing services, duplicating needs, and the acquisition and disposition of State and federal surplus property. This fund is also used to administer the State's Procurement Card Program.

Information Services Fund – This fund accounts for the costs of providing information services in data processing and telecommunications and for coordinating data processing services including computer operations, programming and applications systems development, technical support and networking services.

Risk Management Fund – This fund accounts for resources generated and used to provide insurance advice and services for all forms of insurance except health and workers' compensation. This includes insurance for automobile, fire, liability and any other type of coverage that may be necessary to protect the State against financial loss.

Workers' Compensation Fund – This fund accounts for resources generated and used to provide workers compensation advice and insurance services.

Central Fleet Management Fund – This fund accounts for the cost of administering a uniform program for the operation and maintenance of all State vehicles except those of the Department of Transportation and Public Safety.

Leased Space Fund – This fund accounts for State facilities leasing activities and maintains records of State agency property, leasing needs and all available space owned, leased and potentially available for lease.

Revenue Services Fund – This fund accounts for the resources generated and used to provide up-to-date information to facilitate compliance with Maine tax law and to help reduce common mistakes in filing tax forms.

Retiree Health Insurance Fund – This fund accounts for post retirement health care premiums and benefits for most retired state employees and Legislators, for a portion of the premiums for teachers, and for a portion of the premiums for county and municipal law enforcement officers and firefighters (First Responders).

Employee Health Insurance Fund – This fund accounts for health care premiums and benefits for most state employees.

Statewide Radio & Network Systems Fund – This fund accounts for resources generated and used to acquire, expand, upgrade and replace a statewide radio and network system for use by State agencies.

Financial & Personnel Services Fund – This fund accounts for centralized services provided by the Department of Administrative and Financial Services. Services provided include personnel administration, employee relations, budget management, general administration, and accounting.

Transportation Facilities Fund – This fund accounts for the purchase, operation, maintenance, improvement, repair, construction, and management of buildings owned by the Department of Transportation.

Governmental Facilities Authority Fund – This fund includes the operations of the Maine Governmental Facilities Authority, a blended component unit. The Authority was created to assist in the financing, equipping, improvement, reconstruction, acquisition, and construction of additions to structures designed for use as a court facility, State office or State activity space.

Industrial Drive Facility Fund – This fund accounts for the managing and operation of the facility at 66 Industrial Drive in Augusta. The facility consolidates agencies performing similar work in an effort to promote resource sharing.

**STATE OF MAINE**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**

June 30, 2024  
(Expressed in Thousands)

	<b>Motor Transport Services</b>	<b>Postal, Printing &amp; Supply</b>	<b>Information Services</b>	<b>Risk Management</b>
<b>Assets</b>				
Current Assets:				
Equity in Treasurer's Cash Pool	\$ 3,222	\$ -	\$ 2,809	\$ 16,956
Cash & Short-Term Investments	-	1	-	-
Cash with Fiscal Agent	87	-	-	-
Restricted Assets:				
Restricted Deposits & Investments	-	-	-	-
Inventories	5,035	868	7	-
Receivables, Net of Allowance for Uncollectibles:				
Other Receivable	26	122	386	252
Due from Other Funds	140	3,854	27,853	490
Other Assets	-	69	11,781	2,319
Total Current Assets	<u>8,510</u>	<u>4,914</u>	<u>42,836</u>	<u>20,017</u>
Noncurrent Assets:				
Equity in Treasurer's Cash Pool	2,343	-	2,043	12,330
Receivables, Net of Current Portion	-	-	-	-
Capital Assets, Net of Accumulated Depreciation	46,374	535	8,046	-
Right to Use Assets, Net of Accumulated Amortization	-	-	26,557	-
Total Noncurrent Assets	<u>48,717</u>	<u>535</u>	<u>36,646</u>	<u>12,330</u>
Total Assets	<u>57,227</u>	<u>5,449</u>	<u>79,482</u>	<u>32,347</u>
<b>Deferred Outflows of Resources</b>	<u>\$ 3,384</u>	<u>\$ 744</u>	<u>\$ 15,048</u>	<u>\$ 195</u>
<b>Liabilities</b>				
Current Liabilities:				
Accounts Payable	\$ 416	\$ 814	\$ 4,359	\$ 42
Accrued Payroll	459	135	2,605	39
Due to Other Funds	295	14,171	5,578	233
Due to Component Units	-	-	-	-
Current Portion of Long-Term Obligations:				
Certificates of Participation and Other Financing Arrangements	8	-	-	-
Obligations for Right to Use Assets	-	-	10,038	-
Claims Payable	-	-	-	-
Compensated Absences	102	17	363	6
Unearned Revenue	-	-	-	222
Accrued Interest Payable	-	-	-	-
Total Current Liabilities	<u>1,280</u>	<u>15,137</u>	<u>22,943</u>	<u>542</u>
Long-Term Liabilities:				
Working Capital Advances Payable	-	111	-	-
Certificates of Participation & Other Financing Arrangements	-	-	-	-
Obligations for Right to Use Assets	-	-	16,195	-
Claims Payable	-	-	-	11,142
Compensated Absences	674	115	2,393	39
Net Other Post-Employment Benefit Liability	3,613	771	15,604	173
Net Pension Liability	7,109	1,578	31,048	399
Total Long-Term Liabilities	<u>11,396</u>	<u>2,575</u>	<u>65,240</u>	<u>11,753</u>
Total Liabilities	<u>12,676</u>	<u>17,712</u>	<u>88,183</u>	<u>12,295</u>
<b>Deferred Inflows of Resources</b>	<u>\$ 3,959</u>	<u>\$ 861</u>	<u>\$ 17,244</u>	<u>\$ 196</u>
<b>Net Position</b>				
Net Investment in Capital Assets	46,453	535	9,314	-
Restricted for:				
Other Purposes	-	-	-	-
Unrestricted	(2,477)	(12,915)	(20,211)	20,051
Total Net Position	<u>\$ 43,976</u>	<u>\$ (12,380)</u>	<u>\$ (10,897)</u>	<u>\$ 20,051</u>



(Continued)

