



**OFFICE OF THE PRESIDENT**

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To: Governor Janet T. Mills  
Members of the Joint Standing Committee on Education and Cultural Affairs  
Members of the Joint Standing Committee on Appropriations and Financial Affairs  
From: Peter DelGreco, Chair, Board of Trustees, Maine Community College System  
On behalf of the Maine Community College System Board of Trustees  
RE: Board of Trustees Annual Report  
Date: January, 2026

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## **Introduction**

Please accept this report on behalf of the Maine Community College System (MCCS) Board of Trustees. Each year, to comply with Maine Statute, **Title 20-A, Chapter 431 §12718** (Appendix A) the Board of Trustees shall provide the information contained in this report. This reporting requirement was created in 1985 and remains to this day. However, multiple reports have been required in statute in the intervening decades. To streamline this report process, we have included other reports as appendices rather than restating duplicative information.

The MCCS Board of Trustees is proud of how the faculty, adjunct faculty, and staff at Maine's community colleges have met the opportunities and challenges of the ever-shifting higher education landscape and the internal and external challenges of technology. Despite uncertainty, the Maine Free College Scholarship continues to open doors for those who believed that a post-secondary degree was unattainable and our short-term training programs have offered Maine workers unprecedented opportunities to increase their skills to match the needs of the current and future Maine economy. Maine's future, and that of MCCS, still holds some challenges but we feel that with appropriate resources our community can rise. We are pleased to provide Maine policymakers with this information and hope that you will contact us if you have any questions.

## **Budget Information**

Attached to this are MCCS audited financial statements that include FY2025 and FY2024 report (Appendix B). Also attached is the MCCS estimated FY2026 budget (Appendix C).

In 2025, operating revenues which include tuition, fees, auxiliary services, state, federal government and private grants and contracts increased 13.5% as enrollment grew 9.8%. The strong enrollment growth is attributable to the Maine Free Community College Scholarship funding in addition to starting and expanding programs with strong demand.

Free Community College launched in April 2022, with a one-time State investment of \$20 million benefiting the pandemic-era high school graduates from 2020 – 2023. This is a last-dollar scholarship, meaning eligible students must first accept state and federal grants or scholarships awarded to them, with the last-dollar costs of tuition and mandatory fees covered by the free college scholarships. In the first year of the program, 5,562 students attended community college tuition-free. In July 2023, Governor Mills signed the budget passed by the legislature which extended to two more graduating high school classes tuition free community college in Maine. The \$15 million investment was intended to allow students graduating from high school or its equivalent in 2024 and 2025 to attend any Maine community college without paying any tuition or mandatory fees, a value of more than \$3,800 a year. In March 2025 Governor Mills signed a current services budget which funded an additional \$7.3 million to support the higher than estimated number of eligible Free College students enrolled in FY2025. In January of 2025 Governor Mills submitted the 2026/2027 Biennial Budget which included her proposal to make the Free Community College Scholarship a permanent and ongoing program of Maine public higher education. The Biennial Budget passed by the Legislature in June 2025 removes Governor Mills' proposal to make the Free Community College program permanent and ongoing but does provide \$20 million in one-time appropriation to fund graduating high school students from the classes up to 2025.

Operational expenses increased correspondingly with enrollment growth. MCCS's largest expense is payroll. Wages, benefits, and wage-related taxes accounted for between 56 and 62 percent of expenditures in each of the last three years. Over 90 percent of MCCS employees are represented by one of six collective bargaining agreements. Contractually, wages increased an average of 4.5 percent in 2025, 2024, and 2023 to bring wages closer to market levels.

In addition to tuition and fees, MCCS receives annual appropriations from the State of Maine to meet its obligation to provide Maine students of all ages with affordable access to public higher education and training. The annual State appropriation for operations increased 4.6% in FY25 and serves as the indispensable funding pillar for fulfilling our commitment to Maine citizens. In the last fiscal year, MCCS increased its net financial position by \$22.0 million.

## **Current Enrollment**

The Board is pleased to once again report record enrollment in Maine's community colleges.

It is important to note that MCCS has aligned our enrollment reporting with the system used by the University of Maine System. This year marks the first year excluded Early College students who are enrolled while still in high school—our Dual and Concurrent students.

The combination of the Maine Free College Scholarship, enhanced recruiting and marketing, strong transfer agreements with the University of Maine System, and our increased profile throughout Maine due to our short-term training programs and expansion of high demand programs such as nursing and construction trades has led to our record enrollment this year. Our students, our programs, and our services are different than those offered by other public institutions in Maine, even as we collaborate and synchronize our efforts where possible.

For example, we collaborate with the university system to assist high school students in transitioning to postsecondary education, developing and using a shared early college infrastructure. In the summer of 2024, we signed a historic transfer agreement with the University of Maine System called Transfer ME that guarantees a no-hassle transfer and direct admission for our associate degree graduates. In fact, transfers from our system to the University of Maine System reached 811 students this fall, up 13.6% from 2024 and up 29.8% over five years. Approximately 85% of MCCS students who stay in Maine to attend a 4-year institution do so at one of Maine’s public universities. In addition, we have similar transfer agreements with private colleges in Maine called the Maine Guaranteed Transfer program where six Maine private colleges have agreed to guarantee admission to our graduates meeting certain GPA and program requirements. These agreements remove the guesswork, paperwork, and uncertainty from transfer, giving students clarity and support to dream big.

Specific information about individual programs and their enrollment numbers is attached (Appendix D). It is important to note that the data in Appendix D only covers our for-credit programs. MCCS has also significantly expanded short-term workforce training programs that take less than a year to complete and are generally free for students, all coordinated by the system’s Harold Alfond Center for the Advancement of Maine’s Workforce (Alfond Center). The Alfond Center focuses on quickly and efficiently acquiring a particular skill – such as basic construction skills in 10 weeks, a three-week welding course with a weekly \$500 stipend, or a compact nine-month pathway for our medical assisting program. From July 1, 2024 to June 30, 2025 the Center served nearly 18,000 Mainers.

MCCS is on track to train more than 100,000 students in short-term workforce training programs by 2030, the result of a historic five-year grant from the Harold Alfond Foundation. Graduates of the short-

<b>Fall Enrollment up 3% at Maine's Community Colleges</b>			
	<b>Fall Enrollment</b>		
	<b>2024</b>	<b>2025</b>	<b>% Change</b>
<b>Central Maine Community College</b>	<b>3,011</b>	<b>3,248</b>	<b>+7.9%</b>
<b>Eastern Maine Community College</b>	<b>2,120</b>	<b>2,111</b>	<b>-0.4%</b>
<b>Kennebec Valley Community College</b>	<b>1,663</b>	<b>1,629</b>	<b>-2.0%</b>
<b>Northern Maine Community College</b>	<b>663</b>	<b>596</b>	<b>-10.1%</b>
<b>Southern Maine Community College</b>	<b>6,095</b>	<b>6,451</b>	<b>+5.8%</b>
<b>Washington County Community College</b>	<b>631</b>	<b>571</b>	<b>-9.5%</b>
<b>York County Community College</b>	<b>1,183</b>	<b>1,227</b>	<b>+3.7%</b>
<b>MCCS Total</b>	<b>15,366</b>	<b>15,833</b>	<b>+3.0%</b>

*Excludes Early College. All data as of October 15.*

term program are eligible for scholarships toward a degree or certificate program. Information on the Alford Center is in Appendix E.

### **Maine Free College Scholarship<sup>1</sup>**

The Maine Free College Scholarship was proposed by Governor Janet Mills in early 2022 and enacted by the Legislature a few months later. It currently covers 100% of community college tuition and fees for recent high school graduates with eligibility requirements (see below). The state funded the program with an initial \$20 million investment in anticipation of enrolling approximately 8,000 pandemic-era students from 2020-23, and a subsequent \$15 million investment to expand the qualifying years to graduates from 2024-25. Last year the legislature appropriated \$20 million to more fully fund the need for the class of 2025. The \$20 million covers approximately 80% of that need. Unfortunately, the high school classes of 2026 and those following are not eligible for the Maine Free College Scholarship due to the omission of authorizing language in the biennial budget.

The Maine Free College Scholarship has been a major success by multiple measures. Between fall 2022 and fall 2025, 22,327 Maine Free College students have enrolled—far exceeding expectations. The Maine Free College Scholarship opened doors for thousands of Mainers who did not believe they should, or could, attend college. The program has been even more successful than originally envisioned, with 7,978 MFC-eligible students currently enrolled at our colleges - 90% in two-year associate degrees and 10% in one-year certificates. The Maine Free College Scholarship is attracting more men to enroll. The retention rate for the Maine Free College Scholarship students is the same as for non-Free College students. The Maine Free College students are enrolling in higher numbers in career and technical programs. The program has boosted overall enrollment, with a ripple effect of increasing the number of students going into the workforce and increasing the number of transfer students to the University of Maine System and elsewhere. All of this is good news.

#### **Eligibility as of January 1, 2026:**

- **STUDENT REQUIREMENTS:** In order to qualify, MFC students must:
  - Graduate or complete high school equivalency in a qualifying year;
  - File the FAFSA and accept all state and federal aid. As a last-dollar scholarship, students must accept all state and federal aid before receiving MFC funds;
  - Enroll in a degree or certificate program;
  - Live in Maine while enrolled; and
  - Stay on track to complete their degree or certificate, up to 200% of program completion time.

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<sup>1 1</sup> “Free College students” refers to all degree-seeking students who graduated in a qualifying year, whether or not they ultimately received any of the last-dollar Maine Free College funds.

- **STUDENT LIMITATIONS:**
  - Free College students may not earn more than one associate degree under the program;
  - They may earn two stacked, one-year certificates or a certificate and an associate degree in the following scenarios:
    - If the two certificates are stackable (Ex. Heating certificate, Plumbing certificate)
    - If the certificate leads to the associate degree (Ex. Automotive Chassis certificate + Automotive Technology degree)
    - If the two certificates are directly related (Ex. Construction Technology certificate and Electrician Technology certificate)
  
- **STUDENT GRANT AID:** Tuition and fees at Maine’s community colleges is \$4,156 a year for full-time students, the lowest in New England, but that does not cover the full costs of a college education. Maine Free College Scholarship students who qualify for maximum grant aid (before any Maine Free College funds are allocated) receive almost \$10,000 a year (up to \$7,395 in [Pell](#) and up to \$2,500 in [Maine State Grant](#) funds) and can use any additional grant funds to cover the cost of books, supplies, and other related educational expenses. Other states with free college programs have added affiliated grant programs to cover the costs of those other expenses.
  
- **REQUIRING FAFSA:** Requiring the FAFSA and making Free College a last-dollar program is sound fiscal management of state funds, with the added benefit of helping many students realize that financial challenges or poverty does not mean you can’t afford college. We have heard many students say they didn’t realize they would get the state and federal aid until they pursued Free College and filled out the FAFSA.
  
- **ATTRACTING PELL:** As a result of making Free College a last-dollar program, the program has brought more Pell dollars to Maine: \$60 million for MCCS students since the program began. In Fall 2025, 50 percent of Free College students only used state and/or federal aid to pay tuition, 41 percent used only Free College funds, and 9 percent used some of both. Of the \$36.0 million in grant aid distributed to Free College students in Fall 2025, 74% (\$22.6 million) was from state and federal grants, and 26% (\$9.5 million) was from Free College funding.
  
- **ENCOURAGING MAINE HS GRADUATES:** Free College is attracting more graduating seniors from Maine. Before the program was launched, MCCS enrolled about 2,200 direct-from- high-school students each fall. In Fall 2022, MCCS enrolled 2,481 direct-from-high-school graduates; in Fall 2023 we enrolled 3,732; in Fall 2024 we enrolled 3,167 and this fall

we enrolled 3,424.

- **KEEPING MAINE DOLLARS IN STATE:** Although the program is open to all high school graduates, 95% of Free College students have been from Maine, the same as for non-Free College students.
- **ACADEMIC SUCCESS** Free College students are as academically successful as other community college students. Fall-to-spring retention rates were higher for recent high school graduates—our MFC pool (75%) than for our degree-seeking population as a whole (73%). Although lower for all students, the same holds true for our year-over-year population. The recent high school graduate population’s retention rate is 56% compared to 54% overall. These numbers are in line with national averages for community colleges.

Importantly, the Maine Free College program aligns with Maine’s 10-year strategic economic development plan, and the Maine Community College System’s strategic vision (Appendix F). It strengthens the connection between the state’s high schools and the community colleges, and the link between the community colleges and the public universities. It motivates high school students to graduate from high school and stay in Maine, instead of leaving to pursue college or work elsewhere.

It is the strong opinion of the Board of Trustees that the legislature should revisit the Maine Free College Scholarship during the Second Regular Session of the 132<sup>nd</sup> Legislature and provide the Maine Community College System with the authority and funds to continue this incredibly successful and popular program for the high school Class of 2026 and beyond.

### **New Courses or Curricula**

One of the primary responsibilities of the Board of Trustees is to approve the addition or discontinuation of programs at the colleges. The Education subcommittee of the Board meets with program directors, deans, and others to ascertain which programs should be expanded or discontinued and to approve new programs of study. The colleges are required to demonstrate that the program will fill an occupational need, will benefit the students participating in the program, and fits with the mission of the college. Since September 2023, the Board has approved the development of the following programs and certificates:

<b>Academic Year</b>	<b>BOT Meeting</b>	<b>Type of Credential</b>	<b>College</b>	<b>Program</b>	<b>Action</b>
2024-2025	September	AAS	MCCS	Professional Studies	New Program
2024-2025	November	Certificate	CMCC	Health Science Certificate	New Program
2024-2025	November	AAS	EMCC	Special Education	New Program

2024-2025	February	AAS	CMCC	Pre-Engineering	New Program
2024-2025	February	AAS	WCCC	Heating Ventilation Air Conditioning (HVAC)	New Program
2024-2025	February	Certificate	WCCC	Ventilation & Air Conditioning (VA)	New Program
2024-2025	March	AS	CMCC	Data Science	New Program
2024-2025	March	AAS	NMCC	Building Construction Technology	Substantive Change
2024-2025	April	AA	CMCC	Communication and New Media	New Program
2024-2025	April	AAS and Certificate	EMCC	Medical Assistant Technology	Substantive Change
2024-2025	April	AAS and Certificate	EMCC	Emergency Medical Services	Substantive Change

**Postsecondary, CTE, Adult Ed and Job Training Coordination**

Maine’s community colleges partner across the state with secondary education, adult education, other institutions of higher education, employers, and state agencies but particularly with the UMS. Without our partners, we would not be able to serve our students or fulfill our mission.

We report annually to the legislature on many of these activities in other reports. The 2025 Higher Education Coordinating Committee report is due to the legislature in February 2026 and will contain further information on our collaboration with the University of Maine System.

Some highlights of our current and past collaboration with the University of Maine System include:

- Transfer ME** Transfer ME is a direct admission program designed to simplify and accelerate student transfer from MCCS to the UMS. As part of the Guided Pathways framework, it guarantees admission for MCCS students who complete an associate degree in a transfer-aligned program under existing articulation agreements. Students are notified early (now 30 credits) and, once they opt in, receive joint advising from MCCS and UMS through graduation and enrollment. No application or fees are required. We saw our largest number of students opt-ins this past fall and are poised to begin our spring cycle as the semester opens. Now entering its second year, MCCS and UMS will work together to expand outreach to secondary students, families, and schools. Staff and advisors across both systems meet regularly to refine and strengthen the program.
- The Black Bear Advantage** is a systemwide collaborative co-enrollment program between the Maine Community College System and the University of Maine (UMaine). The goal of the program is to provide a chance for students whose goal is transfer to UMaine to experience the

full four-year journey, reaping the benefits of attending a prestigious flagship university, while leveraging the advantages of the Maine Free Community College program and the exceptional educational offerings available to MCCS students.

- **National Institute for Student Success:** Four MCCS campuses and four UMS campuses were selected to join the National Institute for Student Success (NISS). NISS is a program originating from Georgia State College that has received national attention to help colleges and universities identify and resolve institutional barriers to college completion by increasing their capacity to implement proven and scalable student success programs. The MCCS and UMS campuses make up the Quality of Care Maine Learning Cohort and are working with NISS coaches to implement a playbook specific to each campus to deliver on action steps in areas such as structured programs for first-year students, standardized advising systems to ensure consistent supports across campus, and looking at other policies, practices and structures that might be inadvertently hindering student success. In addition to individual campus meetings, the entire Maine Cohort meets with NISS coaches as a group to learn and share while this work is being completed.
- **Common Course Codes:** MCCS is in the midst of undergoing a collaborative process to develop common course codes across our seven campuses. We will shortly move into the testing phase in the student information system and plan to implement common course codes in the spring of 2026 for fall 2027 registration. In cases where UMS has a similar course, full consideration is given to use the UMS course code. We believe common course codes within our system will help students navigate course selection and course search, and later the transfer process to a UMS campus.
- **Math Pathways:** As a part of our ongoing work on Math Pathways and participation in the Launch Year Initiative, MCCS and UMS representatives serve together on the Maine Math Collaborative with the Maine Department of Education to support the scaling of mathematics pathways from high school through postsecondary education and into the workplace and to support the implementation of the Maine State Numeracy Action Plan. In October, the group initiated and promoted a statewide film showing of “Counted Out” which attracted faculty and administrators from across both systems in addition to secondary partners. UMS and MCCS will join Maine Department of Education (MDOE) colleagues as the Maine contingent at the national forum this coming March.
- **Guided Pathways:** Students should be able to enroll in college with confidence and move through their educational experience with clear pathways and few obstacles through to graduation. To meet that shared goal, the MCCS and UMS are working together to create *Guided Pathways* between our two systems and from high school. These pathways are highly structured, educationally coherent program maps that align with students’ goals for careers and further education. Incoming students are given support to explore careers, choose a program of study,

and develop an academic plan early on, have a clear road map of the courses they need to take to complete a credential, and receive guidance and support to help them stay on plan.

- **Dual Enrollment:** MCCS and UMS jointly manage the Aspirations program through a shared online portal, ensuring consistency for students and schools statewide. Together, they have developed the Career Pathway module to help students choose courses with intention and align early college credits to future goals. UMS was generous in sharing their learned knowledge with the platform in workshops with MCCS staff. In 2025, MCCS, UMS, and the Maine Department of Education formalized roles through a Memorandum of Understanding. To maintain equitable access amid funding constraints, the partners adopted a revised reimbursement model and credit limits. Importantly, the credit limits will incorporate early college pathways as Career and Technical Education students may earn six additional credits beyond the standard 18 if enrolled in an approved early college pathway.
- **Shared faculty:** MCCS and UMS share faculty at the discretion of the faculty member. Currently, there are 32 full-time MCCS faculty who also teach at UMS as adjunct faculty.
- **CDS Projects:** The University of Maine System and the Maine Community College System collaborated on requests to Congress that led to funding for \$8 million in joint projects.
- **RFP Piggybacking:** Both UMS and MCCS have boilerplate RFP language allowing for “piggybacking” of procurement of goods and services by the other system under equal pricing and terms. The goal is to secure the best possible pricing for each system/institution, reduce duplication of purchases, and reduce time spent on developing RFPs and bidding out for the same services. From food service to photocopy rentals, the two systems have numerous contracts that allow us to share services to create savings and to better serve our students. Among software systems jointly procured are a common LMS, D2L Brightspace and a dual enrollment registration system, OnCourse.
- **Residential Life:** There are currently 84 SMCC students living in Portland Hall on the USM Portland campus. These students have expressed an interest in transferring to USM after their time at SMCC.
- **Co-located facilities:** There are also several arrangements in which faculty or facilities are shared or co-located. For example, the University of Maine at Presque Isle and Northern Maine Community College share a Certified Registered Nurse/Nurse Practitioner to provide health services to their respective campus communities. UMS and MCCS off-campus centers are co-located in East Millinocket, Houlton, and at Brunswick Landing where SMCC’s Midcoast campus and UMA’s University College at Bath/Brunswick work in close collaboration.
- **Reciprocal student resources:** Finally, universities and community colleges that are in close proximity look for ways to make their resources appropriately available to the other’s students. For example, students at NMCC and UMPI can attend student events at no cost on either

campus, and EMCC students have access to the University of Maine's Folger Library. They also try to coordinate storm and other closings when it is prudent to do so.

In addition to guaranteed transfer and articulation agreements with the University of Maine System's campuses, Maine's community colleges also have numerous articulation agreements and MOUs with private colleges both in and outside of Maine. Below is a representative sample of these collaborations but not an exhaustive list. Our colleges also participate in the Northern New England Transfer Guarantee, an initiative of the New England Board of Higher Education (NEBHE), patterned after a similar initiative in Southern New England, with the goal to increase access and ease transferability of credits for community college students to private institutions of higher education.

- CMCC has articulation/transfer agreements or advising guides with the following non-UMS Institutions of Higher Learning, with continual collaboration to update these: Dunwoody College of Technology, Husson University, MCHP, Maine Maritime, Norwich University, Purdue University Global, Saint Joseph's College of Maine, Southern New Hampshire University, and University of New England.
- EMCC has transfer agreements with Husson University, New England College, New England Culinary Institute, Saint Joseph's College of Maine (online), and Thomas College.
- KVCC collaborates with Vassar and has articulation agreements with Husson University and Saint Joseph's College of Maine.
- NMCC has articulation agreements with Husson University, Thomas College, and Post University.
- SMCC has articulation agreements with the University of New England, Saint Joseph's College of Maine, Colby Sayer and Purdue Global. SMCC also collaborates with Bowdoin College to identify students who would be a good fit to matriculate upon graduation from SMCC and is part of the community college partnership with Smith, Holyoke, and Wellesley Colleges that enables women of nontraditional college age to complete a Bachelor of Arts degree with full tuition and board scholarships.
- WCCC has transfer and articulation agreements with Husson University, New England College of Business, University of New England, Saint Joseph's College of Maine, and the Massachusetts Institute of Technology.
- YCCC: has transfer and articulation agreements with Husson University, Saint Joseph's College of Maine, Southern New Hampshire University, University of New England, Northeastern University, Unity College, Montserrat College of Art, Chamberlain University, Western Governor's University, and UMass Lowell.

In addition to our collaboration with like institutions, we would like to highlight some of our work with secondary schools and the Maine Department of Education.