<u>Workers' Compensation</u>	<u>Central Fleet Management</u>	<u>Leased Space</u>	<u>Revenue Services</u>	<u>Retiree Health Insurance</u>	<u>Employee Health Insurance</u>	<u>Statewide Radio &amp; Network Systems</u>
\$ 27,284	\$ 805	\$ -	\$ 155	\$ 39,172	\$ 118,206	\$ 16
-	1	-	-	-	-	-
-	6,143	-	-	-	-	5,040
-	-	-	-	-	-	-
-	28	-	-	-	-	-
-	55	754	1	904	3,880	-
1,039	2,347	432	-	9,920	9,158	-
20	-	10	-	-	-	-
<u>28,343</u>	<u>9,379</u>	<u>1,196</u>	<u>156</u>	<u>49,996</u>	<u>131,244</u>	<u>5,056</u>
19,839	586	-	113	28,482	85,949	12
-	-	4,126	-	-	-	-
-	31,134	-	-	-	-	26,951
-	-	231,031	-	-	-	-
<u>19,839</u>	<u>31,720</u>	<u>235,157</u>	<u>113</u>	<u>28,482</u>	<u>85,949</u>	<u>26,963</u>
<u>48,182</u>	<u>41,099</u>	<u>236,353</u>	<u>269</u>	<u>78,478</u>	<u>217,193</u>	<u>32,019</u>
\$ 685	\$ 359	\$ 66	\$ -	\$ -	\$ 497	\$ -
\$ 681	\$ 411	\$ 33	\$ -	\$ 9,748	\$ 2,541	\$ -
115	71	6	-	-	119	-
67	442	355	7	6	6,325	-
-	-	-	-	2,827	-	-
-	3,955	-	-	-	-	2,014
-	-	7,820	-	-	-	-
7,452	-	-	-	4,103	12,308	-
18	10	1	-	1	18	-
-	-	-	-	-	-	-
-	197	-	-	-	-	-
<u>8,333</u>	<u>5,086</u>	<u>8,215</u>	<u>7</u>	<u>16,685</u>	<u>21,311</u>	<u>2,014</u>
-	-	-	-	-	-	-
-	20,750	-	-	-	-	9,863
-	-	232,103	-	-	-	-
43,783	-	-	-	-	-	-
118	67	6	-	8	120	-
579	365	73	-	-	392	-
1,357	759	158	-	-	939	-
<u>45,837</u>	<u>21,941</u>	<u>232,340</u>	<u>-</u>	<u>8</u>	<u>1,451</u>	<u>9,863</u>
<u>54,170</u>	<u>27,027</u>	<u>240,555</u>	<u>7</u>	<u>16,693</u>	<u>22,762</u>	<u>11,877</u>
\$ 660	\$ 407	\$ 4,683	\$ -	\$ -	\$ 448	\$ -
-	12,572	-	-	-	-	20,114
-	-	-	-	-	-	28
(5,963)	1,452	(8,819)	262	61,785	194,480	-
<u>\$ (5,963)</u>	<u>\$ 14,024</u>	<u>\$ (8,819)</u>	<u>\$ 262</u>	<u>\$ 61,785</u>	<u>\$ 194,480</u>	<u>\$ 20,142</u>

**STATE OF MAINE**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS (CONTINUED)**

June 30, 2024  
(Expressed in Thousands)

	<b>Financial &amp; Personnel Services</b>	<b>Transportation Facilities</b>	<b>Governmental Facilities Authority</b>	<b>Industrial Drive Facility</b>	<b>Total Internal Service Funds</b>
<b>Assets</b>					
Current Assets:					
Equity in Treasurer's Cash Pool	\$ 3,004	\$ 2,038	\$ -	\$ 174	\$ 213,841
Cash & Short-Term Investments	-	-	-	-	2
Cash with Fiscal Agent	-	-	-	-	11,270
Restricted Assets:					
Restricted Deposits & Investments	-	-	4,052	-	4,052
Inventories	-	-	-	-	5,938
Receivables, Net of Allowance for Uncollectibles:					
Other Receivable	-	1	-	-	6,381
Due from Other Funds	557	-	-	-	55,790
Other Assets	-	-	-	-	14,199
Total Current Assets	<u>3,561</u>	<u>2,039</u>	<u>4,052</u>	<u>174</u>	<u>311,473</u>
Noncurrent Assets:					
Equity in Treasurer's Cash Pool	2,184	1,481	-	127	155,489
Receivables, Net of Current Portion	-	-	-	-	4,126
Capital Assets, Net of Accumulated Depreciation	-	41,179	-	10,754	164,973
Right to Use Assets, Net of Accumulated Amortization	-	-	-	-	257,588
Total Noncurrent Assets	<u>2,184</u>	<u>42,660</u>	<u>-</u>	<u>10,881</u>	<u>582,176</u>
Total Assets	<u>5,745</u>	<u>44,699</u>	<u>4,052</u>	<u>11,055</u>	<u>893,649</u>
<b>Deferred Outflows of Resources</b>	<u>\$ 8,326</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,304</u>
<b>Liabilities</b>					
Current Liabilities:					
Accounts Payable	\$ 52	\$ 65	\$ -	\$ 82	\$ 19,244
Accrued Payroll	1,100	-	-	-	4,649
Due to Other Funds	603	-	-	1	28,083
Due to Component Units	-	-	-	-	2,827
Current Portion of Long-Term Obligations:					
Certificates of Participation and Other Financing Arrangements	-	-	-	-	5,977
Obligations for Right to Use Assets	-	-	-	-	17,858
Claims Payable	-	-	-	-	23,863
Compensated Absences	222	-	-	-	758
Unearned Revenue	-	-	-	-	222
Accrued Interest Payable	-	-	2,009	-	2,206
Total Current Liabilities	<u>1,977</u>	<u>65</u>	<u>2,009</u>	<u>83</u>	<u>105,687</u>
Long-Term Liabilities:					
Working Capital Advances Payable	-	-	-	-	111
Certificates of Participation & Other Financing Arrangements	-	-	-	-	30,613
Obligations for Right to Use Assets	-	-	-	-	248,298
Claims Payable	-	-	-	-	54,925
Compensated Absences	1,464	-	-	-	5,004
Net Other Post-Employment Benefit Liability	8,008	-	-	-	29,578
Net Pension Liability	17,654	-	-	-	61,001
Total Long-Term Liabilities	<u>27,126</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>429,530</u>
Total Liabilities	<u>29,103</u>	<u>65</u>	<u>2,009</u>	<u>83</u>	<u>535,217</u>
<b>Deferred Inflows of Resources</b>	<u>\$ 9,004</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,462</u>
<b>Net Position</b>					
Net Investment in Capital Assets	-	41,179	-	10,754	140,921
Restricted for:					
Other Purposes	-	-	226	-	254
Unrestricted	(24,036)	3,455	1,817	218	209,099
Total Net Position	<u>\$ (24,036)</u>	<u>\$ 44,634</u>	<u>\$ 2,043</u>	<u>\$ 10,972</u>	<u>\$ 350,274</u>



**STATE OF MAINE**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**

Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)

	<b>Motor Transport Services</b>	<b>Postal, Printing &amp; Supply</b>	<b>Information Services</b>	<b>Risk Management</b>
<b>Operating Revenues</b>				
Charges for Services	\$ 40,834	\$ 38,911	\$ 155,448	\$ 9,651
Miscellaneous Revenues	-	-	1,156	-
Total Operating Revenues	<u>40,834</u>	<u>38,911</u>	<u>156,604</u>	<u>9,651</u>
<b>Operating Expenses</b>				
General Operations	30,026	40,321	114,775	4,005
Depreciation and Amortization	7,361	1	16,567	-
Claims/Fees Expense	-	-	-	2,824
Total Operating Expenses	<u>37,387</u>	<u>40,322</u>	<u>131,342</u>	<u>6,829</u>
Operating Income (Loss)	<u>3,447</u>	<u>(1,411)</u>	<u>25,262</u>	<u>2,822</u>
<b>Nonoperating Revenues (Expenses)</b>				
Investment Revenue (Expenses) - net	264	(600)	(218)	1,186
Interest Expense	-	-	(845)	-
Other Nonoperating Revenue (Expenses) - net	<u>(20)</u>	<u>-</u>	<u>79</u>	<u>4</u>
Total Nonoperating Revenues (Expenses) - net	<u>244</u>	<u>(600)</u>	<u>(984)</u>	<u>1,190</u>
Income (Loss) Before Capital Contributions, Transfers and Special Items	<u>3,691</u>	<u>(2,011)</u>	<u>24,278</u>	<u>4,012</u>
<b>Capital Contributions, Transfers and Special Items</b>				
Transfer from Other Funds	-	-	-	-
Total Capital Contributions, Transfers In (Out) and Special Items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	<u>3,691</u>	<u>(2,011)</u>	<u>24,278</u>	<u>4,012</u>
Net Position - Beginning of Year (as restated)	<u>40,285</u>	<u>(10,369)</u>	<u>(35,175)</u>	<u>16,039</u>
Net Position - End of Year	<u>\$ 43,976</u>	<u>\$ (12,380)</u>	<u>\$ (10,897)</u>	<u>\$ 20,051</u>

(Continued)

<b>Workers' Compensation</b>	<b>Central Fleet Management</b>	<b>Leased Space</b>	<b>Revenue Services</b>	<b>Retiree Health Insurance</b>	<b>Employee Health Insurance</b>	<b>Statewide Radio &amp; Network Systems</b>
\$ 18,518	\$ 15,095	\$ 31,519	\$ 112	\$ 41,631	\$ 164,129	\$ -
43	38	-	-	3	1	-
<u>18,561</u>	<u>15,133</u>	<u>31,519</u>	<u>112</u>	<u>41,634</u>	<u>164,130</u>	<u>-</u>
4,520	10,376	19,841	7	37,331	144,786	-
-	4,180	10,398	-	-	-	1,639
8,028	-	-	-	-	-	-
<u>12,548</u>	<u>14,556</u>	<u>30,239</u>	<u>7</u>	<u>37,331</u>	<u>144,786</u>	<u>1,639</u>
<u>6,013</u>	<u>577</u>	<u>1,280</u>	<u>105</u>	<u>4,303</u>	<u>19,344</u>	<u>(1,639)</u>
1,727	24	28	9	3,863	7,474	40
-	(564)	(4,241)	-	-	-	-
-	(141)	-	-	-	-	-
<u>1,727</u>	<u>(681)</u>	<u>(4,213)</u>	<u>9</u>	<u>3,863</u>	<u>7,474</u>	<u>40</u>
<u>7,740</u>	<u>(104)</u>	<u>(2,933)</u>	<u>114</u>	<u>8,166</u>	<u>26,818</u>	<u>(1,599)</u>
-	-	-	-	2,000	-	1,739
-	-	-	-	2,000	-	1,739
<u>7,740</u>	<u>(104)</u>	<u>(2,933)</u>	<u>114</u>	<u>10,166</u>	<u>26,818</u>	<u>140</u>
<u>(13,703)</u>	<u>14,128</u>	<u>(5,886)</u>	<u>148</u>	<u>51,619</u>	<u>167,662</u>	<u>20,002</u>
<u>\$ (5,963)</u>	<u>\$ 14,024</u>	<u>\$ (8,819)</u>	<u>\$ 262</u>	<u>\$ 61,785</u>	<u>\$ 194,480</u>	<u>\$ 20,142</u>

**STATE OF MAINE**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS (CONTINUED)**

Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)

	<b>Financial &amp; Personnel Services</b>	<b>Transportation Facilities</b>	<b>Governmental Facilities Authority</b>	<b>Industrial Drive Facility</b>	<b>Total Internal Service Funds</b>
<b>Operating Revenues</b>					
Charges for Services	\$ 27,978	\$ 2,525	\$ 927	\$ 664	\$ 547,942
Miscellaneous Revenues	-	1,231	-	-	2,472
Total Operating Revenues	<u>27,978</u>	<u>3,756</u>	<u>927</u>	<u>664</u>	<u>550,414</u>
<b>Operating Expenses</b>					
General Operations	24,391	1,036	340	542	432,297
Depreciation and Amortization	-	1,051	-	371	41,568
Claims/Fees Expense	-	-	-	-	10,852
Total Operating Expenses	<u>24,391</u>	<u>2,087</u>	<u>340</u>	<u>913</u>	<u>484,717</u>
Operating Income (Loss)	<u>3,587</u>	<u>1,669</u>	<u>587</u>	<u>(249)</u>	<u>65,697</u>
<b>Nonoperating Revenues (Expenses)</b>					
Investment Revenue (Expenses) - net	-	95	58	19	13,969
Interest Expense	-	-	-	-	(5,650)
Other Nonoperating Revenue (Expenses) - net	-	156	-	-	78
Total Nonoperating Revenues (Expenses) - net	<u>-</u>	<u>251</u>	<u>58</u>	<u>19</u>	<u>8,397</u>
Income (Loss) Before Capital Contributions, Transfers and Special Items	<u>3,587</u>	<u>1,920</u>	<u>645</u>	<u>(230)</u>	<u>74,094</u>
<b>Capital Contributions, Transfers and Special Items</b>					
Transfer from Other Funds	-	-	-	-	3,739
Total Capital Contributions, Transfers In (Out) and Special Items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,739</u>
Change in Net Position	<u>3,587</u>	<u>1,920</u>	<u>645</u>	<u>(230)</u>	<u>77,833</u>
Net Position - Beginning of Year (as restated)	<u>(27,623)</u>	<u>42,714</u>	<u>1,398</u>	<u>11,202</u>	<u>272,441</u>
Net Position - End of Year	<u>\$ (24,036)</u>	<u>\$ 44,634</u>	<u>\$ 2,043</u>	<u>\$ 10,972</u>	<u>\$ 350,274</u>



**STATE OF MAINE**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**

Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)