**MCCS and Department of Education: Academic Collaboration.** As part of the Launch Years Initiative, led by the MCCS and UMS representatives serve together on the Maine Math Collaborative with the Maine Department of Education to support the scaling of mathematics pathways from high school through postsecondary education and into the workplace and to support the implementation of the Maine State Numeracy Action Plan. In October, the group initiated and promoted a statewide film showing of “Counted Out” which attracted faculty and administrators from across both systems in addition to secondary partners. UMS and MCCS will join Maine Department of Education (MDOE) as the Maine contingent at the national forum this coming March. A MCCS staff member also sits on the current Maine Learning Results Taskforce.

MCCS colleges continue to support education development across the field of secondary education. These educator prep programs, built in collaboration with secondary administrators, support initial Ed Tech certification and CTE instructor certification.

**Professional Development in Skilled Trades/CTE:** MCCS has been actively involved in supporting professional development for CTE staff statewide. A staff member from MCCS has sat on the Professional Development Committee of the CTE Directors Association, which plans and delivers the annual fall conference. For the past five years, Maine community college faculty have participated in these activities ensuring that secondary and college instructors are aware of industry trends and best practices while also strengthening the connections between the CTE and college programs.

**Career Paths through CTE Early College:** As the MCCS develops robust career pathways statewide, CTEs are an integral partner. Three colleges have already built regional paths in which CTE students are able to earn career path credentials through early college opportunities. The goal is to build career pathways that can be scaled across the state and to have every CTE offer at least one college credential to CTE students within three years. The first statewide pathways offered are Health Sciences, Business and Electrical. Three colleges have had success offering the following pathways: KVCC – Health Science Certificate; EMCC – Business Management, Automotive Technology, Computer Technology – Coding and Computer Technology-Networking; and YCCC – Mechanical Drafting and Design Certificate. Community college certificates are credentials of value in industry and generally equal to the first year of an associate degree.

**MCCS and Department of Education, Adult Education:** MCCS and the Maine Department of Education have partnered to offer adult education students a free college course while they continue receiving support from their local adult education programs. MCCS covers tuition and fees, while MDOE provides textbooks and materials. This initiative helps students choose courses aligned with their career goals, motivating them to pursue further education and training after completing adult education. Importantly, this program provided the time and support needed for students to develop college success skills before committing to full-time enrollment. Though small in scale, the program is transforming the transition from adult education to college and creating new pathways to opportunity.

MCCS in collaboration with the Department of Education and their local adult education hubs will continue to have navigators at each of the colleges through June 2026. The joint, overarching goal of this partnership is to provide learners who are not eligible for or ready for credit-bearing classes at the community college the opportunity to access Adult Education services on the college's campus, as well as from local adult education programs, and to build pathways for Adult Education Students to post-secondary education. This has been a very successful collaboration.

## **College Needs**

MCCS is undergoing a transformation intended to meet the workforce Maine needs in this new generation of technology-enabled change with an aging demographic. As we evolve, we are increasingly focused on student success with the understanding that a "student" is anyone coming to a college to learn – be that in a short-term training program or an associate degree program.

In assessing the priority needs of the seven community colleges, it is important to note the colleges are united in carrying out the work that supports our strategic vision which in turn coordinates with the State's 10-year economic plan. We continue to focus on growing talent and innovation, increasing wages, and improving productivity and impact.

We operate on lean resources. Strong financial support from the Federal and State government and private foundations and donors translates directly into sustaining a healthy and robust community college system that educates and trains more people and brings incredibly cost-effective value to the economy.

Our colleges are by no way immune to the pressures of inflation, high energy costs, and the ever increasing need to provide our employees with adequate compensation to encourage retention as well as to recruit talented employees.

Senior leadership across the system works collaboratively to find solutions that benefit all the colleges and be as efficient as possible while pursuing our mission. As such, the colleges' individual needs are focused on finding the best ways to serve their unique community, and by extension, the entire state. For example, the state of Maine has a dearth of workers in many fields: construction trades, healthcare, education, commercial drivers; the list goes on. This is our collective need, as a state and as the institution dedicated to training and educating Maine's workforce. As has become apparent from pandemic-related investments, the more funding we receive, the more we can do to build a strong, relevant workforce for Maine. The Maine Jobs and Recovery funds allowed us to jump-start programs and help meet current needs. Our successful outcomes with MJRP funds inspired the Harold Alfond Foundation to invest in the work of MCCS. We are grateful to the Harold Alfond Foundation for their five-year \$75 million grant which allows us to continue our short-term workforce training programs for another five years now that the Maine Jobs and Recovery Program funding is ending.

The Maine Free College Scholarship has opened the doors to a college education for thousands of Mainers who never thought they could ever go to college. The funding for the Maine Free College Scholarship was built on one-time funding for support. We believe Maine will be better served by making the Free College program an ongoing scholarship program.

The Maine Community College System reported to the 129th Legislature that we have \$99.6 million in deferred maintenance, including important health and safety improvements. As your publicly funded institution, we cannot tackle our backlog of maintenance needs without increased state funding. We strive to raise private funds, have used bond funds, and use general operating funds when necessary. However, the Board of Trustees do not feel that raising tuition is a solution to physical plant needs. The increase in tuition would have to be substantial, so other funding options must be explored, including future bond campaigns. To be relevant and effective in this era of change, the MCCS needs a reliable capital improvement fund that enables the colleges to sustain modern technologies in our classrooms and laboratories while appropriately maintaining all our facilities.

We also need to raise the community college profile with the entities that “send” us students: high schools, career centers, CTEs, and employers. Maine’s community colleges are still – unfortunately – one of the state’s best kept secrets. Free College and our enhanced short-term workforce programs through the Harold Alfond Center for the Advancement of Maine’s Workforce has gone a long way towards raising our profile, however we can do more. We offer convenient, low-cost, high-support training and education – delivered by top-notch instructors – with an enduring and passionate commitment to seeing our students succeed.

## **Conclusion**

The Board of Trustees of Maine’s community colleges, your colleges, stand ready to assist the state and her people. Our mission is to serve our students, and in turn, provide the state with the well-educated and trained citizenry needed to move our economy forward and to provide Maine families with a strong financial future. Financial support, strong partnerships, and collaboration are all ways to help us accomplish these goals and serve more people and help build a strong Maine economy. We hope that you will be our partners in this effort and that this report is helpful as you make policy decisions that impact our colleges and their programs.

Appendix A—Statutory reference:

**§12718. Annual report by trustees**

The board of trustees shall prepare an annual report by January 1st of each year, to be submitted to the Governor and joint standing committees of the Legislature having jurisdiction over education and over appropriations and financial affairs. This report must include:

- 1. Budget expenditures.** Budget expenditures for the last complete fiscal year and projected expenditures for the fiscal year in which the report is submitted;
- 2. Current enrollments.** Current enrollments by program at each college;
- 3. Description of new courses or curricula.** A description of any new college courses or curricula;
- 4. Description of activities.** A description of activities undertaken to coordinate postsecondary career and technical training and education throughout the State with secondary career and technical education, adult career and technical education, employment training programs, other employment-related training and other institutions of higher learning;
- 5. Analysis.**
- 6. List.** A list of needs, in order of priority, of the colleges; and
- 7. Other information.** Any other information deemed significant by the board of trustees.

**Attachments:**

- B. Financial Statements for 2024 and 2025 (Berry Dunn)
- C. MCCS FY 26 Board Approved Budget
- D. Fall 2025 MCCS Enrollment Headcount by Program
- E. MQC Annual Report
- F. MCCS Strategic Vision



# Maine Community College System (A Component Unit of the State of Maine)

FINANCIAL STATEMENTS  
and  
SUPPLEMENTARY INFORMATION

June 30, 2024 and 2023  
With Independent Auditor's Report



**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**Financial Statements**

**Years Ended June 30, 2024 and 2023**

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## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Maine Community College System

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the accompanying financial statements of the business-type activities, the aggregate discretely presented component units, and the fiduciary fund of the Maine Community College System (the System), a component unit of the State of Maine, as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

In our opinion, based on our audits 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 business-type activities, the aggregate discretely presented component units, and the fiduciary fund of the System as of June 30, 2024 and 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with U.S. generally accepted accounting principles (U.S. GAAP).

We did not audit the financial statements of certain foundations within the aggregate discretely-presented component units, which represent 57% and 44% of the assets, and 75% and 55% of the revenues, respectively, of the aggregate discretely-presented component units as of June 30, 2024 and 2023, and the respective changes in financial position, and where applicable, cash flows thereof for the years then ended. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion on the aggregate discretely-presented component units, insofar as it relates to the amounts included for these certain foundations, is based solely on the reports of the other auditors.

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

We conducted our audits in accordance with U.S. generally accepted auditing standards (U.S. GAAS) and *Government Auditing Standards*. 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 System and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Change in Accounting Principle***

As discussed in Note 1 to the financial statements, during the year ended June 30, 2024, the System adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections—An Amendment of GASB No. 62*. Our opinion is not modified with respect to that matter.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. GAAP; 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 System's ability to continue as a going concern within 12 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 opinion. 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 U.S. GAAS 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 U.S. GAAS 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 System'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 System'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**

U.S. GAAP require that Management's Discussion and Analysis and the information listed under Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, and/or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. GAAS, 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 audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the System's basic financial statements. The Schedule of Activities is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Activities 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. Such information has been subjected to the auditing procedures applied in the audits 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 U.S. GAAS. In our opinion, the Schedule of Activities is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2024 on our consideration of the System'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 System'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 System's internal control over financial reporting and compliance.

*Berry Dunn McNeil & Parker, LLC*  
Manchester, New Hampshire  
October 15, 2024

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2024**

**Introduction**

The following report is Management's Discussion and Analysis (MD&A) of the financial results for the year ended June 30, 2024, with comparative information for the prior two years. The MD&A should be read in conjunction with the financial statements and related notes that are presented with this report. The MD&A is unaudited supplemental information required by the Governmental Accounting Standards Board (GASB). The purpose of the MD&A is to enhance the understandability and usefulness of the financial statements by providing an objective analysis of the financial activities based on currently known facts, decisions, and conditions. The financial statements, footnotes, and MD&A are management's responsibility.

**General Information about the Maine Community College System**

The history of Maine's community colleges dates to 1946 and the creation of the Maine Vocational Technical Institute within the Maine Department of Education. During the 1960s, five more vocational technical institutes were created, and in 1986 the Maine Vocational Technical Institute System was established as a quasi-governmental organization and autonomous public instrumentality. In 1989, the name was changed to the Maine Technical College System. A seventh college was added in 1994, and on July 1, 2003, the Legislature expanded the System's mission and changed its name to the Maine Community College System (MCCS or the System).

Maine's seven community colleges offer more than 300 degree and certificate options in over 140 occupational fields. More than 75 percent are the only ones of their kind in the state. In all, over 28,000 Maine people are served by the state's community colleges each year, through degree programs, customized training, and credit and non-credit offerings.

The seven-college system consists of Central Maine Community College in Auburn (CMCC), Eastern Maine Community College in Bangor (EMCC), Kennebec Valley Community College in Fairfield and Hinckley (KVCC), Northern Maine Community College in Presque Isle (NMCC), Southern Maine Community College in South Portland and Brunswick (SMCC), Washington County Community College in Calais (WCCC), and York County Community College in Wells (YCCC). Off-campus centers are located in East Millinocket, Dover-Foxcroft, Damariscotta, and Houlton. The System's central office, located in Augusta, Maine, was established by legislation to provide statewide coordination and leadership to the seven colleges.

The System also operates two state-wide programs; Embark and the Maine Quality Centers (MQC). Embark is a comprehensive high school-to-college transition program offered in partnership with secondary schools throughout the state. Embark provides selected students with scholarships to community colleges, access to college courses to juniors and seniors in high school and advising and support throughout a student's high school and community college experience. The MQC program is an economic development program established by the Legislature in 1994. The program provides customized workforce training grants for Maine employers seeking to locate or expand their operations in Maine, or who are interested in providing training to their incumbent workers. The training is coordinated and delivered by the seven community colleges through the Alford Center for the Advancement of Maine's workforce.

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2024**

**Using the Financial Statements**

In addition to this MD&A, the System's financial report includes a Statement of Net Position; Statement of Revenues, Expenses, and Changes in Net Position; and a Statement of Cash Flows, together with related footnotes. These financial statements are presented in accordance with Government Accounting Standards Board (GASB) principles, which establish the standard for external financial reporting for public colleges and universities. The GASB standards require that the financial statements focus on the System as a whole.

In order to provide a more comprehensive understanding of the resources supporting the mission of the MCCS, the GASB also requires that the MCCS report on the assets, liabilities, and activities of organizations that are not owned or managed by MCCS, but that exist for the sole purpose of benefiting the System or its colleges. Accordingly, these financial statements include a Balance Sheet and Statement of Activities for the Maine Community College Educational Foundations (MCCEF) and a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position for the Maine Community College System Other Post-Employment Benefit Trust (MCCS OPEB Trust or Trust). The MCCEF includes six foundations established to support individual colleges and their students. It also includes The Foundation for Maine's Community Colleges which was established in November of 2009 to provide broad-based support to all seven of the state's community colleges. The MCCS OPEB Trust was established under Section 115 of the Internal Revenue Code as an irrevocable trust to manage the assets contributed by the System to fund its long-term obligation to pay the health care and life insurance benefit costs for certain employees after their retirement.

The Statement of Net Position depicts the financial position of the System as of June 30, 2024, with comparative data from June 30, 2023, and includes all of the assets, liabilities, deferred inflows, and deferred outflows of the System. Assets represent what the System owns, plus what is owed to MCCS. Liabilities constitute obligations to make payment to others, plus what the System has collected in advance of providing the related services. Net position represents the residual interest in the MCCS assets after liabilities are deducted, net of deferred inflows and outflows, and the positive or negative change in net position over time is an indicator of the relative financial health of the System. The net position is divided into three primary categories:

*Net investment in capital assets* represent the land, buildings, and equipment that the System has acquired over its life and still uses. Net capital assets are presented after deductions for accumulated depreciation and the outstanding debt incurred to acquire or construct them. This category includes deposits held with bond trustee to service outstanding debt.

*Restricted* net position has inherent limitations and can only be expended for the purposes stipulated by the individual, institution, or governmental unit that directed the resources to the System. *Restricted expendable* net position is available to be used for the intended purpose while *nonexpendable* assets are invested in perpetuity, and the investment income is used for the intended purpose.

*Unrestricted* net position is available for general operations of the System and for dedicated purposes such as capital projects for renewal and replacement, MQC training initiatives, and working capital maintained for departmental and auxiliary enterprise activities. While there are no external constraints on unrestricted net position, MCCS has set aside certain unrestricted net position for future use.

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2024**

The Statement of Revenues, Expenses, and Changes in Net Position presents the operating, non-operating, and other activities of the System for the full fiscal year which runs from July 1<sup>st</sup> to June 30<sup>th</sup>. Two years of revenues, expenses, and changes in net position are presented for comparative purposes.

This statement reports the amounts received from tuition, State appropriations, residential life fees, grants, and services and other items of income against all the costs and outlays incurred in order to operate the System. The costs incurred include salaries and benefits, supplies and overhead expenses, insurances, utilities, and depreciation. The expenses are categorized according to the activity that generated the cost.

The Statement of Cash Flows examines the changes in cash position resulting from a year of operations. Cash flows are separated by the nature of the activity and include operating activities, noncapital financing activities, capital and related financing activities, and investing activities.

Operating activities involve activities relating to the delivery of education and related services. Common examples of cash flows provided by operating activities include tuition, fees, grants, and bookstore and food service sales. Cash flows used in operating activities include payments to employees, vendors, and suppliers.

Noncapital financing activities include appropriations from state government, noncapital grants, and gifts.

Capital and related financing activities include those activities relating to the generation and repayment of funds provided by and paid to lenders as well as grants for acquisition of capital assets. There were a number of capital projects across the System using grant funds. In fiscal year 2024 these projects included: Public Service Simulation Center, Welding Lab upgrade, KHEC Daycare HUD Expansion, Early Childhood Education Center, Nursing Classroom Renovations, Health Simulation Center, Mobile Science Lab, Door Access Integrated Control System, and 8 Portable Virtual Reality Welding Training Simulators. Renewal and Replacement funds were utilized to upgrade to a high-efficiency boiler system, enhance ADA access to campus buildings, and instructional lab upgrades across many programs.

Investing activities include funds used to purchase marketable securities and funds provided from the sale of marketable securities.

**Highlights and Trends Impacting Financial Results**

As a publicly-funded institution of higher education, MCCS receives appropriations from the State of Maine partially subsidizing the cost of attendance at one of the seven community colleges. In 2024, State appropriations for operations increased \$3.35 million or 4.25 percent.

In 2023 State appropriations for operations increased \$4.7 million, or 6.3 percent. This included a 3.1 percent increase in general appropriation and \$2.5 million of funding to expand the nursing programs system-wide.

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

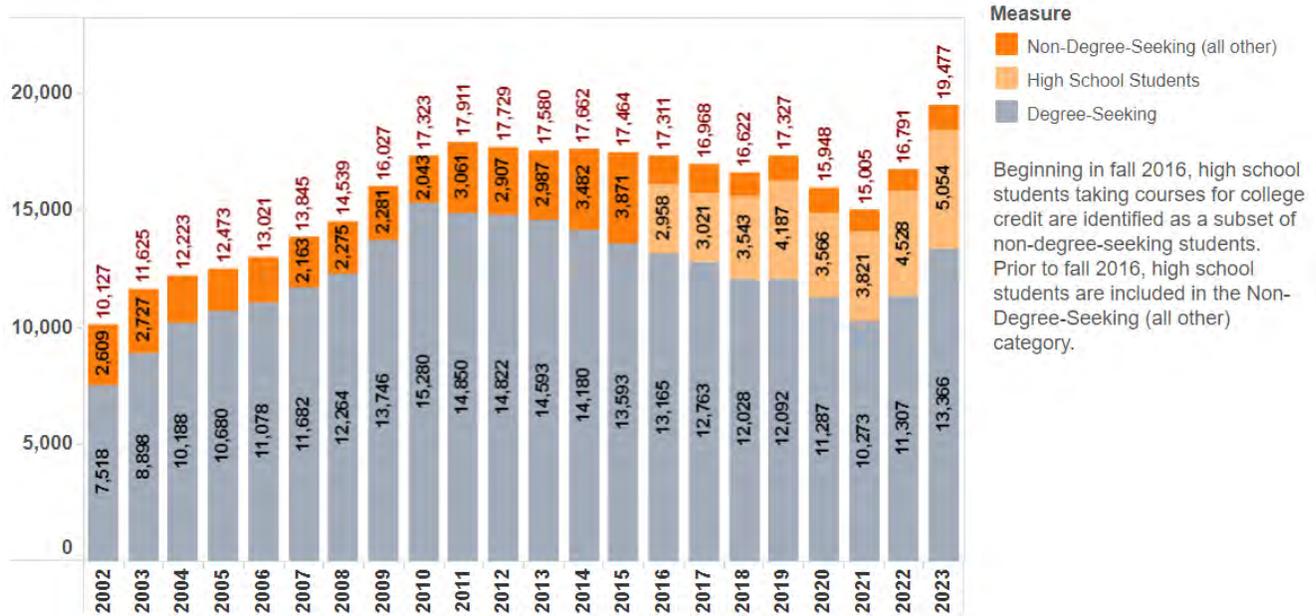
**MANAGEMENT’S DISCUSSION AND ANALYSIS**

**June 30, 2024**

The effect of Maine Free College on enrollment resulted in a headcount of 19,477 in the fall 2023 (fiscal 2024) compared to 16,791 in the fall of 2022, an increase of 16.0 percent. The increase came across all categories of student: degree-seeking, non-degree seeking, and high school students. In 2024, degree seeking and non-degree seeking students increased 18.2 percent and 10.6 percent, respectively. High school students taking courses for college credit increased 11.6 percent.

After making the transition from technical to community colleges in 2003, enrollment system-wide grew to an all-time high in 2011 of 17,911, a 76.9 percent increase. The enrollment growth was partially attributable to the expanded mission of the institutions with more students enrolling in liberal studies programs and taking advantage of transfer agreements to four-year institutions. The decline in recent years in degree-seeking enrollments is the result of fewer students graduating from Maine high schools and a strong job market. The recovery in enrollment in 2023 was due to the State of Maine passing the Maine Free College program which served nearly 6,400 potentially eligible students (unduplicated headcount for Fall and Spring).

The state unemployment rate for June 2024 was 2.8 percent. The current rate is up from June 2023, when it was at a record low of 2.4 percent, and lower than the June 2019 pre-pandemic rate of 3.2 percent.



**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2024**

MCCS implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68) in 2015. GASB 68 requires MCCS to report the System's proportionate share of the State's net pension liability. MCCS's proportionate share of the State's net pension liability as of June 30, 2024 was \$42 million, compared to \$39.0 million as of June 30, 2023, and \$26.4 million as of June 30, 2022. The System incurred expense related to pension benefits of \$8,692,140 in 2024, \$4,074,843 in 2023, \$692,457 in 2022, \$6,323,873 in 2021, and \$6,554,054 in 2020; recognized income related to pension benefits of \$35,891 in 2019 and \$1.2 million in 2018; and incurred expense of \$5.2 million in 2017 and \$7.4 million in 2016.

The impact of GASB 68 results from a change in accounting for pension benefits administered by the Maine Public Employees Retirement System (MainePERS), not a change resulting from operations. MCCS is not directly responsible for the payment of retirement pensions earned by employees who are members of MainePERS.

In 2018, MCCS implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75). GASB 75 changed the method of accounting for the System's responsibility to pay for Other Post-employment Benefits (OPEB) for qualified retirees. As a result, the System recorded a reduction in net assets of \$15.1 million and reported a net OPEB liability of \$12.1 million as of June 30, 2018. The net OPEB liability was \$3.2 million as of June 30, 2019, \$2.4 million as of June 30, 2020, and \$5.3 million as of June 30, 2021. The System reported a net OPEB liability of \$3.1 million as of June 30, 2024, \$3.1 million as of June 30, 2023, and \$2.6 million as of June 30, 2022, with over funding coming from investment income exceeding expectations and decreasing healthcare costs.

MCCS implemented GASB Statement No. 87, *Leases* (GASB 87) in 2022. GASB 87 changed the method of accounting for the System's leases and required a restatement of net position. GASB 87 required MCCS to report leases by lessee and lessor. The System reported right-of-use asset on System Office space of \$639,110 as of June 30, 2024, \$755,484 as of June 30, 2023, and \$871,859 as of June 30, 2022. Lease obligations were \$669,952 as of June 30, 2024, \$781,325 as of June 30, 2023, and \$890,103 as of June 30, 2022.

In 2023, the implementation of GASB statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)* (GASB 96) changed the method of accounting for the System's subscription-based information technology arrangements that convey control of the right to use another party's information technology software. The subscription term includes the period during which MCCS has a noncancellable right to use the underlying assets. GASB 96 required MCCS to recognize a subscription liability and an intangible right-to-use asset associated with the implementation of a new Student Information System (SIS). MCCS reported subscription assets of \$13,754,498 as of June 30, 2024, \$15,619,593 as of June 30, 2023, and \$376,313 as of June 30, 2022. Subscription liabilities were \$10,754,677 as of June 30, 2024, \$11,873,635 as of June 30, 2023, and \$387,913 as of June 30, 2022.

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2024**

**College Results and Combined Operating Results**

Maine's seven community colleges serve very different regions of the state. The different locations face very different demographic conditions in their local communities and, as a result, it is difficult to compare the results of operations between the colleges.

In addition, MCCS is quasi-centralized. The System Office provides certain services to all the colleges and administers a pool of expenses that cannot be effectively allocated to the colleges.

Central services, for which the colleges are not charged or allocated fees, include legal, certain human resource functions, and some information technology services. The colleges manage their own budgets based on guidance from the System Office, but cash and investments are managed centrally. Tuition is set by the Board of Trustees as a rate per credit hour.

The colleges are responsible for responding to their community's business and enrollment needs. They also respond to grant opportunities based on the needs of the individual college. The 2024 and 2023 statements of revenues, expenses, and changes in net position for the individual colleges are as follows:



**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2024

**Year ended June 30, 2024**  
*(in millions)*

	<b><u>CMCC</u></b>	<b><u>EMCC</u></b>	<b><u>KVCC</u></b>	<b><u>NMCC</u></b>	<b><u>SMCC</u></b>	<b><u>WCCC</u></b>	<b><u>YCCC</u></b>	<b><u>All Colleges</u></b>
Student tuition and fees	\$ 9.4	\$6.0	\$ 5.5	\$ 2.1	\$ 18.7	\$ 1.5	\$ 3.5	\$ 46.7
Residential life	3.8	2.2	-	0.9	6.9	0.7	0.4	14.9
Less: scholarships	<u>(10.7)</u>	<u>(5.9)</u>	<u>(6.2)</u>	<u>(2.8)</u>	<u>(14.0)</u>	<u>(2.1)</u>	<u>(3.4)</u>	<u>(45.1)</u>
Tuition and residential life	2.5	2.3	(0.7)	0.2	11.6	0.1	0.5	16.5
Federal grants and contracts	9.4	9.0	6.5	4.7	14.0	3.0	3.4	50.0
Grants and other revenue	<u>4.0</u>	<u>4.3</u>	<u>3.0</u>	<u>2.4</u>	<u>9.7</u>	<u>1.0</u>	<u>2.1</u>	<u>26.5</u>
Total operating revenues	<u>15.9</u>	<u>15.6</u>	<u>8.8</u>	<u>7.3</u>	<u>35.3</u>	<u>4.1</u>	<u>6.0</u>	<u>93.0</u>
Instruction	12.3	10.7	8.5	7.7	24.2	3.9	3.8	71.1
Public service	-	0.1	-	-	1.4	-	-	1.5
Academic support	1.5	0.9	1.9	1.1	3.8	1.2	2.2	12.6
Student services	4.0	2.7	2.1	1.9	6.6	1.6	1.5	20.4
Institutional support	2.2	2.3	2.4	2.0	5.1	1.3	2.5	17.8
Operations and maintenance	2.4	2.3	2.1	2.3	6.0	1.1	1.1	17.3
Student aid	0.1	0.1	-	0.1	0.2	-	-	0.5
Auxiliary enterprises	2.5	1.3	-	0.9	3.9	0.5	0.5	9.6
Depreciation	<u>2.5</u>	<u>1.4</u>	<u>1.5</u>	<u>1.3</u>	<u>4.0</u>	<u>0.8</u>	<u>1.2</u>	<u>12.7</u>
Total operating expenses	<u>27.5</u>	<u>21.8</u>	<u>18.5</u>	<u>17.3</u>	<u>55.2</u>	<u>10.4</u>	<u>12.8</u>	<u>163.5</u>
Operating loss	(11.6)	(6.2)	(9.7)	(10.0)	(19.9)	(6.3)	(6.8)	(70.5)
State appropriations	10.9	11.3	8.8	10.2	19.0	6.9	6.5	73.6
HEERF	-	-	0.3	-	-	-	-	0.3
Gifts	-	-	-	0.4	0.3	0.1	0.1	0.9
Net investment loss	<u>-</u>	<u>0.1</u>	<u>-</u>	<u>0.1</u>	<u>-</u>	<u>0.1</u>	<u>0.1</u>	<u>0.4</u>
Net nonoperating revenues	<u>10.9</u>	<u>11.4</u>	<u>9.1</u>	<u>10.7</u>	<u>19.3</u>	<u>7.1</u>	<u>6.7</u>	<u>75.2</u>
(Loss) income before other	<u>(0.7)</u>	<u>5.2</u>	<u>(0.6)</u>	<u>0.7</u>	<u>(0.6)</u>	<u>0.8</u>	<u>(0.1)</u>	<u>4.7</u>
Proceeds from State for capital asset acquisition	-	0.2	-	-	0.1	-	-	0.3
Inter-campus transfers	<u>(0.1)</u>	<u>(0.3)</u>	<u>(0.5)</u>	<u>(0.7)</u>	<u>(0.9)</u>	<u>-</u>	<u>(0.3)</u>	<u>(2.8)</u>
Total other losses	<u>(0.1)</u>	<u>(0.1)</u>	<u>(0.5)</u>	<u>(0.7)</u>	<u>(0.8)</u>	<u>-</u>	<u>(0.3)</u>	<u>(2.5)</u>
Change in net position	(0.8)	5.1	(1.1)	-	(1.4)	0.8	(0.4)	2.2
Net position-beginning / year	<u>42.0</u>	<u>27.9</u>	<u>30.2</u>	<u>27.5</u>	<u>73.3</u>	<u>18.5</u>	<u>20.6</u>	<u>240.0</u>
Net position-end / year	<u>\$41.2</u>	<u>\$33.0</u>	<u>\$29.1</u>	<u>\$27.5</u>	<u>\$71.9</u>	<u>\$19.3</u>	<u>\$20.2</u>	<u>\$242.2</u>

**MAINE COMMUNITY COLLEGE SYSTEM**  
**(A Component Unit of the State of Maine)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2024

<u>Year ended June 30, 2024</u> <i>(in millions)</i>	<u>All Colleges</u>	<u>System- Wide</u>	<u>System Office</u>	<u>State's UAAL</u>	<u>MCCS</u>
Student tuition and fees	\$ 46.7	\$ -	\$ -	\$ -	\$ 46.7
Residential life	14.9	-	-	-	14.9
Less: scholarships	<u>(45.1)</u>	<u>(3.0)</u>	<u>(0.1)</u>	-	<u>(48.2)</u>
Net tuition and residential life	16.5	(3.0)	(0.1)	-	13.4
Federal grants and contracts	50.0	-	0.8	-	50.8
Grants and other revenue	<u>26.5</u>	<u>4.5</u>	<u>5.2</u>	-	<u>36.2</u>
Total operating revenues	<u>93.0</u>	<u>1.5</u>	<u>5.9</u>	-	<u>100.4</u>
Instruction	71.1	-	-	(3.7)	67.4
Public service	1.5	-	-	-	1.5
Academic support	12.6	-	6.8	(0.9)	18.5
Student services	20.4	-	0.1	(1.1)	19.4
Institutional support	17.8	2.0	11.1	(1.2)	29.7
Operations and maintenance	17.3	-	0.1	(0.5)	16.9
Student aid	0.5	-	-	-	0.5
Auxiliary enterprises	9.6	-	-	(0.1)	9.5
Depreciation and amortization	<u>12.7</u>	<u>1.9</u>	<u>0.1</u>	-	<u>14.7</u>
Total operating expenses	<u>163.5</u>	<u>3.9</u>	<u>18.2</u>	<u>(7.5)</u>	<u>178.1</u>
Operating (loss) gain	(70.5)	(2.4)	(12.3)	7.5	(77.7)
State appropriations	73.6	1.1	8.9	-	83.6
HEERF	0.3	-	-	-	0.3
Gifts	0.9	-	-	-	0.9
Net investment (loss) income	<u>0.4</u>	<u>7.7</u>	-	-	<u>8.1</u>
Net nonoperating revenues	<u>75.2</u>	<u>8.8</u>	<u>8.9</u>	-	<u>92.9</u>
Income (loss) before other	<u>4.7</u>	<u>6.4</u>	<u>(3.4)</u>	<u>7.5</u>	<u>15.2</u>
Proceeds from State for capital asset acquisition	0.3	-	-	-	0.3
Inter-campus transfers	<u>(2.8)</u>	<u>(0.9)</u>	<u>3.7</u>	-	-
Total other revenue, (losses) gains	<u>(2.5)</u>	<u>(0.9)</u>	<u>3.7</u>	-	<u>0.3</u>
Change in net position	2.2	5.5	0.3	7.5	15.5
Net position (deficit)-beginning / year	<u>240.0</u>	<u>36.1</u>	<u>12.6</u>	<u>(47.5)</u>	<u>241.2</u>
Net position (deficit)-end / year	<u>\$ 242.2</u>	<u>\$ 41.6</u>	<u>\$ 12.9</u>	<u>\$ (40.0)</u>	<u>\$ 256.7</u>

**MAINE COMMUNITY COLLEGE SYSTEM**  
**(A Component Unit of the State of Maine)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

<u>Year ended June 30, 2023</u> <i>(in millions)</i>	<b>June 30, 2024</b>							<i>All</i>
	<u>CMCC</u>	<u>EMCC</u>	<u>KVCC</u>	<u>NMCC</u>	<u>SMCC</u>	<u>WCCC</u>	<u>YCCC</u>	<u>Colleges</u>
Student tuition and fees	\$7.8	\$5.3	\$4.6	\$1.8	\$15.6	\$0.9	\$3.1	\$ 39.1
Residential life	3.1	1.9	-	0.6	5.7	0.4	0.3	12.0
Less: scholarships	<u>(8.0)</u>	<u>(4.8)</u>	<u>(5.2)</u>	<u>(2.3)</u>	<u>(11.0)</u>	<u>(1.3)</u>	<u>(2.7)</u>	<u>(35.3)</u>
Tuition and residential life	2.9	2.4	(0.6)	0.1	10.3	-	0.7	15.8
Federal grants and contracts	7.5	6.0	5.1	3.8	10.6	2.6	3.2	38.8
Grants and other revenue	<u>2.8</u>	<u>2.7</u>	<u>2.7</u>	<u>1.1</u>	<u>8.5</u>	<u>0.8</u>	<u>2.1</u>	<u>20.7</u>
Total operating revenues	<u>13.2</u>	<u>11.1</u>	<u>7.2</u>	<u>5.0</u>	<u>29.4</u>	<u>3.4</u>	<u>6.0</u>	<u>75.3</u>
Instruction	9.7	10.0	7.2	6.9	21.4	3.3	3.5	62.0
Public service	-	0.1	-	0.1	1.1	-	-	1.3
Academic support	1.9	1.3	2.6	1.0	5.4	1.2	2.2	15.6
Student services	3.3	2.6	1.9	1.7	5.7	1.4	1.2	17.8
Institutional support	1.9	3.3	2.2	2.4	4.4	1.0	2.2	17.4
Operations and maintenance	1.7	2.0	1.7	2.1	5.5	0.9	0.9	14.8
Student aid	0.1	0.6	0.2	0.3	0.1	0.1	-	1.4
Auxiliary enterprises	1.7	1.2	-	0.8	2.3	0.4	0.4	6.8
Depreciation	<u>2.4</u>	<u>1.6</u>	<u>1.6</u>	<u>1.4</u>	<u>4.0</u>	<u>0.7</u>	<u>1.2</u>	<u>12.9</u>
Total operating expenses	<u>22.7</u>	<u>22.7</u>	<u>17.4</u>	<u>16.7</u>	<u>49.9</u>	<u>9.0</u>	<u>11.6</u>	<u>150.0</u>
Operating loss	<u>(9.5)</u>	<u>(11.6)</u>	<u>(10.2)</u>	<u>(11.7)</u>	<u>(20.5)</u>	<u>(5.6)</u>	<u>(5.6)</u>	<u>(74.7)</u>
State appropriations	8.2	9.5	7.8	9.3	12.9	6.1	5.3	59.1
HEERF	2.3	1.6	2.3	0.4	-	0.1	0.2	6.9
Other state revenue	2.2	1.4	0.7	0.6	5.4	0.5	1.0	11.8
Gifts	-	-	-	0.6	0.1	0.1	-	0.8
Net investment loss	<u>(0.1)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(0.1)</u>	<u>-</u>	<u>-</u>	<u>(0.2)</u>
Net nonoperating revenues	<u>12.6</u>	<u>12.5</u>	<u>10.8</u>	<u>10.9</u>	<u>18.3</u>	<u>6.8</u>	<u>6.5</u>	<u>78.4</u>
Income (loss) before other	<u>3.1</u>	<u>0.9</u>	<u>0.6</u>	<u>(0.8)</u>	<u>(2.2)</u>	<u>1.2</u>	<u>0.9</u>	<u>3.7</u>
Capital grants and gifts	-	-	-	-	0.1	-	-	0.1
Proceeds from State for capital asset acquisition	-	0.4	-	-	-	-	-	0.4
Inter-campus transfers	<u>0.3</u>	<u>0.1</u>	<u>0.1</u>	<u>0.2</u>	<u>0.5</u>	<u>0.2</u>	<u>0.3</u>	<u>1.7</u>
Total other revenue and gains	<u>0.3</u>	<u>0.5</u>	<u>0.1</u>	<u>0.2</u>	<u>0.6</u>	<u>0.2</u>	<u>0.3</u>	<u>2.2</u>
Change in net position	3.4	1.4	0.7	(0.6)	(1.6)	1.4	1.2	5.9
Net position-beginning / year	<u>38.6</u>	<u>26.5</u>	<u>29.6</u>	<u>28.1</u>	<u>74.9</u>	<u>17.1</u>	<u>19.4</u>	<u>234.2</u>
Net position-end / year	<u>\$ 42.0</u>	<u>\$ 27.9</u>	<u>\$ 30.3</u>	<u>\$ 27.5</u>	<u>\$ 73.3</u>	<u>\$ 18.5</u>	<u>\$ 20.6</u>	<u>\$ 240.1</u>

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2024**

<u>Year ended June 30, 2023</u> <i>(in millions)</i>	<u>All Colleges</u>	<u>System- Wide</u>	<u>System Office</u>	<u>State's UAAL</u>	<u>MCCS</u>
Student tuition and fees	\$ 39.1	\$ -	\$ -	\$ -	\$ 39.1
Residential life	12.0	-	-	-	12.0
Less: scholarships	<u>(35.3)</u>	<u>(2.8)</u>	<u>(0.1)</u>	-	<u>(38.2)</u>
Net tuition and residential life	15.8	(2.8)	(0.1)	-	12.9
Federal grants and contracts	38.8	-	0.4	-	39.2
Grants and other revenue	<u>20.7</u>	<u>7.6</u>	<u>6.0</u>	-	<u>34.3</u>
Total operating revenues	<u>75.3</u>	<u>4.8</u>	<u>6.3</u>	-	<u>86.4</u>
Instruction	62.0	-	-	(3.8)	58.2
Public service	1.3	-	-	-	1.3
Academic support	15.6	-	6.8	(1.0)	21.4
Student services	17.8	-	0.1	(1.2)	16.7
Institutional support	17.4	3.7	6.1	(1.4)	25.8
Operations and maintenance	14.8	-	0.1	(0.6)	14.3
Student aid	1.4	-	-	-	1.4
Auxiliary enterprises	6.8	-	-	(0.1)	6.7
Depreciation and amortization	<u>12.9</u>	<u>1.8</u>	<u>0.1</u>	-	<u>14.8</u>
Total operating expenses	<u>150.0</u>	<u>5.5</u>	<u>13.2</u>	<u>(8.1)</u>	<u>160.6</u>
Operating (loss) income	<u>(74.7)</u>	<u>(0.7)</u>	<u>(6.9)</u>	<u>8.1</u>	<u>(74.2)</u>
State appropriations	59.1	0.7	8.5	-	68.3
HEERF	6.9	-	-	-	6.9
Other state revenue	11.8	-	-	-	11.8
Gifts	0.8	-	-	-	0.8
Net investment loss	<u>(0.2)</u>	<u>4.2</u>	-	-	<u>4.0</u>
Net nonoperating revenues	<u>78.4</u>	<u>4.9</u>	<u>8.5</u>	-	<u>91.8</u>
Income before other	<u>3.7</u>	<u>4.2</u>	<u>1.6</u>	<u>8.1</u>	<u>17.6</u>
Capital grants and gifts	0.1	-	-	-	0.1
Proceeds from State for capital asset acquisition	0.4	-	-	-	0.4
Inter-campus transfers	<u>1.7</u>	<u>(1.2)</u>	<u>(0.5)</u>	-	-
Total other revenue, gains, or (losses)	<u>2.2</u>	<u>(1.2)</u>	<u>(0.5)</u>	-	<u>0.5</u>
Change in net position	5.9	3.0	1.1	8.1	18.1
Net position (deficit)-beginning / year	<u>234.2</u>	<u>33.0</u>	<u>11.5</u>	<u>(55.6)</u>	<u>223.1</u>
Net position (deficit)-end / year	<u>\$ 240.1</u>	<u>\$ 36.0</u>	<u>\$ 12.6</u>	<u>\$ (47.5)</u>	<u>\$ 241.2</u>

**MAINE COMMUNITY COLLEGE SYSTEM  
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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2024**

In November of 2018, the voters of the State of Maine approved a \$15 million Chap. 465 P.L. 2017 General Purpose Bond. The bond funds were allocated to all seven colleges and, during FY23, the colleges spent \$0.4 million on instruction lab upgrades and equipment, and residence hall ADA renovations.

The colleges are not required to budget for depreciation expenses but do budget for capital expenditures funded through operations. With approval from the System Office, the colleges can reserve a portion of the earned surplus for future capital investments (discussed below, in the section on Net Position), but the unobligated net position is not available to the colleges for discretionary spending.

Colleges in more rural areas of Maine have lower enrollments and, therefore, earn less in student tuition and fees, but the proportion of State appropriation tends to be higher.

**Economic Factors Affecting Maine's Community Colleges**

Free Community College launched in April 2022, the one-time State investment of \$20 million benefited the pandemic-era high school graduates from 2020 – 2023. This is a last-dollar scholarship, meaning eligible students must first accept grants or scholarship awarded to them, with the last-dollar costs of tuition and mandatory fees covered by the free college scholarships. In the first year of the program, 6,400 students attended community college tuition-free. In July 2023, Governor Mills signed the budget passed by the legislature which extended to two more graduating high school classes tuition-free community college in Maine. The \$15 million investment will allow students graduating from high school or its equivalent in 2024 and 2025 to attend any Maine community college without paying any tuition or mandatory fees, a value of more than \$3,800 a year.

Post pandemic, Maine people with education and technical skills have gained economic opportunity. But those lacking the essential skills needed to get a job in the modern economy are losing hope. Data collected by Opportunity Insights indicated that, in Maine, almost 40% of low-income jobs have gone away, while moderate- and high-income jobs that require skills have increased substantially.

Students at the fringe of academic success and students who learn by working with their hands suffered incredible learning loss and emotional setbacks in recent years. For many, mental health and housing and food insecurity challenges their ability to get the education they need.

Pandemic relief funds from both the State of Maine and the federal government were a crucial resource that allowed Maine's community colleges to continue providing education and training as well as expand support for struggling students. These funds are time-limited in nature, and MCCS continues to invest those dollars in short-term training and immediate needs in compliance with state and federal requirements.

In July 2021, the Maine State Legislature approved the Maine Jobs and Recovery Plan (MJRP). LD1733 included \$35 million in one-time American Rescue Plan Act federal funding under State and Local Fiscal Recovery Funds for workforce development initiatives to provide training for 8,500 Maine residents in the following targeted industry sectors: Healthcare, The Green Economy, Manufacturing, Hospitality, Education, Computer Technology, and the trades.

**MAINE COMMUNITY COLLEGE SYSTEM  
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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2024**

The business plan for the MJRP grant was approved by the State on December 29, 2021. This allowed the work to begin and for the colleges to start implementation and recruitment. Through the end of fiscal year 2024, 5,758 Mainers were provided financial assistance for education training programs through MJRP, representing \$17.7 million in funding. Additional training opportunities continue to be developed for completion under MJRP funding throughout the grant award period, which ends December 2024.

In April 2022, the Governor signed the supplemental budget which included \$2.5 million in ongoing allocation to MCCS for expansion of the nursing programs across the State in fiscal year 2023. The \$2.5 million was matched by healthcare providers MaineHealth and Northern Light Health. The State's support is continuing indefinitely, and the private support extends to spring 2026. This allowed Maine's community colleges to double the number of nursing program graduates from approximately 240 people per year to 480 per year. These funds are a significant investment in addressing the nursing shortage in Maine.

<u>Appropriation</u> <i>(in millions)</i>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Base appropriation	\$ 73.8	\$ 74.0	\$ 78.8	\$ 82.3
New funding for ongoing operations	2.2	2.4	3.5	7.3
New funding for strategic initiatives	(2.7)	2.4	0.0	0.0
Curtailment	<u>0.7</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
New appropriation	74.0	78.8	82.3	89.6
<i>Special one-time MJRP funding</i>	15.0	20.0	0.0	0.0
<i>Special one-time Free College Funding</i>	<u>0.0</u>	<u>20.0</u>	<u>7.5</u>	<u>7.5</u>
<i>Appropriation with special one-time funding</i>	<u>\$ 89.0</u>	<u>\$ 118.8</u>	<u>\$ 89.8</u>	<u>\$ 97.1</u>

MCCS was allocated a total of \$65.7 million in Higher Education Emergency Relief Funds (HEERF) under the Coronavirus Aid, Relief, and Economic Security (CARES) Act in March 2020, the Coronavirus Response and Relief Supplemental Appropriation (CRRSA) disbursed in January 2021, the American Rescue Plan Act (ARPA) passed in March 2021, and most recently the Supplemental Support American Rescue Plan awarded in July 2022. The HEERF allocations included \$26.5 million for emergency financial aid grants to students and \$39.2 million of institutional funds for COVID-19 response expenses. The major change with the ARPA was under the use of institutional funds for lost revenue. This allowed MCCS to recover lost revenue due to COVID-19.