	<b>Motor Transport Services</b>	<b>Postal, Printing &amp; Supply</b>	<b>Information Services</b>	<b>Risk Management</b>
<b>Cash Flows from Operating Activities</b>				
Receipts from Customers and Users	\$ 1,055	\$ 3,238	\$ 7,184	\$ 2,083
Cash Received from Interfund Services	40,050	37,869	148,392	7,281
Payments to Suppliers	(9,291)	(29,390)	(52,116)	(3,074)
Payments to Employees	(10,425)	(2,200)	(43,989)	(582)
Payments for Interfund Goods and Services	(11,775)	(8,916)	(38,549)	(4,083)
Net Cash Provided (Used) by Operating Activities	<u>9,614</u>	<u>601</u>	<u>20,922</u>	<u>1,625</u>
<b>Cash Flows from Noncapital Financing Activities</b>				
Transfers from Other Funds	-	-	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Payments for Acquisition of Capital Assets	(11,681)	(1)	(6,043)	-
Proceeds from Financing Arrangements	-	-	-	-
Principal and Interest Paid on Financing Arrangements	-	-	(9,888)	-
Proceeds from Sale of Capital Assets	109	-	79	4
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(11,572)</u>	<u>(1)</u>	<u>(15,852)</u>	<u>4</u>
<b>Cash Flows from Investing Activities</b>				
Investment Revenue	264	(600)	(218)	1,186
Net Cash Provided (Used) by Investing Activities	<u>264</u>	<u>(600)</u>	<u>(218)</u>	<u>1,186</u>
Net Increase (Decrease) in Cash/Cash Equivalents	(1,694)	-	4,852	2,815
Cash/Cash Equivalents - Beginning of Period (as restated)	7,346	1	-	26,471
Cash/Cash Equivalents - End of Period	<u>\$ 5,652</u>	<u>\$ 1</u>	<u>\$ 4,852</u>	<u>\$ 29,286</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>				
Operating Income (Loss)	\$ 3,447	\$ (1,411)	\$ 25,262	\$ 2,822
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Depreciation and Amortization Expense	7,361	1	16,567	-
Decrease (Increase) in Assets				
Accounts Receivable	(16)	23	474	8
Interfund Balances	100	2,078	(16,510)	(61)
Due from Other Governments	-	-	-	-
Inventories	187	97	-	-
Other Assets	-	(2)	(1,502)	(380)
Deferred Outflows	1,061	219	4,364	42
Increase (Decrease) in Liabilities				
Accounts Payable	(269)	33	1,829	(761)
Accrued Payroll Expense	35	25	219	10
Due to Other Governments	-	-	-	-
Compensated Absences	(13)	(8)	66	14
Deferred Inflows	1,531	335	6,671	76
Net Pension Liability	(196)	(22)	(760)	10
Other Accruals	-	-	-	8
Net OPEB Liability	(3,614)	(767)	(15,758)	(163)
Total Adjustments	6,167	2,012	(4,340)	(1,197)
Net Cash Provided (Used) by Operating Activities	<u>\$ 9,614</u>	<u>\$ 601</u>	<u>\$ 20,922</u>	<u>\$ 1,625</u>
<b>Non Cash Investing, Capital and Financing Activities</b>				
Property Leased, Accrued or Acquired	-	-	-	-
Subscription Based Assets	-	-	3,188	-
Disposal of Asset - Gain (Loss)	(129)	-	-	-



(Continued)

<b>Workers' Compensation</b>	<b>Central Fleet Management</b>	<b>Leased Space</b>	<b>Revenue Services</b>	<b>Retiree Health Insurance</b>	<b>Employee Health Insurance</b>	<b>Statewide Radio &amp; Network Systems</b>
\$ 1,667	\$ 91	\$ 1,307	\$ -	\$ 35,193	\$ 153,383	\$ -
17,607	15,101	30,595	112	7,498	17,041	-
(10,096)	(4,472)	(19,693)	(7)	(35,907)	(140,813)	-
(2,147)	(1,096)	(164)	-	(100)	(1,785)	-
(996)	(4,843)	(275)	-	(1,399)	(996)	-
<u>6,035</u>	<u>4,781</u>	<u>11,770</u>	<u>105</u>	<u>5,285</u>	<u>26,830</u>	<u>-</u>
-	-	-	-	2,000	-	1,739
-	-	-	-	2,000	-	1,739
-	(14,509)	(9,712)	-	-	-	(3,672)
-	9,500	-	-	-	-	5,000
-	(4,566)	(2,014)	-	-	-	(1,739)
-	472	-	-	-	-	-
-	(9,103)	(11,726)	-	-	-	(411)
<u>1,727</u>	<u>24</u>	<u>(44)</u>	<u>9</u>	<u>3,863</u>	<u>7,474</u>	<u>40</u>
<u>1,727</u>	<u>24</u>	<u>(44)</u>	<u>9</u>	<u>3,863</u>	<u>7,474</u>	<u>40</u>
7,762	(4,298)	-	114	11,148	34,304	1,368
39,361	11,833	-	154	56,506	169,851	3,700
<u>\$ 47,123</u>	<u>\$ 7,535</u>	<u>\$ -</u>	<u>\$ 268</u>	<u>\$ 67,654</u>	<u>\$ 204,155</u>	<u>\$ 5,068</u>
<u>\$ 6,013</u>	<u>\$ 577</u>	<u>\$ 1,280</u>	<u>\$ 105</u>	<u>\$ 4,303</u>	<u>\$ 19,344</u>	<u>\$ (1,639)</u>
-	4,180	10,398	-	-	-	1,639
-	3	233	(1)	1,053	3,139	-
(277)	30	29	1	(3,328)	2,369	-
-	-	869	-	-	-	-
-	(4)	-	-	-	-	-
691	-	(10)	-	-	-	-
124	106	30	-	-	57	-
260	(16)	(101)	-	19	(1,379)	-
(1)	9	(10)	-	-	27	-
-	-	-	-	2,116	-	-
4	23	(3)	-	2	44	-
249	158	(844)	-	-	173	-
31	(7)	(17)	-	-	45	-
(509)	79	-	-	1,120	3,360	-
(550)	(357)	(84)	-	-	(349)	-
<u>22</u>	<u>4,204</u>	<u>10,490</u>	<u>-</u>	<u>982</u>	<u>7,486</u>	<u>1,639</u>
<u>\$ 6,035</u>	<u>\$ 4,781</u>	<u>\$ 11,770</u>	<u>\$ 105</u>	<u>\$ 5,285</u>	<u>\$ 26,830</u>	<u>\$ -</u>
-	-	9,712	-	-	-	-
-	-	-	-	-	-	-
-	(613)	-	-	-	-	-

**STATE OF MAINE**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS (CONTINUED)**

Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)