**MAINE COMMUNITY COLLEGE SYSTEM  
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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2024**

In 2024, MCCS spent \$0.3 million of the remaining HEERF funds on institutional expenditures. In 2023, MCCS spent \$6.9 million of the remaining HEERF funds, \$0.9 million in student emergency aid, and \$6.0 million on institutional expenditures, expending all but a small balance of the federal funds. When added to the expenditures from 2020, 2021 and 2022, the total HEERF expended is \$65.8 million through June 30, 2024. This represents \$38.6 million of institutional aid expended from all three pieces of funding, and a total of \$27.2 million disbursed in student emergency aid since the start of the pandemic.

**Statement of Revenues, Expenses, and Changes in Net Position**

In 2024, MCCS saw an increase in net position of \$15.5 million. Operating revenue increased \$14.0 million due to an increase in federal grants of \$11.6 million, an increase in residential life of \$3.0 million due to more students returning to campus from the previous year, an increase in state and local grants of \$2.8 million, and a \$2.1 million increase in nongovernmental grants and contracts attributed to the Harold Alfond Foundation (HAF) grant. Operating expenses increased \$17.5 million due to increased enrollment and inflationary increases in operating expenses. Year-over-year, nonoperating revenue increased in 2024 by \$1.0 million, due to a \$3.8 million increase in investment income, \$3.3 million increase in appropriation, and \$4.3 million in new Free Community College funding from the State, offset by a \$6.6 million decrease in HEERF. Other revenue decreased \$0.2 million with a decline in Chap. 465 P.L. 2017 General Purpose Bond funds.

In 2023, MCCS saw an increase in net position of \$18.1 million. This increase is due to \$6.9 million in HEERF during the fiscal year, down from \$30.9 million in 2022. Operating revenue increased \$18.3 million due to an increase in federal grants of \$12.0 million, an increase in residential life of \$4.5 million due to more students returning to campus from the previous year, an increase in state and local grants of \$0.9 million, and a \$5.7 million increase in nongovernmental grants and contracts attributed to the Harold Alfond Foundation (HAF) grant. Operating expenses increased \$9.1 million due to increased enrollment and inflationary increases in operating expenses. Year-over-year, nonoperating revenue increased in 2023 by \$3.8 million due to a \$12.5 million increase in investment income, a \$4.7 million increase in appropriation, and \$11.8 million in new Free Community College funding from the State, offset by a \$24.0 million decrease in HEERF and a \$1.2 million decrease in gifts. Other revenue decreased \$1.7 million with a decline in Chap. 465 P.L. 2017 General Purpose Bond funds.

In 2022, MCCS recorded an increase in net position of \$6.8 million. This increase is due to \$30.9 million in HEERF during the fiscal year, up from \$25.0 million in 2021. Operating revenue increased \$4.6 million due to an increase in residential life of \$3.5 million due to more students returning to campus from the previous year, an increase in state and local grants of \$4.8 million, and a \$1.2 million increase in nongovernmental grants and contracts. Operating expenses increased \$14.3 million with \$12.6 million of the increase in HEERF student emergency aid. Year-over-year, nonoperating revenue decreased in 2022 by \$11.1 million due to an \$18.1 million decrease in investment income, offset by a \$5.9 million increase in HEERF and \$1 million increase in gifts. Other revenue decreased \$2.8 million with a decline in Chap. 465 P.L. 2017 General Purpose Bond funds.

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2024**

**Statement of Revenues, Expenses, and Changes in Net Position**

*(in millions)*

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Operating revenues	<b>\$100.4</b>	\$ 86.3	\$ 57.7
Operating expenses	<b>178.0</b>	160.5	151.5
Operating loss	<b>(77.6)</b>	(74.2)	(93.8)
Nonoperating revenues	<b>92.8</b>	91.8	98.4
Income before other revenue	<b>15.2</b>	17.6	4.6
Other revenue, net	<b>0.3</b>	0.5	2.2
 Increase in net position	 <b>\$ 15.5</b>	 \$ 18.1	 \$ 6.8

**Operating Revenues**

In 2024, operating revenues increased by \$14.1 million or 16.3 percent. Net tuition and residential life fees increased \$0.4 million with enrollment growing 13 percent primarily attributable to Free Community College funding. Student tuition and fees were up \$7.6 million or 19.4 percent, residential life fees increased \$2.9 million or 24.2 percent with students returning to on-campus housing and increased occupancy rates from 2023. Scholarship allowances also increased \$10 million or 26.2 percent with the increased enrollment.

Federal grants and contracts increased \$11.6 million due to increased activity in federal State and Local Fiscal Recovery Funds (SLFRF) available through the Maine Jobs and Recovery Program, and higher enrollments driving higher financial aid grants. State and local grants and contracts increased by \$2.8 million due to increases in Maine State Grants, Racino, and Aspirations revenue. Nongovernmental grants and contracts increased \$2.1 million with HAF grant activity. Sales and service, auxiliary enterprises revenue, and other operating revenues decreased by \$2.9 million primarily due to a \$4.4 million prior-period GASB adjustments offset by a \$1.1 million increase in interest income and \$0.6 million increase in room and facility rental income.

In 2023, operating revenues increased by \$28.7 million, or 49.7 percent. Net tuition and residential life fees increased \$5.0 million as enrollment grew 12 percent during the first year of Free Community College funding. Student tuition and fees were up \$5.6 million or 16.7 percent, residential life fees increase \$4.5 million or 60.0 percent with students returning to on-campus housing and increased occupancy rates from 2022. Scholarship allowances also increased \$5.1 million or 15.4 percent with the increased enrollment.

Federal grants and contracts increased \$12.0 million due to increased activity in federal SLFRF available through the Maine Jobs and Recovery Program, and higher enrollments driving higher financial aid grants. State and local grants and contracts increased by \$0.9 million due to increases in Maine State Grants, Racino, and Aspirations revenue. Nongovernmental grants and contracts increased \$5.7 million with HAF grant activity. Sales and service, auxiliary enterprises revenue, and other operating revenues increased by \$4.9 million.

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**June 30, 2024**

In 2022, operating revenues decreased by \$4.6 million, or 8.7 percent. Net tuition and residential life fees declined \$0.7 million as enrollment declined 6 percent. Student tuition and fees were down \$2.3 million or 6.4 percent, residential life fees increase \$3.5 million or 87.5 percent with students returning to on-campus housing and increased occupancy rates from 2021. Scholarship allowances also increased \$1.9 million or 6.1 percent.

Federal grants and contracts decreased \$1.1 million due to federal financial aid declined with lower enrollments. State and local grants and contracts increased by \$4.8 million due to increases in Maine State Grants, Racino, and Aspirations revenue. Nongovernmental grants and contracts, sales and service, and other operating revenues increased \$1.8 million, offset by \$0.2 million decline in auxiliary enterprises revenue.

Changes in the sources of grants fluctuate between Federal, state, and nongovernment entities based on the opportunities the colleges pursue, but in the current environment do not reflect any meaningful pattern or strategic change beyond the HEERF allocated in response to COVID-19, which are included in the nonoperating revenue section of the Statement of Revenues, Expenses, and Changes in Net Assets. Workforce development training funds from the Maine Jobs and Recovery Fund and the Harold Alfond Fund were received in 2023, and continued through 2024.

**Nonoperating Revenue**

Nonoperating revenues are primarily comprised of the appropriations from the State of Maine, HEERF, gifts, and investment gains and losses. In 2024, nonoperating revenue increased \$1.0 million due to a \$3.3 million increase in appropriation for general operations and expanding MCCS nursing programs. \$7.5 million in Free Community College state revenue net of an increase in state appropriations of \$4.1 million was also reported in 2024. Investment income increased \$3.7 million with active management and favorable market returns. Gifts received at colleges for renovations and program equipment increased \$0.1 million. Increases were offset by a decrease of \$6.6 million in HEERF revenue. Interest on capital asset debt also decreased \$0.1 million.

In 2023, nonoperating revenue decreased \$6.6 million due to a \$4.7 million increase in appropriation for general operations and expanding MCCS nursing programs and \$11.8 million in Free Community College state revenue net of state appropriations of \$10.4 million. Investment income increased \$13.2 million with favorable market returns. Increases were offset by a decrease of \$24.0 million in HEERF revenue, a \$1.2 million decrease in gifts received at colleges for renovations and program equipment. Interest on capital asset debt also decreased \$0.6 million.

In 2022, nonoperating revenue decreased \$11.1 million due to an \$18.1 million decrease in investment income caused by market volatility. The loss in investment income was offset by an increase of \$5.9 million in HEERF revenue, a \$1 million increase in gifts received at colleges for renovations and program equipment, and small increases in appropriation and interest on capital asset debt. State appropriation increased in 2022, \$0.1 million general fund appropriation, net of the additional \$2.5 million in one-time workforce development funds that was received in 2021, and the elimination of \$0.25 million in one-time Live Fire Service Training Facilities Funds. State appropriation for on-going funding increased \$2.9 million in general fund appropriation with the re-established curtailment added back to the base, and a 3% increase approved in the Governor's Change Package LD221.

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**MANAGEMENT’S DISCUSSION AND ANALYSIS**

**June 30, 2024**

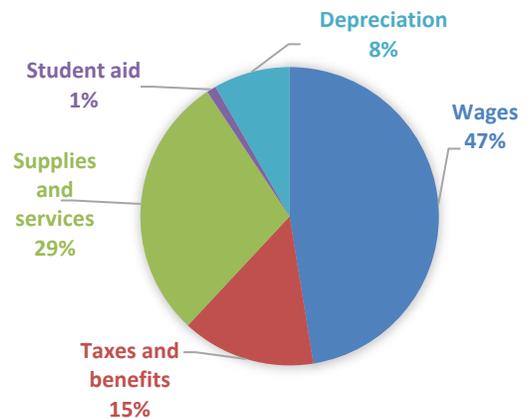
**Operating Expenses**

Like most colleges and universities, MCCS’s largest expense is payroll. Wages, benefits, and wage-related taxes accounted for between 55 and 64 percent of expenditures in each of the last three years. Over 90 percent of MCCS employees are represented by one of six collective bargaining agreements. Contractually, wages increased an average of 4.5 percent in 2024 to bring wages closer to market level. Wages increased 4.5 percent in 2023 and 2022. In 2024, positions were added to address increased enrollment and student support. In 2023, positions were added to address increased enrollment and student support. Additional positions for increased grant activity were also filled in 2023. In 2022, vacant positions remained open longer as labor market pressures reduced qualified applicant pools which had a slight effect on the aggregate increase and reduced it to 4.4 percent. The adjustment for GASB 75 pension expense reduced the overall cost of benefits offsetting a healthcare increase of 3.67 percent in 2024. Taxes and benefits increased \$7.9 million in 2024 due to the GASB 75 adjustment and the State of Maine Health Commission implementation of four months of health insurance premium holiday in 2023, in which neither the employee or employer paid health insurance premiums. Taxes and benefits increased \$3.4 million in 2023 due to the GASB 75 adjustment and the State of Maine Health Commission implementation of four months of health insurance premium holiday, in which neither the employee or employer paid health insurance premiums. Taxes and benefits decreased \$6.8 million in 2022 due to the GASB 75 adjustment and the State of Maine Health Commission implementation of two months of health insurance premium holiday.

Pension plans for MCCS retirees represent the largest benefit expense for the System. Two-thirds of the System’s employees participate in the State Employee and Teacher Retirement Plan, a multiple-employer, cost-sharing plan administered by MainePERS. For employees enrolled in the MainePERS, the System was required to contribute 21.07 percent of payroll for 2024. Healthcare benefits for current members and retirees purchased from the Maine Bureau of Employee Health also contributed to the cost of benefits which added 20 percent (up from 16.5 percent) to the cost of compensation for these employees.

Expenses by natural class are as follows:

<i>(in millions)</i>	<b>2024</b>	2023	2022
Wages	<b>\$ 84.5</b>	\$ 75.9	\$ 69.1
Taxes and benefits	<b>25.7</b>	17.8	14.4
Wages and benefits	<b>110.2</b>	93.7	83.5
Supplies and services	<b>52.7</b>	50.7	36.0
Student aid	<b>0.5</b>	1.4	19.2
Depreciation	<b>14.7</b>	14.8	12.8
Total expenses	<b><u>\$178.1</u></b>	<u>\$160.6</u>	<u>\$151.5</u>



**MAINE COMMUNITY COLLEGE SYSTEM  
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**June 30, 2024**

The distribution of expenses by functional area has shifted over the three-year period ended June 30, 2024. Instruction and academic support accounted for 48.2 percent of the operating expenditures in 2024. Most functional areas experienced increases except for a decrease of \$0.9 million in student aid due to the reduction of HEERF student emergency aid. Increases in expense over 2023 reflect additional costs due to higher enrollment.

Auxiliary enterprises saw a 41.8 percent increase, or \$2.8 million due to the return of dorm occupancy and the number of students living and dining on campus.

In 2024, expenses were offset by \$7.5 million of GASB adjustments to record decreased pension liability for OPEB and MainePERS. GASB adjustments accounted for decreases in instruction of \$3.6 million, academic support \$0.9 million, student services \$1.1 million, instructional support \$1.2 million, and operations and auxiliary enterprises \$0.6 million.

Instruction and academic support accounted for 50 percent of the operating expenditures in 2023. All functional areas experienced increases except for a decrease of \$17.8 million in Student aid due to the reduction of HEERF student emergency aid disbursed in response to the COVID-19 pandemic. Auxiliary enterprises saw a 37 percent increase, or \$1.8 million, due to the return of dorm occupancy and the number of students living and eating on campus.

In 2023, expenses were offset by \$8.1 million of GASB adjustments to record decreased pension liability for OPEB and MainePERS. GASB adjustments accounted for decreases in instruction of \$3.8 million, academic support \$1.0 million, student services \$1.2 million, instructional support \$1.4 million, and operations and auxiliary enterprises \$0.7 million.

Instruction and academic support accounted for 42 percent of the operating expenditures in 2022. Most functional areas experienced increases except for a decrease of 2.3 percent in instruction and 6.9 percent in institutional support, or \$2.9 million together. The decrease in expense is from 2021 inflated spending for remote learning supports. Auxiliary enterprises saw a 44 percent increase, or \$1.5 million, due to the return of dorm occupancy and the number of students living and eating on campus. Student aid increased \$12.6 million due to HEERF student emergency aid disbursed in response to the COVID-19 pandemic.

In 2022, expenses were offset by \$9.2 million of GASB adjustments to record decreased pension liability for OPEB and MainePERS. GASB adjustments accounted for decreases in instruction of \$4 million, academic support \$1.2 million, student services \$1.3 million, instructional support \$1.6 million, and operations and auxiliary enterprises \$1.1 million.

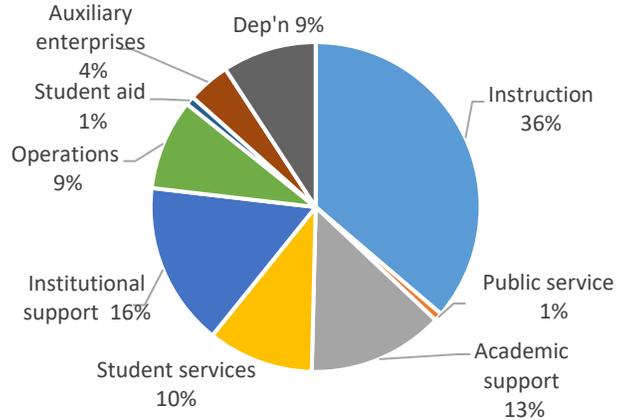
**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2024**

Expenses by function are as follows:

<i>(in millions)</i>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Instruction	\$ 67.4	\$ 58.2	\$ 50.4
Public service	1.5	1.3	1.0
Academic support	18.5	21.4	13.8
Student services	19.4	16.7	14.0
Institutional support	29.7	25.8	23.0
Operations	16.9	14.3	12.4
Student aid	0.5	1.4	19.2
Auxiliary enterprises	9.5	6.7	4.9
Depreciation	<u>14.7</u>	<u>14.8</u>	<u>12.8</u>
Total	<u>\$178.1</u>	<u>\$160.6</u>	<u>\$151.5</u>



**Other Revenues, Expenses, Gains, and Losses**

Other revenues, expenses, gains, and losses are primarily the net result of capital activity paid through state-funded bonds, which the System has no obligation to repay, and capital gifts and grants, including the transfer of land and buildings from other public entities.

<i>(in millions)</i>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Other revenues, net	\$ 0.3	\$ 0.5	\$ 2.2

The System generated proceeds from the State for grants and capital asset acquisition of \$0.3 million in 2024, \$0.4 million in 2023, and \$2.2 million in 2022, as some colleges continued spending the Chap. 465 P.L. 2017 General Purpose Bond.

Capital grants and gifts decreased \$132,000 in 2024, increased \$122,000 in 2023, and decreased \$17,000 in 2022, due to fluctuations in donor activity.

**Statement of Net Position**

In 2024, net position increased \$15.5 million. Assets and deferred outflows of resources increased \$15.7 million while liabilities and deferred inflows of resources increased \$0.2 million in 2024. The assets increase was from noncurrent assets increasing \$16.0 million, the result of increases in prepaid post-employment benefit plans of \$16.9 million, endowment investments of \$1.7 million, and capital assets decrease of \$0.6 million. Current assets also increased \$2.6 million from cash and cash equivalents decreasing \$8.4 million, short-term investments increasing \$6.2 million, and accounts receivable increasing \$6.0 million. Asset increases were offset by a decrease in HEERF receivable of \$0.3 million, a decrease in deferred outflows of resources from the defined benefit pension plan of \$0.5 million, and other post-retirement benefit plans decrease of \$2.4 million.

**MAINE COMMUNITY COLLEGE SYSTEM  
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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2024**

The \$0.2 million increase in liabilities and deferred inflows of resources was the result of liabilities decreasing \$3.4 million and deferred inflows of resources increasing \$3.6 million. Increases of \$2.9 million in net pension liability, and \$2.0 million in accrued expense, including accounts payable, were offset by decreases of \$1.1 million in subscription liabilities, \$6.0 million in unearned revenue, \$1.1 million in long-term debt, and small decreases in lease obligations. Decreases in deferred inflows of resources were the result of \$3.8 million of defined benefit pension plan offset by other post-employment benefit plan increase of \$7.4 million.

In 2023, net position increased \$18.1 million. Assets and deferred outflows of resources increased \$37.9 million while liabilities and deferred inflows of resources increased \$19.8 million in 2023 with the implementation of GASB 96. The assets increase was from noncurrent assets increasing \$25.9 million, the result of increases in prepaid post-employment benefit plans of \$9.7 million, endowment investments of \$0.8 million, and capital assets of \$0.2 million. Current assets also increased \$15.8 million from cash and cash equivalents increasing \$11.8 million, short-term investments increasing \$3.9 million, and accounts receivable increasing \$5.3 million. Asset increases were offset by a decrease in HEERF receivable of \$7 million, a decrease in deferred outflows of resources from the defined benefit pension plan of \$2.5 million, and other post-retirement benefit plans decrease of \$1.2 million.

The \$19.8 million increase in liabilities and deferred inflows of resources was the result of liabilities increasing \$35.4 million and deferred inflows of resources decreasing \$15.6 million. Increases of \$12.6 million in net pension liability, \$11.5 million in subscription liabilities, \$9.3 million in unearned revenue, and \$2.5 million in accrued expense, including accounts payable were offset by decreases of \$1 million in long-term debt and small decreases in lease obligations. Decreases in deferred inflows of resources were the result of \$19.6 million of defined benefit pension plan offset by other post-employment benefit plan increase of \$4.1 million.

In 2022, net position increased \$6.8 million. Assets and deferred outflows of resources increased \$5.1 million while liabilities and deferred inflows of resources decreased \$1.7 million in 2022. The assets increase was the result of an increase in deferred outflows of resources from the defined benefit pension plan of \$6.0 million and other post-retirement benefit plans of \$4.2 million. The noncurrent assets decreased \$8.1 million, the result of decreases in prepaid post-employment benefit plans of \$2.8 million, endowment investments of \$3.6 million, and capital assets of \$1.6 million.

The \$1.7 million decrease in liabilities and deferred inflows of resources was the result of liabilities decreasing \$24.9 million and deferred inflows of resources increasing \$23.3 million. Decreases of \$24.6 million in net pension liability, \$1 million in long-term debt, \$0.4 million in other post-employment benefit plans, and \$0.1 million in lease obligations were offset by \$1 million increase in accrued expenses. Increases in deferred inflows of resources were from \$24 million of defined benefit pension plan increases offset by other post-employment benefit plan decrease of \$0.7 million.

**MAINE COMMUNITY COLLEGE SYSTEM  
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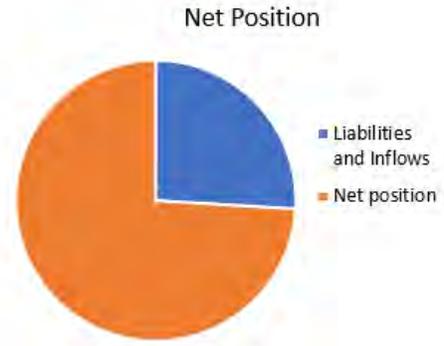
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2024**

**Net Position**

*(In millions)*

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Current assets	<b>\$120.3</b>	\$117.7	\$101.9
Noncurrent assets	<b>246.7</b>	230.7	204.8
Deferred outflows	<b><u>20.0</u></b>	<u>22.9</u>	<u>26.7</u>
Total assets and deferred outflows	<b><u>\$387.0</u></b>	<u>\$371.3</u>	<u>\$333.4</u>
Current liabilities	<b>\$ 28.6</b>	\$ 32.7	\$ 19.9
Noncurrent liabilities	<b>67.8</b>	67.0	44.5
Deferred inflows	<b><u>34.0</u></b>	<u>30.4</u>	<u>45.9</u>
Total liabilities and deferred inflows	<b><u>\$130.4</u></b>	<u>\$130.1</u>	<u>\$110.3</u>
Investment in capital assets	<b>\$172.4</b>	\$172.7	\$167.6
Net restricted position	<b>28.4</b>	25.7	24.2
Net unrestricted position	<b><u>55.8</u></b>	<u>42.8</u>	<u>31.3</u>
Total net position	<b><u>\$256.6</u></b>	<u>\$241.2</u>	<u>\$223.1</u>



**Current Assets and Current Liabilities**

Current assets increased \$2.6 million, and current liabilities decreased \$4.1 million, in 2024, improving liquidity. Cash decreased \$8.4 million and short-term investments increased \$6.2 million due to favorable returns realized in 2024.

Accounts receivable increased \$6.0 million in 2024, due in large part to the MJRP training program and HAF grant activity. Due from state increased \$0.8 million, and prepaid expenses and other assets each decreased \$1.5 million.

In 2024, the \$4.1 million decrease in current liabilities is related to a \$6.0 million decrease in unearned revenue due largely to Free Community College funding, partially offset by \$1.6 million increase in accrued expenses, and \$0.5 million increase in accounts payable.

Current assets increased \$15.8 million, and current liabilities increased \$12.8 million, in 2023, improving liquidity. Cash increased \$11.8 million and short-term investments increased \$3.9 million due to favorable returns realized in 2023.

Accounts receivable increased \$5.3 million in 2023, due in large part to the MJRP training program and HAF grant activity. Due from state decreased \$0.3 million and other assets each increased \$2.2 million.

In 2023, the \$12.8 million increase in current liabilities is related to a \$9.3 million increase in unearned revenue due largely to Free Community College funding, \$1.6 million increase in accrued expenses, \$0.9 million increase in accounts payable, and \$0.9 million due to adoption of GASB 96.

**MAINE COMMUNITY COLLEGE SYSTEM  
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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2024**

Current assets increased \$2.9 million, and current liabilities increased \$1.3 million, in 2022, improving liquidity. Cash increased \$8.9 million and short-term investments decreased \$4.3 million. Cash was generated from operations and noncapital financing activities, while the decrease in investments is related to negative returns.

Accounts receivable increased \$1.1 million and HEERF receivable decreased \$3.4 million in 2022. Due from state and other assets increased \$0.4 million and \$0.4 million, respectively.

In 2022, the \$1.3 million increase in current liabilities is related to increases in accrued expenses of \$1.1 million. The balance is from small increases in current portion of long-term liabilities, accounts payable, and unearned revenue.

**Noncurrent Assets and Long-term Liabilities**

Noncurrent assets increased \$16.0 million and long-term liabilities increased \$0.8 million in 2024. In 2024, increases in prepaid post-employment benefit plans of \$16.9 million and endowment investments of \$1.7 million. Capital assets decreased \$0.6 million.

Long-term liabilities increased in 2024, the result of a \$3.0 million increase in net pension liability and minor increase in other post-employment benefit plans offset by a \$1.1 million decrease in long-term debt and \$1.1 million decrease in SBITA obligations. MCCS made scheduled payments on existing debt and did not incur any new debt.

Noncurrent assets increased \$25.9 million and long-term liabilities increased \$22.5 million in 2023. The increase in noncurrent assets is due to the adoption of GASB 96 resulting in a \$15.2 million increase. In 2023, increases in prepaid post-employment benefit plans of \$9.7 million and endowment investments and capital assets of \$0.8 million and \$0.2 million, respectively, were also reported.

Long-term liabilities increased in 2023, the result of a \$12.6 million increase in net pension liability, \$10.5 million increase in SBITA obligations, and \$0.5 million in other post-employment benefit plans offset by a \$1.0 million decrease in long-term debt. MCCS made scheduled payments on existing debt and did not incur any new debt.

In 2022, noncurrent assets decreased \$8.1 million and long-term liabilities decreased \$26.2 million. The decrease in noncurrent assets is due to a \$3.6 million decrease in endowment investments, \$2.8 million in prepaid post-employment benefit plans, and a \$1.6 million decrease in capital assets due in part to less spending of Chap. 465 P.L. 2017 General Purpose Bond. Long-term liabilities decreased \$24.7 million in net pension liability, \$0.4 million in OPEB liability, \$1.0 million in long-term debt, and \$0.1 million in lease obligations. MCCS made scheduled payments on existing debt and did not incur any new debt.

**MAINE COMMUNITY COLLEGE SYSTEM  
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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2024**

**Costs and Obligations of Retirement Plans**

Regular employees of the System have two retirement plan options: participation in TIAA/CREF, a defined contribution plan, and MainePERS, a defined benefit plan. MainePERS is an independent public agency of the State of Maine that administers retirement programs for State employees and other public entities including MCCS. MainePERS is responsible for the payment of retirement benefits to participants in that plan.

Participants in both the defined benefit and the defined contribution plan are eligible for retiree health insurance after vesting.

In 2015, the System implemented GASB 68. As a result, MCCS's proportionate share of the State's Unfunded Actuarially Accrued Liability (UAAL) for pension benefits was \$42.0 million as of June 30, 2024, \$39.0 million as of June 30, 2023, \$26.4 million as of June 30, 2022, and \$51.0 million as of June 30, 2021. The plan is administered by MainePERS. The System does not manage the defined benefit plan assets or directly control the benefits, but the System is required to fund its share of the plan so that it remains viable and able to honor the commitments made to retired employees. Therefore, the presentation of MCCS's proportionate share of the MainePERS UAAL, 4.5 percent as of the last reporting date, an increase of .3 percent from the proportion measured as of June 30, 2022, chronicles an important understanding of the System's fully formed financial condition and the totality of its obligations.

The UAAL is determined by actuaries, not staff or the System's auditors. Certain estimates used by actuaries, including investment returns, salary increases, mortality rates, and cost of living benefits will impact the valuation of the liability. Note 9 to the financial statements includes a required disclosure that demonstrates the impact of changing one assumption (the discount rate) by an increase or decrease of one percent.

In 2018, the System adopted GASB 75 which requires recognition of the total OPEB liability and retroactive restatement of net position. In 2009, the System created the MCCS OPEB Trust. The Trust Agreement allows the Trust to accept contributions from MCCS to fund future retiree benefits and limits the trustees to prudent investment of trust assets and payment of retiree health and life insurance benefit costs. MCCS's recognized income for other post-employment benefits was \$1.9 million in 2024, \$2.1 million in 2023, \$0.8 million in 2022, \$1.9 million in 2021, and \$0.3 million in 2020. MCCS's total expense for other post-employment benefits was \$0.8 million in 2019, \$2.1 million in 2018, and \$1.7 million in 2017. The actuarially accrued obligation for retiree health and life insurance in 2024 was \$28.2 million, a decrease of \$8.6 million from 2023 obligation of \$36.8 million. The actuarially accrued obligation for retiree health and life insurance in 2023 was \$36.8 million, a decrease of \$4.7 million from 2022 obligation of \$41.5 million. In 2022, the actuarially accrued obligation was \$41.5 million, a \$6.3 million decrease from 2021 obligation of \$47.8 million. The 2021 obligation was up \$4.1 million from \$43.7 million in 2020, and 2020 was an increase of \$1.3 million from 2019. In 2019 it was \$42.4 million, down \$6.8 million from 2018. The actuarially accrued obligation was \$49.2 million in 2018.

Trust assets were valued at \$60.3 million on June 30, 2024, \$52.0 million on June 30, 2023, \$47.0 million on June 30, 2022, \$56.1 million on June 30, 2021, \$44.3 million on June 30, 2020, \$42.2 million on June 30, 2019, and \$39.9 million on June 30, 2018. Accordingly, the net OPEB (asset) liability was \$(32.1) million on June 30, 2024, \$(15.2) million on June 30, 2023, \$(5.5) million on June 30, 2022, \$(8.3) million on June 30, 2021, \$(0.6) million on June 30, 2020, \$0.2 million on June 30, 2019, and \$9.3 million on June 30, 2018.

**MAINE COMMUNITY COLLEGE SYSTEM  
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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2024**

**Endowments**

Noncurrent assets also include \$17.4 in endowment investments; an increase of \$1.7 million, or 10.8 percent from 2023. In 2023, noncurrent assets included \$15.7 million in endowment investments; an increase of \$0.8 million, or 5.3 percent from 2022. In 2022, noncurrent assets included \$14.9 million in endowment investments; a decrease of \$3.6 million, or 19.6 percent from 2021.

Endowment investments earned 11.0 percent in 2024 and 10.9 percent in 2023 and lost 15.5 percent in 2022.

The largest shares of the endowment are comprised of gifts from the Bernard Osher Foundation. The Osher Endowments are comprised of four donations that total \$7.0 million. The State and the System have added \$3.0 million in matching funds. The gifts support scholarships and emergency financial assistance for full-time matriculated associate degree students.

The Board of Trustees adopted an investment policy using a long-term investment strategy, and investment results are compared to a blended benchmark index that is a composite made up of 40 percent Morgan Stanley Capital International—All Country World Index (MSCI-ACWI), 12.5 percent S&P 500, 15 percent of the Bloomberg Barclays US Aggregate Bond Index (BC Agg), 15 percent Bloomberg Barclays Intermediate US Government/Credit, 10 percent of the Russell 2000, 2.5 percent Morgan Stanley Capital International Emerging Markets, and 5 percent Russell 1000 value. Endowment investments are pooled with the System's long-term investments and are allocated based upon a percentage of the total investment pool.

**Net Position**

MCCS's net position represents the value of its assets and deferred outflows of resources after subtracting its liabilities and deferred inflows of resources. Net investment in capital assets is the value of nonexpendable, capital assets after subtracting the related debt on facilities and equipment. Restricted net assets are assets owned by MCCS, but, by agreement with grantors or donors, the assets can only be used for purposes specified in grant or donor agreements. As such, those assets are not available to meet the general obligations of operations. Unrestricted net assets are those assets, net of liabilities, which have accumulated over time, are free of restrictions and are expendable at the Trustees' direction. MCCS has designated unrestricted net position as follows (in millions):

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Funds committed to OPEB	\$ 3.1	\$ 3.1	\$ 2.6
Funds carried from prior years for programs	30.7	24.5	25.0
Funds committed to property, plant, and equipment renewal	31.4	34.4	28.3
Funds on deposit with bond trustee	1.2	1.2	1.2
Unobligated net position	20.9	11.4	10.5
Proportionate share of the State's net pension liability	<u>(31.5)</u>	<u>(31.8)</u>	<u>(36.3)</u>
Total unrestricted net position	<u>\$ 55.8</u>	<u>\$ 42.8</u>	<u>\$ 31.3</u>

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The narrative on costs and obligations of retirement plans notes that MCCS has appropriately recorded its proportionate share of the net pension liability (NPL) administered by MainePERS, but that the System does not manage any aspect of the plan. The results of operations and impact of GASB 68 are as follows:

(in <i>millions</i> )	<u>2024</u>			<u>2023</u>		
	<i>Before NPL</i>	<i>State's NPL</i>	<i>MCCS</i>	<i>Before NPL</i>	<i>State's NPL</i>	<i>MCCS</i>
Current assets	<b>\$120.3</b>	\$ -	<b>\$120.3</b>	\$ 117.7	\$ -	\$ 117.7
Noncurrent assets	<b>246.7</b>	-	<b>246.7</b>	230.7	-	230.7
Deferred outflows—pension	<b><u>6.3</u></b>	<b><u>13.7</u></b>	<b><u>20.0</u></b>	<b><u>8.7</u></b>	<b><u>14.2</u></b>	<b><u>22.9</u></b>
Total assets and deferred outflows	<b><u>\$373.3</u></b>	<b><u>\$ 13.7</u></b>	<b><u>\$387.0</u></b>	<b><u>\$357.1</u></b>	<b><u>\$ 14.2</u></b>	<b><u>\$371.3</u></b>
Current liabilities	<b>\$ 28.6</b>	\$ -	<b>\$ 28.6</b>	\$ 32.7	\$ -	\$ 32.7
Noncurrent liabilities	<b>25.8</b>	<b>42.0</b>	<b>67.8</b>	28.0	39.0	67.0
Deferred inflows	<b><u>30.8</u></b>	<b><u>3.2</u></b>	<b><u>34.0</u></b>	<b><u>23.4</u></b>	<b><u>7.0</u></b>	<b><u>30.4</u></b>
Total liabilities and deferred inflows	<b><u>\$ 85.2</u></b>	<b><u>\$ 45.2</u></b>	<b><u>\$ 130.4</u></b>	<b><u>\$ 84.1</u></b>	<b><u>\$ 46.0</u></b>	<b><u>\$130.1</u></b>
Investment in capital assets	<b>\$172.4</b>	\$ -	<b>\$ 172.4</b>	\$172.7	\$ -	\$172.7
Net restricted position	<b>28.4</b>	-	<b>28.4</b>	25.7	-	25.7
Net unrestricted position	<b><u>87.3</u></b>	<b><u>(31.5)</u></b>	<b><u>55.8</u></b>	<b><u>74.6</u></b>	<b><u>(31.8)</u></b>	<b><u>42.8</u></b>
Total net position	<b><u>\$288.1</u></b>	<b><u>\$ (31.5)</u></b>	<b><u>\$256.6</u></b>	<b><u>\$273.0</u></b>	<b><u>\$(31.8)</u></b>	<b><u>\$241.2</u></b>

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**Statements of Net Position**

**June 30, 2024 and 2023**

**ASSETS**

	<u>2024</u>	<u>2023</u>
Current assets		
Cash and cash equivalents	\$ 39,173,654	\$ 47,604,737
Short-term investments	60,205,187	53,971,488
Accounts receivable, net	16,907,305	10,866,329
Higher Education Emergency Relief Funds receivable	214,080	547,275
Due from State of Maine	2,170,436	1,373,674
Prepaid expenses and other current assets	<u>1,651,234</u>	<u>3,331,352</u>
Total current assets	<u>120,321,896</u>	<u>117,694,855</u>
Noncurrent assets		
Prepaid post-employment benefit plans	32,098,554	15,195,636
Deposit with bond trustee	1,261,958	1,233,528
Endowment investments	17,399,817	15,742,192
Right-of-use asset, net	639,110	755,484
Subscription assets, net	13,754,498	15,619,593
Capital assets, net	<u>181,505,449</u>	<u>182,129,243</u>
Total noncurrent assets	<u>246,659,386</u>	<u>230,675,676</u>
Total assets	<u>\$ 366,981,282</u>	<u>\$ 348,370,531</u>

**DEFERRED OUTFLOWS OF RESOURCES**

Defined benefit pension plan	\$ 13,748,037	\$ 14,215,505
Other post-retirement benefit plans	<u>6,276,642</u>	<u>8,688,214</u>
Total deferred outflows of resources	<u>\$ 20,024,679</u>	<u>\$ 22,903,719</u>

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

## LIABILITIES

	<u>2024</u>	<u>2023</u>
Current liabilities		
Accounts payable	\$ 4,959,877	\$ 4,501,656
Accrued expenses	15,194,732	13,631,010
Unearned revenue	6,399,113	12,445,251
Current portion of lease obligation	114,031	111,373
Current portion of subscription liabilities	988,321	1,118,958
Current portion of long-term debt	<u>980,000</u>	<u>935,000</u>
Total current liabilities	<u>28,636,074</u>	<u>32,743,248</u>
Long-term liabilities		
Long-term debt, excluding current portion	12,346,347	13,453,768
Lease obligation, excluding current portion	555,921	669,952
Subscription liabilities, excluding current portion	9,766,356	10,754,677
Net pension liability	41,980,020	39,038,376
Other post-employment benefit plans	<u>3,112,099</u>	<u>3,109,401</u>
Total long-term liabilities	<u>67,760,743</u>	<u>67,026,174</u>
Total liabilities	<u>\$ 96,396,817</u>	<u>\$ 99,769,422</u>

## DEFERRED INFLOWS OF RESOURCES

Defined benefit pension plan	\$ 3,227,421	\$ 6,996,200
Other post-employment benefit plans	30,374,212	22,985,174
Deferred gain on bond refunding	<u>335,158</u>	<u>363,087</u>
Total deferred inflows of resources	<u>\$ 33,936,791</u>	<u>\$ 30,344,461</u>

## NET POSITION

Net investment in capital assets	\$ 172,398,438	\$ 172,682,519
Restricted for:		
Nonexpendable:		
Scholarships and fellowships	11,848,038	11,848,038
Expendable:		
Scholarships and fellowships	12,547,492	10,296,322
Instructional department uses	4,042,588	3,515,248
Other	57,215	57,315
Unrestricted	<u>55,778,582</u>	<u>42,760,925</u>
Total net position	<u>\$ 256,672,353</u>	<u>\$ 241,160,367</u>

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**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**Statements of Revenues, Expenses, and Changes in Net Position**

**Years Ended June 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
Operating revenues		
Student tuition and fees	\$ 46,663,782	\$ 39,142,117
Residential life fees	14,948,301	11,954,305
Less scholarship allowances	<u>(48,166,809)</u>	<u>(38,176,594)</u>
Net tuition and residential life fees	13,445,274	12,919,828
Federal grants and contracts	50,821,710	39,223,304
State and local grants and contracts	17,431,385	14,599,096
Nongovernmental grants and contracts	14,258,775	12,181,774
Sales and services of educational departments	585,221	634,019
Auxiliary enterprises	528,732	454,586
Other operating revenues	<u>3,373,015</u>	<u>6,336,383</u>
Total operating revenues	<u>100,444,112</u>	<u>86,348,990</u>
Operating expenses		
Instruction	67,362,257	58,204,579
Public service	1,469,223	1,325,546
Academic support	18,522,708	21,458,871
Student services	19,377,840	16,686,836
Institutional support	29,730,448	25,760,123
Operations and maintenance	16,937,027	14,302,155
Student aid	490,335	1,382,428
Auxiliary enterprises and residential life	9,465,862	6,695,058
Depreciation and amortization	<u>14,699,360</u>	<u>14,766,376</u>
Total operating expenses	<u>178,055,060</u>	<u>160,581,972</u>
Operating loss	<u>(77,610,948)</u>	<u>(74,232,982)</u>
Nonoperating revenues (expenses)		
State appropriations	82,013,346	78,663,179
Higher Education Emergency Relief Funds	311,398	6,861,420
State appropriations - Maine Free College Program	16,108,635	11,797,184
Less scholarship allowances - Maine Free College Program	<u>(14,455,806)</u>	<u>(10,393,170)</u>
Gifts	912,148	772,320
Investment income, net of investment expenses of \$321,518 in 2024 and \$281,973 in 2023	9,053,665	5,286,462
Interest on capital asset-related debt and leases	<u>(1,108,490)</u>	<u>(1,184,933)</u>
Net nonoperating revenues	<u>92,834,896</u>	<u>91,802,462</u>
Income before other revenues, gains, or (losses)	15,223,948	17,569,480

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

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**Statements of Revenues, Expenses, and Changes in Net Position (Concluded)**

**Years Ended June 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
Other revenues, gains, or (losses)		
Capital grants and gifts	\$ -	\$ 132,250
Appropriation from State for grants and capital asset acquisition	280,730	369,659
Gain (loss) on disposals of capital assets—other	7,308	(15,069)
Additions to permanent endowments	<u>-</u>	<u>218</u>
Net other revenues, gains, or (losses)	<u>288,038</u>	<u>487,058</u>
Increase in net position	15,511,986	18,056,538
Net position, beginning of year	<u>241,160,367</u>	<u>223,103,829</u>
Net position, end of year	<u>\$ 256,672,353</u>	<u>\$ 241,160,367</u>

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

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**Statements of Cash Flows**

**Years Ended June 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Receipts from tuition and residential life fees	\$ 5,153,473	\$ 13,397,920
Receipts from grants and contracts	76,682,150	69,597,193
Receipts from bookstore	674,598	138,965
Payments to suppliers and vendors	(56,989,186)	(52,982,708)
Payments for employees' salaries and benefits	(107,300,856)	(97,796,956)
Payments for funding of Other Post-Employment Benefit Trust (OPEB)	(1,897,396)	(1,713,730)
Other sales and services	568,370	597,345
Other receipts	<u>2,914,287</u>	<u>5,932,609</u>
Net cash used by operating activities	<u>(80,194,560)</u>	<u>(62,829,362)</u>
Cash flows from noncapital financing activities		
State appropriations	82,013,346	78,663,179
State appropriations - Maine Free College Program	1,652,829	1,404,014
Gifts and grants received for other than capital purposes		
Nonoperating private gifts	501,317	311,326
Higher Education Emergency Relief Funds	<u>644,593</u>	<u>13,841,077</u>
Net cash provided by noncapital financing activities	<u>84,812,085</u>	<u>94,219,596</u>
Cash flows from capital and related financing activities		
Payments on long-term liabilities	(2,165,331)	(2,089,501)
Proceeds from state grants for capital asset acquisition	280,729	369,659
Capital grants and gifts received	-	36,050
Purchase of capital assets	(11,019,335)	(12,785,934)
Purchase of subscription assets	-	(4,404,430)
Proceeds from sale of capital assets	7,308	201
Increase in deposit with bond trustee	(28,430)	(37,069)
Interest paid on capital debt and leases	<u>(1,285,890)</u>	<u>(1,361,733)</u>
Net cash used by capital and related financing activities	<u>(14,210,949)</u>	<u>(20,272,757)</u>
Cash flows from investment activities		
Proceeds from sales and maturities of investments	322,479	1,065,461
Investments purchased	(1,532,720)	(2,288,649)
Interest and dividends received	<u>2,372,582</u>	<u>1,860,647</u>
Net cash provided by investing activities	<u>1,162,341</u>	<u>637,459</u>
Net (decrease) increase in cash and cash equivalents	<u>(8,431,083)</u>	11,754,936
Cash and cash equivalents, beginning of year	<u>47,604,737</u>	<u>35,849,801</u>
Cash and cash equivalents, end of year	<u>\$ 39,173,654</u>	<u>\$ 47,604,737</u>

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

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**Statements of Cash Flows (Concluded)**

**Years Ended June 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
Reconciliation of operating loss to net cash used by operating activities		
Operating loss	<b>\$ (77,610,948)</b>	\$ (74,232,982)
Adjustments to reconcile operating loss to net cash used by operating activities		
Bad debts provision	<b>1,567,360</b>	1,137,661
Depreciation and amortization	<b>14,699,360</b>	14,766,376
Noncash pension credit	<b>(359,667)</b>	(4,390,048)
Noncash OPEB expense	<b>9,803,308</b>	5,825,703
Noncash donations of supplies	<b>410,831</b>	461,212
Decrease (increase) in		
Accounts receivable, net	<b>(7,608,336)</b>	(6,404,630)
Due from State of Maine	<b>(796,761)</b>	357,308
Prepaid expenses and other current assets	<b>1,680,118</b>	(2,207,971)
Prepaid post-employment benefit plans	<b>(16,902,918)</b>	(9,695,153)
Increase (decrease) in		
Accounts payable	<b>(616,541)</b>	581,820
Accrued expenses, net of accrued interest on capital debt	<b>1,585,772</b>	1,608,976
Unearned revenue	<b>(6,046,138)</b>	<u>9,362,366</u>
Net cash used by operating activities	<b><u>\$ (80,194,560)</u></b>	<b><u>\$ (62,829,362)</u></b>
Supplemental disclosure of noncash capital and related financing activities		
Donated capital assets	<b><u>\$ -</u></b>	<b><u>\$ 96,200</u></b>
Capital asset purchases recorded in accounts payable	<b><u>\$ 1,455,596</u></b>	<b><u>\$ 380,834</u></b>
Summary of noncash investing activities		
Net gains related to investments	<b><u>\$ 6,681,083</u></b>	<b><u>\$ 3,425,815</u></b>