	<b>Industrial Drive Facility</b>	<b>Financial &amp; Personnel Services</b>	<b>Transportation Facilities</b>	<b>Governmental Facilities Authority</b>	<b>Total</b>
<b>Cash Flows from Operating Activities</b>					
Receipts from Customers and Users	\$ -	\$ 84	\$ 24	\$ 2,936	\$ 208,245
Cash Received from Interfund Services	672	28,066	3,731	-	354,015
Payments to Suppliers	(494)	(611)	(998)	(413)	(307,375)
Payments to Employees	-	(25,120)	-	-	(87,608)
Payments for Interfund Goods and Services	(13)	(1,707)	(232)	-	(73,784)
Net Cash Provided (Used) by Operating Activities	<u>165</u>	<u>712</u>	<u>2,525</u>	<u>2,523</u>	<u>93,493</u>
<b>Cash Flows from Noncapital Financing Activities</b>					
Transfers from Other Funds	-	-	-	-	3,739
Net Cash Provided (Used) by Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,739</u>
<b>Cash Flows from Capital and Related Financing Activities</b>					
Payments for Acquisition of Capital Assets	-	-	(1,481)	-	(47,099)
Proceeds from Financing Arrangements	-	-	-	-	14,500
Principal and Interest Paid on Financing Arrangements	-	-	-	-	(18,207)
Proceeds from Sale of Capital Assets	-	-	156	-	820
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>(1,325)</u>	<u>-</u>	<u>(49,986)</u>
<b>Cash Flows from Investing Activities</b>					
Investment Revenue	19	-	95	58	13,897
Net Cash Provided (Used) by Investing Activities	<u>19</u>	<u>-</u>	<u>95</u>	<u>58</u>	<u>13,897</u>
Net Increase (Decrease) in Cash/Cash Equivalents	184	712	1,295	2,581	61,143
Cash/Cash Equivalents - Beginning of Period (as restated)	117	4,476	2,224	1,471	323,511
Cash/Cash Equivalents - End of Period	<u>\$ 301</u>	<u>\$ 5,188</u>	<u>\$ 3,519</u>	<u>\$ 4,052</u>	<u>\$ 384,654</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>					
Operating Income (Loss)	\$ (249)	\$ 3,587	\$ 1,669	\$ 587	\$ 65,697
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Depreciation and Amortization Expense	371	-	1,051	-	41,568
Decrease (Increase) in Assets					
Accounts Receivable	-	-	(1)	-	4,915
Interfund Balances	7	(167)	-	-	(15,729)
Due from Other Governments	-	-	-	-	869
Inventories	-	-	-	-	280
Other Assets	-	-	-	-	(1,203)
Deferred Outflows	-	2,151	-	-	8,154
Increase (Decrease) in Liabilities					
Accounts Payable	36	38	(194)	(73)	(578)
Accrued Payroll Expense	-	(328)	-	-	(14)
Due to Other Governments	-	-	-	-	2,116
Compensated Absences	-	71	-	-	200
Deferred Inflows	-	3,379	-	-	11,728
Net Pension Liability	-	(146)	-	-	(1,062)
Other Accruals	-	-	-	2,009	6,067
Net OPEB Liability	-	(7,873)	-	-	(29,515)
Total Adjustments	414	(2,875)	856	1,936	27,796
Net Cash Provided (Used) by Operating Activities	<u>\$ 165</u>	<u>\$ 712</u>	<u>\$ 2,525</u>	<u>\$ 2,523</u>	<u>\$ 93,493</u>
<b>Non Cash Investing, Capital and Financing Activities</b>					
Property Leased, Accrued or Acquired	-	-	-	-	9,712
Subscription Based Assets	-	-	-	-	3,188
Disposal of Asset - Gain (Loss)	-	-	-	-	(742)

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# FIDUCIARY FUNDS

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## **Pension (and Other Employee Benefits) Trusts**

This fund accounts for all of the trust activity occurring in the employees defined benefit pension plan, healthcare and group life insurance other postemployment benefits trusts and defined contribution plans.

## **Private Purpose Trust Funds**

Abandoned Property Fund – This fund accounts for unclaimed property receipts. All holders of property presumed abandoned must report these properties to the Treasurer annually. The Treasurer will honor claims indefinitely.

Revenue on Private Purpose Trusts Fund – This fund accounts for expendable earnings on private purpose trust fund balances.

Lands Reserved Trust Funds – These funds were established to account for revenue derived from the sale of timber from public lands and from appreciation on investments. The income is to be used for school purposes by townships when they become organized towns or plantations.

Maine Universal Service Trust Fund – This fund provides universal land-line service to the poor and to otherwise underserved rural areas.

Maine Telecommunications Education Access Trust Fund – This fund provides schools and qualified libraries with resources to provide computer-based and network services.

## **Custodial Funds**

Bureau of Insurance and Other Custodial Funds – Almost half of these funds represent deposits held for entities that are self-insured for worker's compensation and/or unemployment claims. About one quarter of the funds represent assets held for DHHS clients. Most of the remaining monies include Attorney General's Office anti-trust escrow accounts and balances held for multi-state cost sharing lawsuits.

Self-Insured and Other Custodial Funds – This fund holds worker's compensation deposits for entities that have ceased to exist. Natural resources also holds deposits for municipalities and other entities.

Non-Entitlement Units – This fund accounts for American Rescue Plan (ARP) awards from the federal government that pass through the State of Maine to municipalities that qualify as non-entitlement units.

**STATE OF MAINE**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**PENSION (AND OTHER EMPLOYEE BENEFITS) TRUSTS**

June 30, 2024  
(Expressed in Thousands)

	<b>State/Teacher Defined Benefit Pension Plan</b>	<b>Judicial Defined Benefit Pension Plan</b>	<b>Legislative Defined Benefit Pension Plan</b>	<b>PLD Consolidated Pension Plan</b>	<b>PLD Agent Pension Plan</b>
<b>Assets</b>					
Cash & Short-Term Investments	\$ 11,774	\$ 292	\$ 57	\$ 266	\$ 23
Receivables, Net of Allowance for Uncollectibles:					
Interest and Dividends	2,393	14	3	617	1
Due from Brokers for Securities Sold	20,952	118	23	5,404	9
Due from Primary Government	39,981	-	-	13,084	-
Investments at Fair Value:					
Equity Securities	2,565,443	14,475	2,829	661,733	1,122
Common/Collective Trusts	13,205,900	74,511	14,560	3,406,347	5,777
Securities Lending Collateral	2,669	15	3	689	1
Capital Assets, Net of Accumulated Depreciation	10,031	57	11	2,587	4
Total Assets	<u>15,859,143</u>	<u>89,482</u>	<u>17,486</u>	<u>4,090,727</u>	<u>6,937</u>
<b>Liabilities</b>					
Accounts Payable	\$ 2,475	\$ 14	\$ 3	\$ 638	\$ 1
Obligations Under Securities Lending	2,669	15	3	689	1
Other Accrued Liabilities	44,289	250	49	11,424	19
Total Liabilities	<u>49,433</u>	<u>279</u>	<u>55</u>	<u>12,751</u>	<u>21</u>
<b>Net Position</b>					
Restricted for Pension and Other Post-Employment Benefits	<u>15,809,710</u>	<u>89,203</u>	<u>17,431</u>	<u>4,077,976</u>	<u>6,916</u>
Total Net Position	<u>\$ 15,809,710</u>	<u>\$ 89,203</u>	<u>\$ 17,431</u>	<u>\$ 4,077,976</u>	<u>\$ 6,916</u>