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

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**MAINE COMMUNITY COLLEGE EDUCATIONAL FOUNDATIONS  
(Component Units)**

**Balance Sheets**

**June 30, 2024 and 2023**

**ASSETS**

	<u>2024</u>	<u>2023</u>
Current assets		
Cash and cash equivalents	\$ 3,537,397	\$ 9,426,144
Investments	28,758,322	16,976,144
Pledges receivable, current portion	1,994,938	4,350,290
Beneficial interest in assets held by others	1,369,224	1,241,609
Other assets	<u>3,868</u>	<u>36,815</u>
Total current assets	35,663,749	32,031,002
Pledges receivable, net of allowance for uncollectible pledges and discounts to net present value	<u>682,775</u>	<u>2,290,789</u>
Total assets	<u>\$ 36,346,524</u>	<u>\$ 34,321,791</u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable and accruals	\$ 2,018,559	\$ 1,237,101
Contributions payable	<u>934,559</u>	<u>-</u>
Total liabilities	<u>2,953,118</u>	<u>1,237,101</u>
Net assets		
Without donor restrictions	4,656,942	3,562,832
With donor restrictions	<u>28,736,464</u>	<u>29,521,858</u>
Total net assets	<u>33,393,406</u>	<u>33,084,690</u>
Total liabilities and net assets	<u>\$ 36,346,524</u>	<u>\$ 34,321,791</u>

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

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**MAINE COMMUNITY COLLEGE EDUCATIONAL FOUNDATIONS  
(Component Units)**

**Statement of Activities**

**Year Ended June 30, 2024**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains, and other support			
Gifts and contributions	\$ 416,894	\$ 6,701,948	\$ 7,118,842
Contributed nonfinancial assets	171,219	-	171,219
Net investment income	790,821	2,021,100	2,811,921
Other	<u>418,301</u>	<u>86,312</u>	<u>504,613</u>
	1,797,235	8,809,360	10,606,595
Net assets released from restrictions	<u>9,594,754</u>	<u>(9,594,754)</u>	<u>-</u>
Total revenues, gains, and other support	<u>11,391,989</u>	<u>(785,394)</u>	<u>10,606,595</u>
Expenses			
Program expenses			
Scholarships	2,164,166	-	2,164,166
Support	7,046,706	-	7,046,706
Fundraising			
Personnel costs	41,651	-	41,651
Special events	194,492	-	194,492
Miscellaneous	248,295	-	248,295
Management and general			
Wages and benefits	318,052	-	318,052
Professional services	63,071	-	63,071
General operating	168,487	-	168,487
Miscellaneous	<u>52,959</u>	<u>-</u>	<u>52,959</u>
Total expenses	<u>10,297,879</u>	<u>-</u>	<u>10,297,879</u>
Change in net assets	1,094,110	(785,394)	308,716
Net assets, beginning of year	<u>3,562,832</u>	<u>29,521,858</u>	<u>33,084,690</u>
Net assets, end of year	<u>\$ 4,656,942</u>	<u>\$ 28,736,464</u>	<u>\$ 33,393,406</u>

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

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**MAINE COMMUNITY COLLEGE EDUCATIONAL FOUNDATIONS  
(Component Units)**

**Statement of Activities**

**Year Ended June 30, 2023**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains, and other support			
Gifts and contributions	\$ 208,777	\$ 3,787,934	\$ 3,996,711
Contributed services	158,955	-	158,955
Contributed nonfinancial assets	177,764	-	177,764
Net investment loss	332,986	1,240,090	1,573,076
Other	<u>405,615</u>	<u>40,845</u>	<u>446,460</u>
	1,284,097	5,068,869	6,352,966
Net assets released from restrictions	<u>10,190,787</u>	<u>(10,190,787)</u>	<u>-</u>
Total revenues, gains, and other support	<u>11,474,884</u>	<u>(5,121,918)</u>	<u>6,352,966</u>
Expenses			
Program expenses			
Scholarships	1,809,258	-	1,809,258
Support	7,809,887	-	7,809,887
Fundraising			
Personnel costs	104,206	-	104,206
Special events	56,509	-	56,509
Miscellaneous	157,426	-	157,426
Management and general			
Wages and benefits	417,414	-	417,414
Professional services	97,010	-	97,010
General operating	138,418	-	138,418
Miscellaneous	<u>68,902</u>	<u>-</u>	<u>68,902</u>
Total expenses	<u>10,659,030</u>	<u>-</u>	<u>10,659,030</u>
Change in net assets	815,854	(5,121,918)	(4,306,064)
Net assets, beginning of year	<u>2,746,978</u>	<u>34,643,776</u>	<u>37,390,754</u>
Net assets, end of year	<u>\$ 3,562,832</u>	<u>\$ 29,521,858</u>	<u>\$ 33,084,690</u>

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

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**MAINE COMMUNITY COLLEGE SYSTEM POST-EMPLOYMENT BENEFIT TRUST**

**Statements of Fiduciary Net Position**

**June 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
Assets		
Cash	\$ 149,094	\$ 147,669
Accounts receivable	352,960	-
Investments	<u>59,845,338</u>	<u>51,865,699</u>
Total assets	<u>60,347,392</u>	<u>52,013,368</u>
Net position held in trust for benefits	<u>\$ 60,347,392</u>	<u>\$ 52,013,368</u>

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

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**MAINE COMMUNITY COLLEGE SYSTEM POST-EMPLOYMENT BENEFIT TRUST**

**Statements of Changes in Fiduciary Net Position**

**Years Ended June 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
Additions		
Interest income	\$ 1,426	\$ 21
Employer contributions	1,897,396	1,713,730
Investment income, net of investment expense of \$322,121 in 2024 and \$293,571 in 2023	<u>7,979,641</u>	<u>4,846,947</u>
Total additions	<u>9,878,463</u>	<u>6,560,698</u>
Deductions		
Benefits	1,489,439	1,513,083
Administrative expenses	<u>55,000</u>	<u>55,000</u>
Total deductions	<u>1,544,439</u>	<u>1,568,083</u>
Net increase	8,334,024	4,992,615
Fiduciary net position held in trust for benefits, beginning of year	<u>52,013,368</u>	<u>47,020,753</u>
Fiduciary net position held in trust for benefits, end of year	<u>\$ 60,347,392</u>	<u>\$ 52,013,368</u>

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

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**Notes to Financial Statements**

**June 30, 2024 and 2023**

**1. Summary of Significant Accounting Policies**

The significant accounting policies followed by the Maine Community College System (the System) are set forth below:

**Basis of Presentation**

The 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 its seven colleges and the central administrative office.

The System is included in the financial statements of the State of Maine (the State) as a discretely-presented component unit. This financial performance is based primarily on the State's appointment of the System Board of Trustees, the level of revenues derived from State appropriations, and the ability of the State to influence the operational decisions of the System.

The accompanying financial statements have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP) as prescribed by the Governmental Accounting Standards Board (GASB) using the economic resources measurement focus and the accrual basis of accounting. The System follows all applicable GASB pronouncements.

The following elements are included with these general purpose financial statements:

- Management's Discussion and Analysis (as required supplementary information);
- Basic financial statements, which include the Statements of Net Position, Statements of Revenues, Expenses, and Changes in Net Position, Statements of Cash Flows, Balance Sheets & Statements of Activities for the Maine Community College System Educational Foundation, and Statements of Fiduciary Net Position & Changes in Fiduciary Net Position for the Maine Community College System Post-employment Benefit Trust;
- Notes to the Financial Statements;
- Required Supplementary Information; and
- Schedule of Activities.

The System follows the "business-type activities" (BTA) requirements of GASB Statement No. 35, *Basic Financial Statements—and Management's Discussion and Analysis—for Public Colleges and Universities*. BTAs are defined as those that are financed in whole or in part by fees charged to external parties for goods or services.

The financial statements are reported on a consolidated basis and the System classified resources into the following net position categories:

- **Net investment in capital assets**—Capital assets, at historical cost or fair market value on the date of gift, net of accumulated depreciation, plus deposit with trustee; reduced by outstanding principal balances of debt; increased by deferred outflows of resources, and decreased by deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets.

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**Notes to Financial Statements**

**June 30, 2024 and 2023**

**1. Summary of Significant Accounting Policies (Continued)**

- **Restricted nonexpendable**—Net position subject to externally-imposed stipulations that is invested permanently by the System. The amount is affected by new nonexpendable gifts.
- **Restricted expendable**—Net position whose use by the System is subject to externally-imposed stipulations. Such assets include the accumulated net gains/losses on true endowment funds as well as the fair market value of restricted funds functioning as endowments, restricted funds loaned to students, restricted gifts and endowment income, and other similar restricted funds.
- **Unrestricted**—All other categories of net position. Unrestricted net position may be designated by actions of the System's Board of Trustees.

The System determines on a case-by-case basis whether to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available. However, the System generally encourages the use of restricted resources first.

**Reporting Entity**

The financial reporting entity consists of the primary government (the System), its component units, which consist of the seven Foundations of the System's Colleges (the Foundations), and the Maine Community College System Post-Employment Benefit Trust (the Trust).

The Trust is a separate legal entity established in 2009 to accumulate funds to pay, at least in part, the System's obligations under the post-employment healthcare plan. See Note 12 for more information.

The Foundations are legally separate, tax-exempt component units of the System. The Foundations act primarily as fundraising organizations to supplement the resources that are available to the System by raising money for endowed scholarships, technology, and teaching resources. The Foundations are self-perpetuating and their donors consist of graduates and friends of the Colleges. Although the System does not control the timing or amount of receipts from the Foundations, the majority of resources, and income thereon, that the Foundations hold and invest are restricted to the activities of the System by the donors. Because these resources held by the Foundations can only be used by, or for the benefit of, the System, the Foundations are considered component units of the System. The Foundations are reported in separate financial statements.

The Foundations are private, not-for-profit organizations that report their financial results in accordance with private, non-governmental accounting standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the System's financial reporting entity for these differences. Significant note disclosures to the Foundations' financial statements have been incorporated into the System's notes to the financial statements in Note 16.

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**Notes to Financial Statements**

**June 30, 2024 and 2023**

**1. Summary of Significant Accounting Policies (Continued)**

**Cash Equivalents**

Cash equivalents are carried at cost, which approximates fair value, and consist principally of money market funds and other pooled funds with maturities of three months or less at the date of purchase.

**Investments**

Investments are reported at fair value. Realized gains and losses are calculated on a specific identification basis.

The System invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the financial statements.

**Endowment Investments**

Endowed investments consist of funds received from donors with the stipulation that the original principal remain invested in perpetuity to produce income, which is to be expended for the purposes specified by the donor. All endowments have been established for the purpose of granting scholarships to students.

Individual endowment funds are invested on a pooled basis. Total endowment investment yield received for the year is ratably allocated to fund accounts.

**Accounts Receivable**

Accounts receivable consist principally of tuition receivable from students and third-party payors and various state and federal grants.

Student accounts receivable are carried at the unpaid balance of the original amount billed to students, net of an estimate made for doubtful accounts based on a review of all outstanding amounts. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Student accounts are written off when deemed uncollectible. Recoveries of student accounts previously written off are recorded when received.

A student account receivable is generally considered to be past due if any portion of the receivable balance is outstanding at the beginning of a semester, at which point late charges may be assessed and are recognized when charged. Interest is not charged on past-due accounts.

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**Notes to Financial Statements**

**June 30, 2024 and 2023**

**1. Summary of Significant Accounting Policies (Continued)**

**Capital Assets**

Capital assets funds, derived from appropriations and the System funds so designated by the Board of Trustees, may be used to meet expenditures for construction of additional facilities, major renovations, and retirement of indebtedness arising there from. Designated funds are unrestricted funds for which the Board of Trustees or administration stipulates a specific use, thereby designating them for that purpose. However, the Board of Trustees may at any time redesignate the funds for other use. Total designated capital assets funds included in unrestricted net position amounted to \$28,144,294 and \$31,396,512 at June 30, 2024 and 2023, respectively.

Land, buildings, equipment, and fixtures are stated at cost at the date of acquisition, or fair market value at the date of donation in the case of gifts. Expenditures for maintenance, repairs, and assets with a cost of under \$5,000 are expensed as incurred. Upon sale or retirement of an asset, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is included in the statements of revenues, expenses, and changes in net position. Assets are depreciated on a straight-line basis according to the following estimated useful lives:

Buildings	40 years
Improvements	10 years
Furniture and equipment	3—10 years
Library books and periodicals	5 years

**Defined Benefit Pension Plan**

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 State Employee and Teacher Retirement Plan (the SET Pension Plan), and additions to/deductions from the SET Pension Plan's fiduciary net position, has been determined on the same basis as it is reported by the SET Pension Plan. 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.

**Other Post-Employment Benefits (OPEB)**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Group Life Insurance Plan for Retired State Employees and Teachers (the SET OPEB Plan), and additions to/deductions from the SET OPEB Plan's fiduciary net position, has been determined on the same basis as it is reported by the SET OPEB Plan. 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.

**MAINE COMMUNITY COLLEGE SYSTEM  
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**Notes to Financial Statements**

**June 30, 2024 and 2023**

**1. Summary of Significant Accounting Policies (Continued)**

**Deferred Outflows and Inflows of Resources**

Pursuant to GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, the System has recorded deferred outflows and inflows of resources relative to its pension plan and OPEB plans and deferred gain on bond refunding.

An analysis of deferred outflows of resources, deferred inflows of resources, and net position at June 30 is as follows:

	<b>2024</b>		
	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>	<b><u>Net (Asset) Liability</u></b>
Maine Public Employees Retirement System Pension Plan	\$ 13,748,037	\$ 3,227,421	\$ 41,980,020
Maine Community College System Post-employment Health Insurance Plan	5,518,133	30,170,557	(32,098,554)
Maine Public Employees Retirement System OPEB Plan	758,509	203,655	3,112,099
Deferred gain on bond refunding	<u>-</u>	<u>335,158</u>	<u>-</u>
Total	<b><u>\$ 20,024,679</u></b>	<b><u>\$ 33,936,791</u></b>	<b><u>\$ 12,993,565</u></b>
	<b>2023</b>		
	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>	<b><u>Net (Asset) Liability</u></b>
Maine Public Employees Retirement System Pension Plan	\$ 14,215,505	\$ 6,996,200	\$ 39,038,376
Maine Community College System Post-employment Health Insurance Plan	7,912,001	22,683,458	(15,195,637)
Maine Public Employees Retirement System OPEB Plan	776,213	301,716	3,109,401
Deferred gain on bond refunding	<u>-</u>	<u>363,087</u>	<u>-</u>
Total	<b><u>\$ 22,903,719</u></b>	<b><u>\$ 30,344,461</u></b>	<b><u>\$ 26,952,140</u></b>

**MAINE COMMUNITY COLLEGE SYSTEM  
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**Notes to Financial Statements**

**June 30, 2024 and 2023**

**1. Summary of Significant Accounting Policies (Continued)**

**Subscription-Based Information Technology Arrangements (SBITA)**

The System is party to five SBITAs. The System recognizes a subscription liability and an intangible right-of-use subscription asset (subscription asset) in the statements of net position. The System reports SBITA current expenditures in the statements of revenues, expenditures, and changes in net position. The System recognizes subscription liabilities with an initial term greater than 12 months. Remaining subscription terms range from 2 to 10 years with fixed payments due monthly and annually. For SBITAs with a maximum possible term of 12 months or less at commencement, the System recognizes expenses/expenditures based on the provisions of the arrangement.

At the commencement of a SBITA, the System initially measures the subscription liability at the present value of expected subscription payments to be made over the SBITA term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial measurement of the subscription liability, adjusted for payments associated with the SBITA contract made to the vendor at the commencement of the subscription term, plus any capitalizable initial implementation costs, less any vendor incentives received at the commencement of the subscription term. Subsequently, the subscription asset is amortized on a straight-line basis over the shorter of the useful life of the SBITA asset or subscription term.

Key estimates and judgments related to SBITAs include how the System determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) the subscription term, and (3) subscription payments.

The System uses prime rate at the commencement date of the contract as the discount rate. The subscription term includes the noncancellable period during which the System has a noncancellable right to use the underlying IT assets. The subscription term also includes periods covered by an option to extend if reasonably certain the System or vendor will exercise that option or to terminate if it is reasonably certain that the System or vendor will not exercise that option. Subscription payments included in the measurement of the subscription liability are composed of fixed payments only.

The System monitors changes in circumstances that would require a remeasurement of a SBITA and will remeasure the subscription asset and subscription liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Subscription assets are reported with noncurrent assets and subscription liabilities are reported with long-term liabilities on the statements of net position.

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**Notes to Financial Statements**

**June 30, 2024 and 2023**

**1. Summary of Significant Accounting Policies (Continued)**

**Compensated Absences**

The System accrues amounts for compensated absences as earned. As of June 30, 2024 and 2023, the System had accrued \$3,608,285 and \$3,435,835, respectively. These accrued balances represent vacation and earned time amounts available to be used or payable to employees upon termination of employment and are included in accrued expenses on the statements of net position.

**Revenue Recognition**

Tuition and fees revenues are recognized when the services are performed. Unrestricted gifts of securities and other noncash assets are recognized as revenue based on the fair value at the date of donation; restricted grants and gifts are recognized as revenue based on the fair value when eligibility requirements have been met; state appropriations are recognized in the year the State appropriates the funds.

Unearned revenue consists primarily of unrestricted tuition and student fees related to future fiscal years.

Investment income consists of interest and dividend income recognized on the accrual method, as well as realized and unrealized gains or losses on investments.

Auxiliary enterprises furnish goods or services to students, faculty, or staff, and charge a fee directly related to the cost of the goods or services. Revenues from auxiliary enterprises are primarily earned from college stores and are recognized as the services are performed or the goods are delivered.

**Operating Revenues and Expenses**

Operating revenues substantially consist of tuition and fees; federal, state, and other grants and contracts for noncapital purposes; sales and services of education activities; and auxiliary enterprises revenues. Operating expenses include instruction, public service, academic support, student services, institutional support, operations and maintenance, student aid, auxiliary enterprises and residential life, and depreciation and amortization. All other revenues and expenses of the System are reported as other or nonoperating revenues and expenses, including state general appropriations, noncapital gifts, investment income, interest expense, and capital additions and deductions. Revenues are recognized when earned and expenses are recognized when incurred. Restricted grant revenue is recognized only to the extent eligibility requirements have been met, primarily representing funds spent for expenditure driven grants.

**MAINE COMMUNITY COLLEGE SYSTEM  
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**Notes to Financial Statements**

**June 30, 2024 and 2023**

**1. Summary of Significant Accounting Policies (Continued)**

**Tax Status**

The System is exempt from income taxes because it is an instrumentality of the State of Maine. The Foundations are exempt from income taxes because they are 501(c)(3) organizations. The Trust is exempt from income taxes by virtue of the exempt status of the System.

If an exempt organization regularly carries on a trade or business not substantially related to its exempt purpose, except that it provides funds to carry out that purpose, the organization is subject to tax on its income from that unrelated trade or business. The System has evaluated the positions taken on its business activities and has concluded no unrelated business income tax exists at June 30, 2024 and 2023.

**Custodial Funds**

Custodial funds are cash held by an institution acting as custodian or fiscal agent, but not assets or liabilities of the institution. The cash is deposited with the institution for safekeeping, to be used or withdrawn by the depositor at will. As of June 30, 2024 and 2023, the System held assets totaling \$1,629,201 and \$1,694,684, respectively, consisting primarily of Student Union Activity Funds, which are not reflected in the accompanying statements of net position.

**Risk Management**

The System is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental, and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

**Use of Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, as well as the reported amounts of revenues and expenses. These estimates include, but are not limited to, the valuation of accounts and pledges receivable and the actuarial assumptions used in determining the post-employment benefit expenses and related balances. Actual results could differ from those estimates.

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**Notes to Financial Statements**

**June 30, 2024 and 2023**

**1. Summary of Significant Accounting Policies (Concluded)**

**New Accounting Pronouncements Not Yet Effective**

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. This Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This Statement requires liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. Compensated absences including parental leave, military leave, and jury duty leave, are not to be recognized until the leave commences. For financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditure be recognized for the amount that normally would be liquidated with expendable available financial resources. This Statement is effective for reporting periods beginning after December 15, 2023, and earlier application is encouraged. Management is currently evaluating the impact this Statement will have on the System's financial statements.

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This Statement is intended to enhance the clarity, consistency, and usefulness of financial statements for governments. The new enhancements are designed to enhance the effectiveness of governmental financial reports by focusing on essential information for decision-making and assessing a government's accountability and address certain application issues. This Statement changes existing requirements related to (1) management's discussion and analysis, (2) Unusual or infrequent items (previously known as extraordinary and special items), (3) presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position, (4) major component unit information, and (5) budgetary comparison information. This Statement is effective for reporting periods beginning after June 15, 2024, and all reporting period thereafter. Management is currently evaluating the impact this Statement will have on the System's financial statements.

**New Accounting Pronouncement**

As of June 30, 2024, the System adopted new accounting guidance, GASB Statement No. 100, *Accounting Changes and Error Corrections—An Amendment of GASB No. 62*. The adoption of this Statement and related guidance during the year ended June 30, 2024 did not have a material impact of the financial statements of the System.

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**Notes to Financial Statements**

**June 30, 2024 and 2023**

**2. Cash and Cash Equivalents**

The carrying amounts, which represent both cost and fair value, of cash and cash equivalents for the System at June 30, 2024 and 2023 are presented below:

	<u>2024</u>	<u>2023</u>
Cash in bank	\$ 11,066,034	\$ 19,159,634
Deposits in transit (outstanding checks)	2,576	20,305
State Treasurer's Cash Pool	<u>28,105,044</u>	<u>28,424,798</u>
	<u>\$ 39,173,654</u>	<u>\$ 47,604,737</u>

The bank account balances are covered by depository insurance up to \$250,000 at each bank at June 30, 2024 and 2023. The cash in bank in excess of depository insurance is collateralized by a \$1,000,000 stand-by letter of credit with the Federal Home Loan Bank. Cash in bank in excess of \$1,250,000 is uncollateralized. The System has established internal procedures to monitor credit risk relating to deposits in financial institutions.