<u>State Healthcare OPEB</u>	<u>MainePERS OPEB Trust</u>	<u>Group Life Insurance OPEB</u>	<u>Group Life Insurance Retired SETP</u>	<u>Group Life Insurance Retired PLD</u>	<u>Defined Contribution Plans</u>	<u>Teachers Healthcare OPEB</u>	<u>Total Pension (and Other Employee Benefits) Trusts</u>
\$ -	\$ -	\$ 3,925	\$ 29	\$ 2	\$ 43	\$ -	\$ 16,411
-	-	-	-	-	-	-	3,028
2,000	-	230	-	77	-	-	26,506
-	-	-	-	-	-	-	55,372
494,064	18,616	11,444	166,937	23,729	69,367	115,318	3,245,602
-	-	-	-	-	-	-	17,606,570
-	-	-	-	-	-	-	3,377
-	-	-	-	-	-	-	12,690
<u>496,064</u>	<u>18,616</u>	<u>15,599</u>	<u>166,966</u>	<u>23,808</u>	<u>69,410</u>	<u>115,318</u>	<u>20,969,556</u>
\$ -	\$ -	\$ 1	\$ 8	\$ 1	\$ -	\$ -	\$ 3,141
-	-	-	-	-	-	-	3,377
<u>112</u>	<u>300</u>	<u>4,323</u>	<u>2,483</u>	<u>428</u>	<u>26</u>	<u>26</u>	<u>63,729</u>
<u>112</u>	<u>300</u>	<u>4,324</u>	<u>2,491</u>	<u>429</u>	<u>26</u>	<u>26</u>	<u>70,247</u>
<u>495,952</u>	<u>18,316</u>	<u>11,275</u>	<u>164,475</u>	<u>23,379</u>	<u>69,384</u>	<u>115,292</u>	<u>20,899,309</u>
<u>\$ 495,952</u>	<u>\$ 18,316</u>	<u>\$ 11,275</u>	<u>\$ 164,475</u>	<u>\$ 23,379</u>	<u>\$ 69,384</u>	<u>\$ 115,292</u>	<u>\$ 20,899,309</u>

**STATE OF MAINE**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**PENSION (AND OTHER EMPLOYEE BENEFITS) TRUSTS**

Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)

	<b>State/Teacher Defined Benefit Pension Plan</b>	<b>Judicial Defined Benefit Pension Plan</b>	<b>Legislative Defined Benefit Pension Plan</b>	<b>PLD Consolidated Pension Plan</b>	<b>PLD Agent Pension Plan</b>
Additions:					
Contributions:					
Members	\$ 179,506	\$ 732	\$ 184	\$ 72,651	\$ 1
State & Local Agency Employers	289,844	456	15	98,716	78
Non-employer Contributing Entity	220,828	-	-	-	-
Transfer from Other Pension Plans	5	-	-	58	-
Investment Income (Loss):					
Net Increase (Decrease) in the Fair Value of Investments	1,175,653	6,616	1,298	302,791	517
Interest & Dividends	52,895	298	58	13,638	23
Securities Lending Income & Borrower Rebates Refunded	178	1	-	46	-
Less Investment Expense:					
Securities Lending Expense	108,894	617	120	27,949	50
Net Investment Income (Loss)	<u>1,119,832</u>	<u>6,298</u>	<u>1,236</u>	<u>288,526</u>	<u>490</u>
Total Additions	<u>1,810,015</u>	<u>7,486</u>	<u>1,435</u>	<u>459,951</u>	<u>569</u>
Deductions:					
Benefits Paid to Participants or Beneficiaries	1,033,968	5,627	599	214,645	771
Refunds & Withdrawals	25,505	-	71	10,555	1,375
Administrative Expenses	13,683	79	16	3,493	7
Transfer to Other Pension Funds	305	-	-	-	29
Claims Processing Expense	-	-	-	-	-
Total Deductions	<u>1,073,461</u>	<u>5,706</u>	<u>686</u>	<u>228,693</u>	<u>2,182</u>
Net Increase (Decrease)	<u>736,554</u>	<u>1,780</u>	<u>749</u>	<u>231,258</u>	<u>(1,613)</u>
Net Position:					
Restricted for Pension and Other Post-Employment Benefits:					
Beginning of Year	<u>15,073,156</u>	<u>87,423</u>	<u>16,682</u>	<u>3,846,718</u>	<u>8,529</u>
End of Year	<u>\$ 15,809,710</u>	<u>\$ 89,203</u>	<u>\$ 17,431</u>	<u>\$ 4,077,976</u>	<u>\$ 6,916</u>

<b>State Healthcare OPEB</b>	<b>MainePERS OPEB Trust</b>	<b>Group Life Insurance OPEB</b>	<b>Group Life Insurance Retired SETP</b>	<b>Group Life Insurance Retired PLD</b>	<b>Defined Contribution Plans</b>	<b>Teachers Healthcare OPEB</b>	<b>Total Pension (and Other Employee Benefits) Trusts</b>
\$ -	\$ -	\$ 5,202	\$ -	\$ -	\$ 5,465	\$ -	\$ 263,741
85,265	12	1,825	7,304	1,498	828	-	485,841
-	-	-	4,859	-	-	38,523	264,210
-	-	-	-	-	271	-	334
61,337	2,286	1,466	20,738	2,957	8,546	12,130	1,596,335
45	-	2	25	4	-	188	67,176
-	-	-	-	-	-	-	225
<u>107</u>	<u>9</u>	<u>6</u>	<u>81</u>	<u>12</u>	<u>52</u>	<u>24</u>	<u>137,921</u>
<u>61,275</u>	<u>2,277</u>	<u>1,462</u>	<u>20,682</u>	<u>2,949</u>	<u>8,494</u>	<u>12,294</u>	<u>1,525,815</u>
<u>146,540</u>	<u>2,289</u>	<u>8,489</u>	<u>32,845</u>	<u>4,447</u>	<u>15,058</u>	<u>50,817</u>	<u>2,539,941</u>
83,265	300	8,377	6,035	975	-	38,523	1,393,085
-	-	-	-	-	6,082	-	43,588
2	-	78	973	141	271	2	18,745
-	-	-	-	-	-	-	334
<u>-</u>	<u>-</u>	<u>118</u>	<u>1,199</u>	<u>176</u>	<u>118</u>	<u>-</u>	<u>1,611</u>
<u>83,267</u>	<u>300</u>	<u>8,573</u>	<u>8,207</u>	<u>1,292</u>	<u>6,471</u>	<u>38,525</u>	<u>1,457,363</u>
<u>63,273</u>	<u>1,989</u>	<u>(84)</u>	<u>24,638</u>	<u>3,155</u>	<u>8,587</u>	<u>12,292</u>	<u>1,082,578</u>
<u>432,679</u>	<u>16,327</u>	<u>11,359</u>	<u>139,837</u>	<u>20,224</u>	<u>60,797</u>	<u>103,000</u>	<u>19,816,731</u>
<u>\$ 495,952</u>	<u>\$ 18,316</u>	<u>\$ 11,275</u>	<u>\$ 164,475</u>	<u>\$ 23,379</u>	<u>\$ 69,384</u>	<u>\$ 115,292</u>	<u>\$ 20,899,309</u>

**STATE OF MAINE**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**PRIVATE PURPOSE TRUSTS**

June 30, 2024  
(Expressed in Thousands)