The State Treasurer's Cash Pool (the Pool), established by the Maine State Treasurer, is not rated by a nationally recognized statistical rating organization. However, the Pool is limited by State law to invest in obligations of the U.S. Treasury and its agencies and instrumentalities that mature within 36 months; repurchase agreements that are secured by obligations of the U.S. Government and its agencies and instrumentalities and mature within 12 months; prime commercial paper; tax-exempt municipal obligations rated no less than AA; corporate bonds rated AAA; money market funds; bankers' acceptances not exceeding 180 days; and time certificates of deposit not exceeding two years.

The System's management considers this investment to be a money market instrument and carries the amounts at cost, which approximates fair value.

**MAINE COMMUNITY COLLEGE SYSTEM  
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**Notes to Financial Statements**

**June 30, 2024 and 2023**

**3. Investments**

The fair value of investments for the System at June 30, 2024 and 2023 is as follows:

	<u>2024</u>	<u>2023</u>
Management account investments		
Investments at net asset value (NAV)		
Equity	\$ 31,575,324	\$ 29,973,621
Fixed-income	<u>46,024,390</u>	<u>39,733,620</u>
Total management account investments	<u>77,599,714</u>	69,707,241
Other investments	<u>5,290</u>	<u>6,439</u>
Total investment balance	<u>\$ 77,605,004</u>	<u>\$ 69,713,680</u>

The System's investments are reported in the financial statements at June 30, 2024 and 2023 as follows, based on the portfolios underlying fund investments:

	<u>2024</u>	<u>2023</u>
Short-term investments	\$ 60,205,187	\$ 53,971,488
Endowment investments	<u>17,399,817</u>	<u>15,742,192</u>
	<u>\$ 77,605,004</u>	<u>\$ 69,713,680</u>

**Interest Rate Risk**

The System manages interest rate risk according to its investment policy by maintaining investments that are both liquid, as determined by a readily available market, and highly diversified, using institutional class mutual funds or exchange-traded funds.

**Credit Risk**

The System limits its exposure to credit risk in its investment policy by investing in highly diversified fixed-income funds. Collectively taken, the majority of the underlying holdings in these funds in which the System may invest are investment grade as rated by a nationally recognized statistical rating organization (NRSRO). The System further reduces potential credit risk by not investing directly in individual fixed-income securities. Management periodically reviews the exposure to securities that are unrated or below investment grade in its portfolios to ensure the System limits its credit risk.

A summary of fixed-income investments and their related interest rate and credit risks as of June 30, 2024 and 2023 are as follows:

<u>Rating</u>	<u>2024</u>		<u>2023</u>	
	<u>Amount</u>	<u>Maturity</u>	<u>Amount</u>	<u>Maturity</u>
AA	<u>\$ 46,024,390</u>	8.5 years	<u>\$ 39,733,620</u>	6.1 years

The ratings are, and the maturities are the weighted averages of, the debt securities in which the funds invest.

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**Notes to Financial Statements**

**June 30, 2024 and 2023**

**3. Investments (Continued)**

**Concentration of Credit Risk**

The System has not defined a limit in its investment policies regarding the amount that can be placed in one issuer. However, the investment policy defines that the portfolio should be well diversified as to limit exposure to one issuer or security. Also, within the individual funds, the net credit exposure to any single issuer is not to represent 5% or more of the fund with the exception of U.S. Treasuries and Agencies and investment grade Organization for Economic Co-operation and Development member countries and their instrumentalities. As of June 30, 2024 and 2023, individual investments representing more than 5% of the System's investments were as follows:

	<u>Percentage of Investments</u>	
	<u>2024</u>	<u>2023</u>
Wellington Trust Co. (WTC)-Common Trust Funds (CTF)		
Ultra Short Duration	- %	10.8 %
WTC-CTF Intermediate Bond	<b>40.7</b>	28.5
WTC-CTF Global Opportunities Equity Fund	<b>16.5</b>	18.1
WTC-CTF Core Bond Plus	<b>18.6</b>	17.7
WTC-CTF Research Equity	<b>8.9</b>	9.7

**Custodial Credit Risk**

All of the System's investments are held with a third-party custodian in the System's name.

**Fair Value Measurement**

GASB Statement No. 72, *Fair Value Measurement and Application*, defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. GASB No. 72 also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

**Level 1:** Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

**Level 2:** Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.

**Level 3:** Significant unobservable inputs that reflect an entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

**MAINE COMMUNITY COLLEGE SYSTEM  
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**Notes to Financial Statements**

**June 30, 2024 and 2023**

**3. Investments (Continued)**

At June 30, 2024 and 2023, certain investments were measured at NAV, which is fair value estimated by management using values provided by the investment managers. Management does not anticipate that these funds will be liquidated, although relative positions are rebalanced periodically.

Assets measured at fair value on a recurring basis are summarized below:

<b><u>Fair Value Measurements at June 30, 2024, Using:</u></b>				
	<b><u>Total</u></b>	<b><u>Level 1</u></b>	<b><u>Level 2</u></b>	<b><u>Level 3</u></b>
Investments				
Cash and short-term investments	\$ 5,290	\$ <u>5,290</u>	\$ <u>-</u>	\$ <u>-</u>
Investments at NAV				
Equity funds	31,575,324			
Fixed-income funds	46,024,390			
	<b><u>\$ 77,605,004</u></b>			
 <b><u>Fair Value Measurements at June 30, 2023, Using:</u></b>				
	<b><u>Total</u></b>	<b><u>Level 1</u></b>	<b><u>Level 2</u></b>	<b><u>Level 3</u></b>
Investments				
Cash and short-term investments	\$ 6,439	\$ <u>6,439</u>	\$ <u>-</u>	\$ <u>-</u>
Investments at NAV				
Equity funds	29,973,621			
Fixed-income funds	39,733,620			
	<b><u>\$ 69,713,680</u></b>			

Assets measured at NAV at June 30, 2024 and 2023 are as follows:

	<b><u>2024</u></b>	<b><u>2023</u></b>	<b><u>Redemption</u></b>	<b><u>Redemption</u></b>
	<b><u>Fair Value</u></b>	<b><u>Fair Value</u></b>	<b><u>Frequency</u></b>	<b><u>Notice Period</u></b>
Equity funds:				
CTF Enduring Assets (a)	\$ 3,859,177	\$ 3,361,263	Daily	On redemption date
CTF Global Quality Growth (b)	3,024,310	2,808,702	Daily	On redemption date
CTF Global Opportunities (c)	12,824,045	12,601,296	Daily	On redemption date
CTF Quality Value (d)	2,435,130	2,188,588	Daily	On redemption date
CTF Emerging Markets Research Equity (e)	507,713	400,118	Weekly	10 days prior to redemption date
CTF Research Equity (f)	6,919,006	6,743,651	Daily	On redemption date
CTF Small Cap Opportunities (g)	2,005,943	1,870,003	Daily	On redemption date
	<b><u>\$31,575,324</u></b>	<b><u>\$29,973,621</u></b>		

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**Notes to Financial Statements**

**June 30, 2024 and 2023**

**3. Investments (Continued)**

	<u>2024</u> <u>Fair Value</u>	2023 <u>Fair Value</u>	<u>Redemption</u> <u>Frequency</u>	<u>Redemption</u> <u>Notice Period</u>
Fixed-income funds:				
CTF Core Bond Plus (h)	<b>\$ 14,434,360</b>	\$ 12,346,403	Daily	On redemption date
CTF Intermediate Bond (i)	<b>31,590,030</b>	19,854,148	Daily	On redemption date
CTF Ultra Short Duration (j)	<u>-</u>	<u>7,533,069</u>	Daily	On redemption date
	<b><u>\$46,024,390</u></b>	<b><u>\$39,733,620</u></b>		

- (a) This fund invests in companies with long-lived physical assets that exhibit low levels of earnings volatility and is managed on a total return basis.
- (b) This fund invests in high quality growth companies to provide long-term total returns above the Morgan Stanley Capital International (MSCI) Index and is managed on a total return basis.
- (c) This fund invests primarily in common stock to provide long-term total return in excess of the MSCI All Country World Index and is managed on a total return basis.
- (d) This fund invests primarily in large-capitalization companies to provide long-term total return in excess of the Russell 1000 Value Index over full market cycles and it managed on a total return basis.
- (e) This fund invests in real estate securities, convertible bonds, preferred stock, exchange-traded funds, and similar liquid investments and is managed to provide a long-term total return in excess of the MSCI Emerging Markets Index.
- (f) This fund invests primarily in equity securities issued by companies incorporated or exercising a predominant part of their economic activities in the U.S. The fund may also invest up to 10% of the fund's assets in non-U.S. companies.
- (g) This fund invests in common stocks of U.S. companies with a market cap between \$100 million and \$3 billion. Up to 15% of the Portfolio's assets may be invested in non-US securities and less than 5% will be invested in cash (maximum of 10%).
- (h) This fund invests in U.S. Government and Agency securities, mortgage securities, municipal securities, and other similar assets to provide long-term total return in excess of the U.S. bond market represented by the Barclays Aggregate Bond Index. The fund also purchases debt obligations meeting similar risk and is managed on a total return basis.
- (i) This fund invests in investment-grade, U.S. dollar-denominated debt obligations of U.S. and non-U.S. issuers to provide long-term return in excess of the Barclays Capital Intermediate Government/Credit Bond Index and is managed on a total return basis.

**MAINE COMMUNITY COLLEGE SYSTEM  
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**Notes to Financial Statements**

**June 30, 2024 and 2023**

**3. Investments (Concluded)**

(j) This fund invests in investment grade, U.S. dollar-denominated debt obligations of U.S. and non-U.S. issuers to provide long-term total return in excess of the Barclays Capital 9 – 12 Month Treasury Index while maintaining liquidity and preserving capital. It is managed on a total return basis.

**4. Accounts Receivable**

Accounts receivable at June 30, 2024 and 2023 consisted of the following:

	<u>2024</u>	<u>2023</u>
Grants and contracts	<b>\$ 13,090,938</b>	\$ 7,724,784
Student and general	<b>5,661,582</b>	4,651,126
Allowance for doubtful accounts	<b><u>(1,845,215)</u></b>	<u>(1,509,581)</u>
 Total accounts receivable, net	 <b><u>\$ 16,907,305</u></b>	 <b><u>\$ 10,866,329</u></b>

**5. Capital Assets**

Capital assets activity for the year ended June 30, 2024 is summarized as follows:

	<u>Balance July 1, 2023</u>	<u>Additions</u>	<u>Retirements/ Reductions</u>	<u>Balance June 30, 2024</u>
Non-depreciated assets:				
Land	\$ 3,963,348	\$ -	\$ -	\$ 3,963,348
Construction in process	<u>5,953,011</u>	<u>4,571,821</u>	<u>(4,945,031)</u>	<u>5,579,801</u>
	<u>9,916,359</u>	<u>4,571,821</u>	<u>(4,945,031)</u>	<u>9,543,149</u>
Depreciated assets:				
Buildings	155,653,701	-	(302,794)	155,350,907
Improvements	145,781,490	7,046,983	(6,390)	152,822,083
Furniture and equipment	90,506,360	5,394,682	(1,875,424)	94,025,618
Library books and periodicals	<u>3,790,355</u>	<u>25,643</u>	<u>(140,845)</u>	<u>3,675,153</u>
	<u>395,731,906</u>	<u>12,467,308</u>	<u>(2,325,453)</u>	<u>405,873,761</u>
Accumulated depreciation:				
Buildings	\$ (88,369,942)	\$ (3,148,359)	\$ 302,794	\$ (91,215,507)
Improvements	(53,134,759)	(4,518,465)	6,390	(57,646,834)
Furniture and equipment	(78,312,515)	(5,012,744)	1,875,424	(81,449,835)
Library books and periodicals	<u>(3,701,806)</u>	<u>(38,324)</u>	<u>140,845</u>	<u>(3,599,285)</u>
	<u>(223,519,022)</u>	<u>(12,717,892)</u>	<u>2,325,453</u>	<u>(233,911,461)</u>
 Capital assets, net	 <u>\$ 182,129,243</u>	 <u>\$ 4,321,237</u>	 <u>\$ (4,945,031)</u>	 <u>\$ 181,505,449</u>

**MAINE COMMUNITY COLLEGE SYSTEM  
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**5. Capital Assets (Concluded)**

Capital assets activity for the year ended June 30, 2023 is summarized as follows:

	<u>Balance July 1, 2022</u>	<u>Additions</u>	<u>Retirements/ Reductions</u>	<u>Balance June 30, 2023</u>
Non-depreciated assets:				
Land	\$ 3,963,348	\$ -	\$ -	\$ 3,963,348
Construction in process	<u>3,826,591</u>	<u>3,866,404</u>	<u>(1,739,984)</u>	<u>5,953,011</u>
	<u>7,789,939</u>	<u>3,866,404</u>	<u>(1,739,984)</u>	<u>9,916,359</u>
Depreciated assets:				
Buildings	155,653,701	-	-	155,653,701
Improvements	139,346,940	6,434,550	-	145,781,490
Furniture and equipment	86,126,669	4,583,735	(204,044)	90,506,360
Library books and periodicals	<u>3,758,755</u>	<u>36,498</u>	<u>(4,898)</u>	<u>3,790,355</u>
	<u>384,886,065</u>	<u>11,054,783</u>	<u>(208,942)</u>	<u>395,731,906</u>
Accumulated depreciation:				
Buildings	\$ (85,130,793)	\$ (3,239,149)	\$ -	\$ (88,369,942)
Improvements	(48,782,435)	(4,352,324)	-	(53,134,759)
Furniture and equipment	(73,233,472)	(5,267,369)	188,326	(78,312,515)
Library books and periodicals	<u>(3,659,740)</u>	<u>(46,964)</u>	<u>4,898</u>	<u>(3,701,806)</u>
	<u>(210,806,440)</u>	<u>(12,905,806)</u>	<u>193,224</u>	<u>(223,519,022)</u>
Capital assets, net	<u>\$ 181,869,564</u>	<u>\$ 2,015,381</u>	<u>\$ (1,755,702)</u>	<u>\$ 182,129,243</u>

**6. Leases**

The System entered into a 10-year operating lease, effective February 1, 2020, for the building in which the central administrative office of the System is currently located. Each year the annual rent may be adjusted by an inflation factor. There was an 8% and 6% adjustment in 2024 and 2023, respectively. The amount of rent paid in excess of amortization for 2024 and 2023 was \$21,087 and \$10,294, respectively.

The following table presents the lease-related assets and liabilities as of the years ended June 30:

	<u>2024</u>	<u>2023</u>
Right-of-use asset	\$ 1,100,615	\$ 1,100,615
Accumulated amortization on right of use asset	<u>(461,505)</u>	<u>(345,131)</u>
Right-of-use asset, net	<u>\$ 639,110</u>	<u>\$ 755,484</u>
Lease obligation—current portion	\$ 114,031	\$ 111,373
Lease obligation—long-term portion	<u>555,921</u>	<u>669,952</u>
Total lease obligation	<u>\$ 669,952</u>	<u>\$ 781,325</u>

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**6. Leases (Concluded)**

A maturity analysis of the annual undiscounted cash flows reconciled to the carrying value of the lease obligation, and certain other statistical data related to these leases, follows:

2025	\$	128,673
2026		128,673
2027		128,673
2028		128,673
2029		128,673
Thereafter		<u>72,525</u>
Total		715,890
Less discount		<u>(45,938)</u>
Total	\$	<u><u>669,952</u></u>
Weighted-average discount rate		2.00 %
Weighted average remaining lease term		6 years

**7. Software Subscriptions**

The total subscription assets were \$13,754,498 and \$15,619,593 as of June 30, 2024 and 2023, respectively. In 2023, the System initiated four additional SBITAs increasing the SBITA right-to-use assets by \$17,751,701 and included implementation costs of \$4,404,430. During the years ended June 30, 2024 and 2023, the System incurred \$1,865,095 and \$1,744,196, respectively, in SBITA amortization expense.

The following is a schedule by year of future minimum SBITA payments as of June 30, 2024:

<u>Year</u>	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>
2025	\$ 1,610,484	\$ 622,163	\$ 988,321
2026	1,544,049	557,649	986,400
2027	1,567,508	492,770	1,074,738
2028	1,591,354	422,185	1,169,169
2029	1,519,592	351,677	1,167,915
2030 – 2033	<u>5,940,938</u>	<u>572,804</u>	<u>5,368,134</u>
Total minimum lease payments	\$ <u><u>13,773,925</u></u>	\$ <u><u>3,019,248</u></u>	\$ <u><u>10,754,677</u></u>

Subsequent to the end of the year, the System entered into one SBITA arrangement that resulted in an additional ROU asset and lease liability equal to \$715,969 at the time of the lease inception.

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**June 30, 2024 and 2023**

**8. Long-Term Debt**

Long-term debt activity for the year ended June 30, 2024 is summarized as follows:

	<b>2024</b>					
	<b>Beginning Balance</b>	<b>Additions</b>	<b>Payments</b>	<b>Premium Accretion</b>	<b>Ending Balance</b>	<b>Current Portion</b>
Notes payable	<b><u>\$14,388,768</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 935,000</u></b>	<b><u>\$ 127,421</u></b>	<b><u>\$13,326,347</u></b>	<b><u>\$ 980,000</u></b>

Long-term debt activity for the year ended June 30, 2023 is summarized as follows:

	<b>2023</b>					
	<b>Beginning Balance</b>	<b>Additions</b>	<b>Payments</b>	<b>Premium Accretion</b>	<b>Ending Balance</b>	<b>Current Portion</b>
Notes payable	<b><u>\$15,411,188</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 895,000</u></b>	<b><u>\$ 127,420</u></b>	<b><u>\$14,388,768</u></b>	<b><u>\$ 935,000</u></b>

Notes payable consist of the following at June 30, 2024 and 2023:

	<b><u>2024</u></b>	<b><u>2023</u></b>
Notes payable to Maine Health and Higher Educational Facilities Authority (MHHEFA) in conjunction with revenue bonds:		
Series 2016A (including original issue premium of \$2,548,411), which bears interest at rates ranging from 3.00% to 5.00%; annual principal payments due in amounts ranging from \$960,000 to \$1,470,000. The notes will be paid in full in fiscal 2036.	<b><u>\$ 13,326,347</u></b>	<b><u>\$ 14,388,768</u></b>

In June of 2016, the System issued revenue bonds with a par value of \$19,010,000 through MHHEFA (direct borrowing) with an average annual interest rate of 4.7% and a final maturity in July 2035. MHHEFA requires that \$1,527,700 of the bond proceeds be transferred to a debt reserve fund. The amount transferred to the debt reserve fund is retained by MHHEFA in an interest-bearing account and is to be used by MHHEFA to make the final payment of principal and interest in 2035. Accordingly, funds transferred to MHHEFA are not included as assets and are deducted from the amounts owed in the System's statement of net position. The bonds were issued at a premium of \$2,548,411. These revenue bonds were used to refund the MHHEFA Series 2006F revenue bonds originally issued in September 2006.

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**Notes to Financial Statements**

**June 30, 2024 and 2023**

**8. Long-Term Debt (Concluded)**

The notes are collateralized by the gross receipts of the System. The System is required to make monthly deposits of principal and interest of amounts sufficient to make the semi-annual interest payments and annual principal payments and to maintain a ratio of income available for debt service to annual debt service of at least 1.20 for each fiscal year. At June 30, 2024, the System met the debt service ratio.

At June 30, 2024, future payments in conjunction with the notes payable to MHHEFA related to the Series 2016A revenue bonds are as follows for the years ending June 30:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 980,000	\$ 525,350	\$ 1,505,350
2026	960,000	485,800	1,445,800
2027	1,050,000	441,900	1,491,900
2028	1,070,000	390,450	1,460,450
2029	1,120,000	341,300	1,461,300
2030 – 2034	6,430,000	898,675	7,328,675
2035 – 2036	<u>187,300</u>	<u>33,075</u>	<u>220,375</u>
Total payments	11,797,300	<u>\$ 3,116,550</u>	<u>\$ 14,913,850</u>
Unamortized premium	<u>1,529,047</u>		
Total	<u>\$ 13,326,347</u>		

**9. Other Long-Term Liabilities**

A summary of changes in other long-term liabilities for the years ended June 30, 2024 and 2023 is as follows:

	<u>Balance July 1, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2024</u>	<u>Current Portion</u>
Lease obligation (Note 6)	\$ 781,325	\$ -	\$ (111,373)	\$ 669,952	\$ 114,031
Subscription liabilities (Note 7)	11,873,635	-	(1,118,958)	10,754,677	988,321
Net pension liability (Note 10)	39,038,376	2,941,634	-	41,980,010	-
Net OPEB liability (Note 11)	<u>3,109,401</u>	<u>2,698</u>	<u>-</u>	<u>3,112,099</u>	<u>-</u>
	<u>\$ 54,802,737</u>	<u>\$ 2,944,332</u>	<u>\$(1,230,331)</u>	<u>\$ 56,516,738</u>	<u>\$ 1,102,352</u>

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**June 30, 2024 and 2023**

**9. Other Long-Term Liabilities (Concluded)**

	Balance <u>July 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2023</u>	Current <u>Portion</u>
Lease obligation (Note 6)	\$ 890,103	\$ -	\$ (108,778)	\$ 781,325	\$ 111,373
Subscription liabilities (Note 7)	387,913	12,571,445	(1,085,723)	11,873,635	1,118,958
Net pension liability (Note 10)	26,390,375	12,648,001	-	39,038,376	-
Net OPEB liability (Note 11)	<u>2,591,142</u>	<u>518,259</u>	<u>-</u>	<u>3,109,401</u>	<u>-</u>
	<u>\$ 30,259,533</u>	<u>\$ 25,737,705</u>	<u>\$(1,194,501)</u>	<u>\$ 54,802,737</u>	<u>\$ 1,230,331</u>

**10. Retirement Plans**

**Defined Benefit Pension Plan**

The System participates in the SET Pension Plan, a multiple-employer cost sharing plan administered by the Maine Public Employees Retirement System (the MainePERS). The MainePERS provides pension benefits to its members, which include employees of the State, certain public school employees, and employees of local municipalities and other public entities in Maine. There are approximately 239 employers in the SET Pension Plan. All state employees and teachers become members of the SET Pension Plan as a condition of their employment.