	<u>Abandoned Property</u>	<u>Revenue on Private Purpose Trusts</u>	<u>Lands Reserved</u>	<u>Maine Universal Service Trust</u>
<b>Assets</b>				
Equity in Treasurer's Cash Pool	\$ 500	\$ -	\$ -	\$ -
Cash & Short-Term Investments	-	-	-	7,019
Investments at Fair Value:				
Investments - Other	-	-	24,078	-
Other Receivable	-	-	-	2,199
Due from Other Funds	66,708	-	-	-
Other Assets	9,960	-	-	-
Total Assets	<u>77,168</u>	<u>-</u>	<u>24,078</u>	<u>9,218</u>
<b>Liabilities</b>				
Accounts Payable	\$ 29	\$ -	\$ -	\$ 5
Due to Other Funds	5	-	-	-
Total Liabilities	<u>34</u>	<u>-</u>	<u>-</u>	<u>5</u>
<b>Net Position Restricted</b>				
Held in Trust for Individuals, Organizations and Other Governments	77,134	-	24,078	9,213
Total Net Position	<u>\$ 77,134</u>	<u>\$ -</u>	<u>\$ 24,078</u>	<u>\$ 9,213</u>



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<b>Maine Telecommunications Education Access Trust</b>	<b>Total Private Purpose Trusts</b>
\$ -	\$ 500
2,969	9,988
-	24,078
1,055	3,254
-	66,708
-	9,960
<u>4,024</u>	<u>114,488</u>
\$ 500	\$ 534
-	5
<u>500</u>	<u>539</u>
<u>3,524</u>	<u>113,949</u>
<u>\$ 3,524</u>	<u>\$ 113,949</u>

**STATE OF MAINE**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**PRIVATE PURPOSE TRUSTS**

Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)

	<u>Abandoned Property</u>	<u>Revenue on Private Purpose Trusts</u>	<u>Lands Reserved</u>	<u>Maine Universal Service Trust</u>
<b>Additions:</b>				
Investment Income (Loss):				
Net Increase (Decrease) in the Fair Value of Investments	\$ -	\$ -	\$ 2,883	\$ -
Interest & Dividends	1,145	471	-	66
Miscellaneous Revenues	44,113	-	-	8,632
Total Additions	<u>45,258</u>	<u>471</u>	<u>2,883</u>	<u>8,698</u>
<b>Deductions:</b>				
Benefits Paid to Participants or Beneficiaries	-	326	-	8,081
Administrative Expenses	359	-	-	38
Transfer to Other Funds	18,901	145	-	-
Total Deductions	<u>19,260</u>	<u>471</u>	<u>-</u>	<u>8,119</u>
Net Increase (Decrease)	25,998	-	2,883	579
Net Position Restricted:				
Held in Trust for Individuals, Organizations and Other Governments:				
Beginning of Year	51,136	-	21,195	8,634
End of Year	<u>\$ 77,134</u>	<u>\$ -</u>	<u>\$ 24,078</u>	<u>\$ 9,213</u>

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<b>Maine Telecommunications Education Access Trust</b>	<b>Total Private Purpose Trusts</b>
\$ -	\$ 2,883
20	1,702
<u>4,184</u>	<u>56,929</u>
<u>4,204</u>	<u>61,514</u>
3,159	11,566
36	433
-	19,046
<u>3,195</u>	<u>31,045</u>
1,009	30,469
<u>2,515</u>	<u>83,480</u>
<u>\$ 3,524</u>	<u>\$ 113,949</u>

**STATE OF MAINE**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**CUSTODIAL FUNDS**

June 30, 2024  
(Expressed in Thousands)

	<b>Bureau of Insurance &amp; Other</b>	<b>Self-Insured &amp; Other</b>	<b>Non-Entitlement Units</b>	<b>Total Custodial Funds</b>
<b>Assets</b>				
Equity in Treasurer's Cash Pool	\$ 1,577	\$ 12,090	\$ 699	\$ 14,366
Cash & Short-Term Investments	-	27	-	27
Settlements Receivable	-	34,763	-	34,763
Investments Held on Behalf of Others	-	69,625	-	69,625
Other Assets	-	35	-	35
Total Assets	<u>1,577</u>	<u>116,540</u>	<u>699</u>	<u>118,816</u>
<b>Liabilities</b>				
Accounts Payable	\$ 1	\$ 24	\$ -	\$ 25
Other Accrued Liabilities	-	1,949	-	1,949
Total Liabilities	<u>1</u>	<u>1,973</u>	<u>-</u>	<u>1,974</u>
<b>Net Position</b>				
Held for Individuals, Organizations and Other Governments	<u>\$ 1,576</u>	<u>\$ 114,567</u>	<u>\$ 699</u>	<u>\$ 116,842</u>

**STATE OF MAINE**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**CUSTODIAL FUNDS**

Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)

	<u>Bureau of Insurance &amp; Other</u>	<u>Self-Insured &amp; Other</u>	<u>Non-Entitlement Units</u>	<u>Total Custodial Funds</u>
<b>Additions</b>				
Contributions:				
Other Contributing Entity	\$ 352	\$ 6,147	\$ -	\$ 6,499
Litigation Receipts	-	28,408	-	28,408
Other	767	3,676	-	4,443
Investment Income (Loss):				
Net Increase (Decrease) in the Fair Value of Investments	-	25	-	25
Interest & Dividends	22	77	(1,069)	(970)
Less Investment Expense:				
Net Investment Income (Loss)	<u>22</u>	<u>102</u>	<u>(1,069)</u>	<u>(945)</u>
Total Additions	<u>1,141</u>	<u>38,333</u>	<u>(1,069)</u>	<u>38,405</u>
<b>Deductions:</b>				
Benefits Paid to Participants, Beneficiaries or Clients	828	22,195	-	23,023
Refunds & Withdrawals	633	102	-	735
Restitution Payments	-	1,080	-	1,080
Miscellaneous Disbursements	-	2,501	-	2,501
Total Deductions:	<u>1,461</u>	<u>25,878</u>	<u>-</u>	<u>27,339</u>
Net Increase (Decrease)	(320)	12,455	(1,069)	11,066
<b>Net Position:</b>				
Held for Individuals, Organizations and Other Governments				
Beginning of Year (as restated)	<u>1,896</u>	<u>102,112</u>	<u>1,768</u>	<u>105,776</u>
End of Year	<u>\$ 1,576</u>	<u>\$ 114,567</u>	<u>\$ 699</u>	<u>\$ 116,842</u>



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# NON-MAJOR COMPONENT UNIT FINANCIAL STATEMENTS

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Efficiency Maine Trust – was established for the purpose of administering programs for energy efficiency and alternative energy resources to help individuals and businesses in Maine meet their energy needs at the lowest cost. Financial statements are available by contacting the Executive Director, Efficiency Maine Trust, 168 Capitol Street, Suite 104, Augusta, ME 04330.

Maine Connectivity Authority – was established for the purpose of achieving the universal access of affordable high-speed broadband in Maine. Financial statements are available by contacting [info@maineconnectivity.org](mailto:info@maineconnectivity.org).

Maine Maritime Academy – is a college specializing in ocean and marine programs at the undergraduate and graduate levels. The operation of the Academy is subject to review by the federal government. Financial statements are available by contacting Maine Maritime Academy, 1 Pleasant Street, Castine, ME 04420.

Midcoast Regional Redevelopment Authority – is responsible for acquiring and managing Naval Air Station Brunswick properties in both Brunswick and Topsham and implementing the Reuse Master Plans for each. Financial statements are available by contacting Jeffrey K. Jordan, Deputy Director, Midcoast Regional Redevelopment Authority, 15 Terminal Road, Brunswick, ME 04011.

Northern New England Passenger Rail Authority – initiates, establishes and maintains regularly scheduled passenger rail service between points within Maine to points within and outside of Maine. Financial statements are available by contacting Patricia Quinn, Executive Director, 75 West Commercial Street, Suite 104, Portland, ME 04101.

**STATE OF MAINE**  
**COMBINING STATEMENT OF NET POSITION**  
**NON-MAJOR COMPONENT UNITS**

June 30, 2024  
(Expressed in Thousands)

	Efficiency Maine Trust	Maine Maritime Academy	Midcoast Regional Redevelopment Authority	Northern New England Passenger Rail Authority	Maine Connectivity Authority	Total Non-Major Component Units
<b>Assets</b>						
Current Assets:						
Equity in Treasurer's Cash Pool	\$ -	\$ 2	\$ -	\$ -	\$ 217	\$ 219
Cash & Short-Term Investments	-	19,242	4,514	4,413	7,372	35,541
Investments	-	18,456	-	-	-	18,456
Restricted Assets:						
Restricted Deposits & Investments	92,838	3,202	-	-	-	96,040
Inventories	-	1,209	70	-	-	1,279
Receivables, Net of Allowance for Uncollectibles:						
Loans, Leases & Notes Receivable	-	334	38,303	-	-	38,637
Other Receivable	808	2,518	2,459	191	3,449	9,425
Due from Other Governments	-	-	-	3,025	-	3,025
Due from Primary Government	5,809	-	-	-	-	5,809
Other Assets	106	643	24	138	-	911
Total Current Assets	<u>99,561</u>	<u>45,606</u>	<u>45,370</u>	<u>7,767</u>	<u>11,038</u>	<u>209,342</u>
Noncurrent Assets:						
Equity in Treasurer's Cash Pool	-	1	-	-	158	159
Restricted Assets	-	87,258	-	948	-	88,206
Investments	-	15,089	-	-	-	15,089
Receivables, Net of Current Portion:						
Loans, Leases & Notes Receivable	16,615	1,803	-	-	-	18,418
Other Receivables	-	64	-	-	-	64
Due from Primary Government	-	-	-	827	-	827
Capital and Right to Use Assets, Net	219	36,956	113,277	13,753	-	164,205
Other Non-Current Assets	-	5,509	100	-	-	5,609
Total Non-Current Assets	<u>16,834</u>	<u>146,680</u>	<u>113,377</u>	<u>15,528</u>	<u>158</u>	<u>292,577</u>
Total Assets	<u>116,395</u>	<u>192,286</u>	<u>158,747</u>	<u>23,295</u>	<u>11,196</u>	<u>501,919</u>
<b>Deferred Outflows of Resources</b>	<u>-</u>	<u>1,199</u>	<u>-</u>	<u>459</u>	<u>-</u>	<u>1,658</u>
<b>Liabilities</b>						
Current Liabilities:						
Accounts Payable	4,638	5,573	1,940	2,949	945	16,045
Compensated Absences	-	-	57	79	-	136
Due to Primary Government	-	-	1,078	-	-	1,078
Bonds & Notes Payable	-	2,383	661	-	-	3,044
Obligations for Right to Use Assets	103	-	-	272	-	375
Unearned Revenue	11,979	854	49	-	6,634	19,516
Other Accrued Liabilities	269	643	391	-	-	1,303
Total Current Liabilities	<u>16,989</u>	<u>9,453</u>	<u>4,176</u>	<u>3,300</u>	<u>7,579</u>	<u>41,497</u>
Long-Term Liabilities:						
Due to Other Governments	-	163	-	-	-	163
Bonds & Notes Payable	-	32,222	5,821	-	-	38,043
Obligations for Right to Use Assets	85	-	-	824	-	909
Net Pension Liability	-	2,432	-	1,062	-	3,494
Net Other Post-Employment Benefit Liability	-	-	-	477	-	477
Total Long-Term Liabilities	<u>85</u>	<u>34,817</u>	<u>5,821</u>	<u>2,363</u>	<u>-</u>	<u>43,086</u>
Total Liabilities	<u>17,074</u>	<u>44,270</u>	<u>9,997</u>	<u>5,663</u>	<u>7,579</u>	<u>84,583</u>
<b>Deferred Inflows of Resources</b>	<u>-</u>	<u>723</u>	<u>36,239</u>	<u>471</u>	<u>-</u>	<u>37,433</u>
<b>Net Position</b>						
Net Investment in Capital Assets	219	30,765	106,794	12,752	-	150,530
Restricted	99,102	65,601	-	1,302	-	166,005
Unrestricted	-	52,126	5,717	3,566	3,617	65,026
Total Net Position	<u>\$ 99,321</u>	<u>\$ 148,492</u>	<u>\$ 112,511</u>	<u>\$ 17,620</u>	<u>\$ 3,617</u>	<u>\$ 381,561</u>



**STATE OF MAINE**  
**COMBINING STATEMENT OF ACTIVITIES**  
**NON-MAJOR COMPONENT UNITS**

Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)

	Efficiency Maine Trust	Maine Maritime Academy	Midcoast Regional Redevelopment Authority	Northern New England Passenger Rail Authority	Maine Connectivity Authority	Total Non-Major Component Units
<b>General Operations</b>	\$ 101,905	\$ 52,155	\$ 13,601	\$ 33,144	\$ 32,738	\$ 233,543
<b>Program Revenues</b>						
Charges for Services	-	22,763	10,566	14,755	3,295	51,379
Program Investment Income	-	-	-	-	143	143
Operating Grants & Contributions	100,894	2,602	-	14,114	30,936	148,546
Capital Grants & Contributions	-	3,601	3,372	3,932	-	10,905
Net Revenue (Expense)	<u>(1,011)</u>	<u>(23,189)</u>	<u>337</u>	<u>(343)</u>	<u>1,636</u>	<u>(22,570)</u>
<b>General Revenues</b>						
Unrestricted Investment Earnings	-	10,807	148	138	-	11,093
Non-program Specific Grants, Contributions & Appropriations	-	21,032	-	-	-	21,032
Miscellaneous Revenues	-	3,647	409	572	-	4,628
Special Items	-	-	(1,965)	-	-	(1,965)
Total General Revenues	<u>-</u>	<u>35,486</u>	<u>(1,408)</u>	<u>710</u>	<u>-</u>	<u>34,788</u>
Change in Net Position	<u>(1,011)</u>	<u>12,297</u>	<u>(1,071)</u>	<u>367</u>	<u>1,636</u>	<u>12,218</u>
Net Position - Beginning of Year (as restated)	<u>100,332</u>	<u>136,195</u>	<u>113,582</u>	<u>17,253</u>	<u>1,981</u>	<u>369,343</u>
Net Position - End of Year	<u>\$ 99,321</u>	<u>\$ 148,492</u>	<u>\$ 112,511</u>	<u>\$ 17,620</u>	<u>\$ 3,617</u>	<u>\$ 381,561</u>