The MainePERS is established and administered under the Maine State Retirement System Laws, Title 5 M.R.S.A., C.421, 423, and 425. The MainePERS issues a publicly available financial report that includes financial statements and required supplementary information for the SET Pension Plan. That report is available online at [www.mainebers.org](http://www.mainebers.org) or may be obtained by writing to the Maine Public Employees Retirement System, PO Box 349, Augusta, Maine 04332-0349.

The SET Pension Plan provides defined 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 (prior to October 1, 1999, the service credit requirement is ten years); normal retirement age for the SET Pension Plan 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 Maine statute.

**MAINE COMMUNITY COLLEGE SYSTEM  
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**Notes to Financial Statements**

**June 30, 2024 and 2023**

**10. Retirement Plans (Continued)**

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. The annual rate of interest credited to members' accounts is set by the MainePERS Board of Trustees and is currently 3.88%.

***Contributions***

Retirement benefits are funded by contributions from members and employers and by earnings on investments. Disability and death benefits are funded by employer normal cost and by earnings on investments. In accordance with Maine statute, members are required to contribute 7.65% of their earnable compensation to the SET Pension Plan. The System is required to contribute at an actuarially-determined rate (21.07% and 22.24% of annual payroll for fiscal years 2024 and 2023, respectively) that, when combined with the contributions of other reporting entities, will be adequate to fund the SET Pension Plan.

The contribution rate is determined using an entry-age normal actuarial funding method for retirement benefits and a term-cost method for ancillary benefits. The System may be required to make contributions to fund the SET Pension Plan's pooled unfunded actuarial liability, if any. The contribution requirements of the SET Pension Plan members and the System are established by, and may be amended by, the State legislature.

Total System and employee contributions (which equal the actuarially-required contributions) to the SET Pension Plan are as follows:

	<u>2024</u>	<u>2023</u>
System	\$ 9,050,342	\$ 8,466,766
Employee	<u>3,196,242</u>	<u>2,826,199</u>
Total	<u>\$ 12,246,584</u>	<u>\$ 11,292,965</u>

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**Notes to Financial Statements**

**June 30, 2024 and 2023**

**10. Retirement Plans (Continued)**

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

At June 30, 2024 and 2023, the System reported a liability for its proportionate share of the net pension liability of the SET Pension Plan. At June 30, 2024 and 2023, the net pension liability was measured as of June 30, 2023 and 2022, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. The System's proportionate share of the net position liability was based on a projection of the System's long-term share of contributions to the SET Pension Plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2023, the System's proportion was 4.51%, which was a decrease of 0.30% from its proportion measured as of June 30, 2022.

The System recognized pension expense of \$8,692,140 and \$4,074,843 for the years ended June 30, 2024 and 2023, respectively. At June 30, 2024 and 2023, the System reported deferred outflows of resources and deferred inflows of resources related to the SET Pension Plan from the following sources:

	<u>2024</u>		<u>2023</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,336,092	\$ -	\$ 589,790	\$ -
Changes in assumptions	-	-	4,358,523	-
Net difference between projected and actual earnings on SET Pension Plan investments	-	3,227,421	-	6,227,073
Changes in proportion and differences between System contributions and proportionate share of contributions	2,361,603	-	800,426	769,127
System contributions subsequent to the measurement date	<u>9,050,342</u>	<u>-</u>	<u>8,466,766</u>	<u>-</u>
	<u>\$ 13,748,037</u>	<u>\$ 3,227,421</u>	<u>\$ 14,215,505</u>	<u>\$ 6,996,200</u>

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**Notes to Financial Statements**

**June 30, 2024 and 2023**

**10. Retirement Plans (Continued)**

The deferred outflows of resources resulting from the System's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the SET Pension Plan will be recognized as a reduction of or addition to pension expense as follows for the years ending June 30:

2025	\$ 5,254
2026	(2,009,833)
2027	3,317,677
2028	157,176

***Actuarial Methods and Assumptions***

The total pension liability in the June 30, 2023 actuarial valuation was determined using the following methods and assumptions, applied to all periods included in the measurement:

*Actuarial Cost Method*—The entry age normal actuarial funding method is used to determine costs. Under this funding method, the total employer contribution rate consists of two elements, the normal cost rate and the unfunded actuarial liability rate.

The individual entry age normal method is used to determine liabilities. Under the individual entry age normal method, a normal cost rate is calculated for each member. This rate is determined by taking the value, as of age at entry into the SET Pension Plan, of the member's projected future benefits, and dividing it by the value, also as of the member's entry age, of his/her expected future salary.

The normal cost for each member is the product of his/her pay and his/her normal cost rate. The normal cost for the group is the sum of the normal costs for all members. Experience gains and losses (i.e., decreases or increases in liabilities and/or in assets when actual experience differs from the actuarial assumptions) affect the unfunded actuarial-accrued liability.

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

*Amortization*—The net pension liability is amortized on a level percentage of payroll over the amortization period then in effect under Maine statutory and constitutional requirements.

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**June 30, 2024 and 2023**

**10. Retirement Plans (Continued)**

Significant actuarial assumptions employed by the actuary in the actuarial valuation and for funding purposes as of June 30, 2023 and 2022 are as follows:

*Investment Rate of Return*—6.50% per annum for the years ended June 30, 2023 and 2022, compounded annually.

*Salary Increases, Merit and Inflation*—3.26% – 9.43%, including inflation of 2.75%.

*Mortality Rates*—For active members and non-disabled retirees, the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table is used, for males and females, projected generationally using the REC\_2020 model.

*Cost of Living Benefit Increases*—2.20% per annum. All service and disability retirement and survivor benefits are adjusted each year that there is a percentage change in the Consumer Price Index, based on the index. The maximum annual increase is 3%. If the percentage change 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. The process of adjustments may occur over a multi-year period if needed to recoup the full value of the negative changes in the index.

The long-term expected rate of return on the SET 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 geometric real rates of return for each major asset class included in the SET Pension Plan's target asset allocation as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Public equities	30.0 %	6.0 %
U.S. Government	7.5	2.6
Private equity	15.0	7.6
Real assets		
Real estate	10.0	5.2
Infrastructure	10.0	5.3
Natural resources	5.0	5.0
Traditional credit	7.5	3.2
Alternative credit	5.0	7.4
Diversifiers	10.0	5.0

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**June 30, 2024 and 2023**

**10. Retirement Plans (Continued)**

*Discount Rate*—The discount rate used to measure the collective total pension liability was 6.50% for 2023 and 2022. The projection of cash flows used to determine the discount rate assumed that SET Pension Plan member contributions will be made at the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the SET 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 SET Pension Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following table shows how the System's proportionate share of the net pension liability as of June 30, 2023 and 2022 would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate.

	<b>1% Decrease (5.50%)</b>	<b>Current Discount Rate (6.50%)</b>	<b>1% Increase (7.50%)</b>
<b><u>2023</u></b>			
The System's proportionate share of the net pension liability	<b><u>\$ 73,804,620</u></b>	<b><u>\$ 41,980,020</u></b>	<b><u>\$ 15,271,539</u></b>
<b><u>2022</u></b>		Current Discount Rate	
The System's proportionate share of the net pension liability	<b><u>\$ 68,641,773</u></b>	<b><u>(6.50%)</u></b>	<b><u>1% Increase (7.50%)</u></b> <b><u>\$ 15,480,918</u></b>

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

*Differences between Expected and Actual Experience*—The differences between expected and actual experience with regard to economic or demographic factors are 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. For the 2023 and 2022 actuarial valuations, this was three years.

*Differences between Projected and Actual Investment Earnings*—Differences between projected and actual investment earnings are recognized in pension expense using a straight-line amortization method over a closed five-year period.

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**10. Retirement Plans (Concluded)**

*Changes in Assumptions*—Differences due to changes in assumptions about future economic or demographic factors or other inputs are 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.

*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 are recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members. Differences between total employer contributions and the employer's proportionate share of contributions may arise when an employer has a contribution requirement for an employer-specific liability.

*Rationale for Assumptions*—The assumptions were adopted by the SET Pension Plan trustees as a result of the latest experience study covering the period July 1, 2015 through June 30, 2020.

**Defined Contribution Plan**

Certain employees participate in an optional defined contribution plan with TIAA-CREF, a defined contribution plan. In defined contribution plans, benefits depend solely on amounts contributed, plus investment earnings. Only confidential employees and, as of July 1999, Maine Education Association (MEA) Administrators and faculty are eligible to participate in the TIAA-CREF defined contribution plan. The System contributes 12.88% and 6.04% of total salaries for eligible confidential and MEA employees, respectively. The System contribution is funded as it accrues and, along with the contributions of the employees, is immediately vested. Employees make contributions at an average of 6.62% of total salaries (7.49% in 2023). Total employer contributions to the TIAA-CREF program in fiscal years 2024 and 2023, respectively, amounted to \$1,957,827 and \$1,836,846, which consisted of \$627,958 and \$569,800 for confidential employees and \$1,329,870 and \$1,267,046 for MEA employees, respectively. MEA employee contributions amounted to \$1,005,403 and \$1,902,526 in 2024 and 2023, respectively.

Total salaries and wages for covered employees participating in TIAA-CREF were \$26,893,161 and \$25,401,490 for fiscal years 2024 and 2023, respectively. Subject to applicable bargaining agreements, the Board of Trustees of the System is the authority under which benefits and contribution rates are established and may be amended.

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**11. OPEB-Maine Public Employees Retirement System**

**Plan Description**

In addition to providing pension benefits, MainePERS administers cost-sharing multiple-employer defined post-employment life insurance plans. The SET OPEB Plan is a multiple-employer cost sharing plan. As of June 30, 2023 there were approximately 234 employers, including the State, participating in the plan. The Group Life Insurance Plan provides basic group life insurance benefits, during retirement, to retirees who participated in the SET OPEB Plan prior to retirement for a minimum of 10 years. 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 life insurance is then subsequently reduced at the rate of 15% per year to the greater of 40% of the initial amount or \$2,500. For participants who become disabled, the 10-year participation requirement does not apply and the amount of basic life insurance will be in full force until retirement age then subsequently reduced at the rate of 15% per year to the greater of 40% of the initial amount or \$2,500. The MainePERS Board of Trustees is the authority under which benefit terms and contribution rates are established or may be amended.

***Contributions***

Premium rates are those determined by the MainePERS' Board of Trustees to be actuarially sufficient to pay anticipated claims. For state employees, the premiums for retiree life insurance coverage are factored into the premiums paid for basic coverage while participants are active members. The rate for fiscal year 2024 was \$0.42 per \$1,000 of coverage.

Premiums for basic life insurance coverage for retired teachers are paid by the State as the total dollar amount of each year's annual required contribution.

***Net OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to the SET OPEB Plan***

At June 30, 2024 and 2023, the System reported a liability for its proportionate share of the net OPEB liability. The net OPEB liability is measured as of June 30, 2023 and 2022, and was determined by an actuarial valuation performed as of June 30, 2023 and 2022. The System's proportionate share of the net OPEB liability was based on a projection of the System's long-term share of contributions to the SET OPEB Plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, the System's proportion of the net OPEB liability was as follows:

	<b>2024</b>	<b>2023</b>
SET OPEB Plan net OPEB liability	<b>\$ 71,148,642</b>	\$ 73,371,797
The System's share of the net OPEB liability	<b>\$ 3,112,099</b>	\$ 3,109,401
The System's proportion of the net OPEB liability	<b>4.37 %</b>	4.24 %

**MAINE COMMUNITY COLLEGE SYSTEM  
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**Notes to Financial Statements**

**June 30, 2024 and 2023**

**11. OPEB-Maine Public Employees Retirement System (Continued)**

The System recognized OPEB expense of \$270,879 and \$241,719 for the years ended June 30, 2024 and 2023, respectively. The System reported deferred outflows of resources and deferred inflows of resources related to the SET OPEB Plan from the following sources at June 30:

	2024		2023	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between projected and actual earnings on SET OPEB Plan investments	\$ 50,963	\$ -	\$ 147,809	\$ -
Difference between expected and actual experience	18,624	26,452	31,098	30,754
Changes in proportion	159,917	177,203	110,742	270,962
Changes in assumption	105,902	-	135,259	-
System contributions subsequent to the measurement date	423,103	-	351,305	-
	<u>\$ 758,509</u>	<u>\$ 203,655</u>	<u>\$ 776,213</u>	<u>\$ 301,716</u>

The deferred outflows of resources resulting from the System's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the SET OPEB Plan will be recognized as a reduction of (increase in) SET OPEB Plan expense as follows for the years ending June 30:

2025	\$ 15,879
2026	(4,430)
2027	91,204
2028	(4,908)
2029	21,031
Thereafter	12,975

***Actuarial Methods and Assumptions***

The total SET OPEB Plan liability in the June 30, 2023 actuarial valuation was determined using the following methods and assumptions, applied to all periods included in the measurement:

*Inflation: 2.75%*

*Salary increases: Individual and aggregate salary increases 3.26% – 9.43%.*

**MAINE COMMUNITY COLLEGE SYSTEM  
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**Notes to Financial Statements**

**June 30, 2024 and 2023**

**11. OPEB-Maine Public Employees Retirement System (Continued)**

*Mortality rates:* For active members and non-disabled retirees of the SET OPEB Plan, the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table is used, for males and females, projected generationally using the REC\_2020 model.

The long-term expected rate of return on SET OPEB Plan assets of 6.50% was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of SET 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 SET OPEB Plan's target asset allocation as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Public equities	70 %	6.0 %
Real estate	5	5.2
Traditional credit	15	3.2
U.S. Government securities	10	2.3

*Discount rate:* The discount rate used to measure the total SET OPEB liability was 6.50% in 2023 and 2022. The projection of cash flows used to determine the discount rate assumed that SET OPEB Plan member contributions will be made at the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments to current SET OPEB Plan members. Therefore, the long-term expected rate of return on SET OPEB Plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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**Notes to Financial Statements**

**June 30, 2024 and 2023**

**11. OPEB-Maine Public Employees Retirement System (Concluded)**

The following table shows how the System's proportionate share of the SET OPEB plan liability as of June 30, 2023 and 2022 would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate.

<u>2023</u>	<b>1% Decrease (5.50%)</b>	<b>Current Discount Rate (6.50%)</b>	<b>1% Increase (7.50%)</b>
The System's proportionate share of the net OPEB liability	<b><u>\$ 3,868,472</u></b>	<b><u>\$ 3,112,099</u></b>	<b><u>\$ 2,494,068</u></b>
<u>2022</u>	<b>1% Decrease (5.50%)</b>	<b>Current Discount Rate (6.50%)</b>	<b>1% Increase (7.50%)</b>
The System's proportionate share of the net OPEB liability	<b><u>\$ 3,831,818</u></b>	<b><u>\$ 3,109,401</u></b>	<b><u>\$ 2,519,879</u></b>

*Rationale for Assumptions:* The assumptions were adopted by the SET OPEB Plan trustees as a result of the latest experience study covering the period June 30, 2015 through June 30, 2020.

The MainePERS issues a publicly available financial report that includes financial statements and required supplementary information for the SET OPEB Plan. That report is available online at [www.maineopers.org](http://www.maineopers.org) or may be obtained by writing to the Maine Public Employees Retirement System, PO Box 349, Augusta, Maine 04332-0349.

**12. Other Post-Employment Health Insurance Benefit Plan and Trust**

The System established and administers a defined benefit post-employment healthcare plan, a single employer defined benefit plan, used to provide post-employment benefits other than pensions. This plan covers all employees who retire and participate in MainePERS or TIAA-CREF and provides healthcare benefits for retirees. Benefits are provided through a third-party insurer and the full cost of the benefits is covered by the plan.

The System records an expense for the post-employment healthcare plan as costs are incurred for current employees while the employees are performing services for the System. The amount in future years will be based on a calculation related solely to the System's employees and retirees. The System's contributions cover retirees only; additional family members are paid for by the retirees. Subject to applicable bargaining agreements, the Board of Trustees of the System is the authority under which benefits and contribution rates are established and may be amended. The System is required to contribute at an actuarially determined rate that will be adequate to fund the Plan. The System does not issue a stand-alone financial report for this plan.

**MAINE COMMUNITY COLLEGE SYSTEM  
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**Notes to Financial Statements**

**June 30, 2024 and 2023**

**12. Other Post-Employment Health Insurance Benefit Plan and Trust (Continued)**

*Employees covered by benefit terms:* At June 30, 2024 (the census date), the benefit terms covered the following employees:

<u>Category</u>	<u>Count</u>
Active employees	825
Inactive employees, spouses, or beneficiaries currently receiving benefit payments	372

***Net OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to the Plan***

The System's net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The System recognized OPEB income of \$5,124,554 and \$2,113,767 for the years ended June 30, 2024 and 2023, respectively. The System reported deferred outflows of resources and inflows of resources related to the OPEB plan from the following sources at June 30:

	<u>2024</u>		<u>2023</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between projected and actual experience	\$ -	\$ 26,832,831	\$ -	\$ 20,546,522
Change in assumptions	5,518,133	1,477,501	5,547,178	2,136,936
Net difference between projected and actual earnings in OPEB plan investments	<u>-</u>	<u>1,860,225</u>	<u>2,364,823</u>	<u>-</u>
	<u>\$ 5,518,133</u>	<u>\$ 30,170,557</u>	<u>\$ 7,912,001</u>	<u>\$ 22,683,458</u>

Amounts reported as deferred inflows of resources related to the OPEB plan will be recognized as a reduction of OPEB plan expense as follows for the years ending June 30:

2025	\$ (5,643,820)
2026	(3,415,985)
2027	(4,628,550)
2028	(4,096,532)
2029	(3,338,603)
Thereafter	(3,528,934)

**MAINE COMMUNITY COLLEGE SYSTEM  
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**Notes to Financial Statements**

**June 30, 2024 and 2023**

**12. Other Post-Employment Health Insurance Benefit Plan and Trust (Continued)**

*Actuarial assumptions:* The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

*Salary increases:* Individual and aggregate salary increases 3.00%—Annual Service Cost is a constant percentage of a participant’s salary that is assumed to increase according to the salary increases.

*Healthcare cost trend rates:* 8% in the first year, trending down to 4.5% by fiscal year 2033 for Pre-65. 6.5% in the first year, trending down to 4.5% by fiscal year 2033 for Post-65.

*Mortality Table:* In 2023, the Mortality table for healthy retirees has been updated from SOA RPH-2006 Total Dataset Mortality Table fully generational using Scale MP-2020 to SOA RPH-2006 Total Dataset Mortality Table fully generational using Scale MP-2021.

*Discount rate:* The discount rate used to measure the total OPEB liability was 5.88% and 6.07% for June 30, 2024 and June 30, 2023, respectively. The System is expected to continue contributing the Actuarially Determined Contribution and paying the pay-as-you-go cost from the OPEB Trust. Under this arrangement, the OPEB Trust is expected to be able to pay for all future benefit payments.

*Rationale for Assumptions:* The assumptions were adopted by the trustees as a result of the latest experience study covering the period July 1, 2005 through June 30, 2009.

The long-term expected rate of return on plan assets was 5.88% and 6.07% for June 30, 2024 and June 30, 2023, respectively, and 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) 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. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2024, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global equities	35.0 %	6.9 %
U.S. large cap equities	17.5	6.3
U.S. small cap equities	10.0	7.6
Emerging market equities	2.5	7.8
Infrastructure equities	5.0	7.0
Intermediate bonds	15.0	3.4
Core bonds	15.0	3.6

**MAINE COMMUNITY COLLEGE SYSTEM  
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**Notes to Financial Statements**

**June 30, 2024 and 2023**

**12. Other Post-Employment Health Insurance Benefit Plan and Trust (Continued)**

Changes in the net OPEB asset for the years ended June 30, 2024 and 2023 are as follows:

	Increases (Decreases)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Asset
Balance as of June 30, 2022	\$ <u>41,520,270</u>	\$ <u>47,020,753</u>	\$ <u>(5,500,483)</u>
Change for the year:			
Service cost	1,217,391	-	1,217,391
Interest	2,595,134	-	2,595,134
Changes in assumptions	2,063,826	-	2,063,826
Differences between expected and actual experience	(9,065,806)	-	(9,065,806)
Benefit payments	(1,513,083)	(1,513,083)	-
Employer contributions	-	1,713,730	(1,713,730)
Net investment income	-	4,846,968	(4,846,968)
Administrative expenses	-	(55,000)	55,000
Net changes	<u>(4,702,538)</u>	<u>4,992,615</u>	<u>(9,695,153)</u>
Balance as of June 30, 2023	<u>36,817,732</u>	<u>52,013,368</u>	<u>(15,195,636)</u>
Change for the year:			
Service cost	1,268,026	-	1,268,026
Interest	2,267,267	-	2,267,267
Changes in assumptions	1,116,799	-	1,116,799
Differences between expected and actual experience	(11,731,547)	-	(11,731,547)
Benefit payments	(1,489,439)	(1,489,439)	-
Employer contributions	-	1,897,396	(1,897,396)
Net investment income	-	7,981,067	(7,981,067)
Administrative expenses	-	(55,000)	55,000
Net changes	<u>(8,568,894)</u>	<u>8,334,024</u>	<u>(16,902,918)</u>
Balance as of June 30, 2024	<u>\$ 28,248,838</u>	<u>\$ 60,347,392</u>	<u>\$ (32,098,554)</u>

At June 30, 2024 and 2023, the plan fiduciary net position as a percentage of the total OPEB liability was 213.6% and 141.3%, respectively.

**MAINE COMMUNITY COLLEGE SYSTEM  
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**Notes to Financial Statements**

**June 30, 2024 and 2023**

**12. Other Post-Employment Health Insurance Benefit Plan and Trust (Continued)**

The net OPEB asset of the System, as well as what the System's net OPEB asset would be if it were calculated using a discount rate that is 1% point lower or 1% point higher, follows:

	<b>1% Decrease (4.88%)</b>	<b>Current Discount Rate (5.88%)</b>	<b>1% Increase (6.88%)</b>
<b><u>2024</u></b>			
Net OPEB asset	\$ <u>(28,343,416)</u>	\$ <u>(32,098,554)</u>	\$ <u>(35,211,035)</u>
		<b>Current Discount Rate</b>	
<b><u>2023</u></b>	<b>1% Decrease (5.07%)</b>	<b>1% Increase (7.07%)</b>	
Net OPEB asset	\$ <u>(10,302,703)</u>	\$ <u>(15,195,636)</u>	\$ <u>(19,254,181)</u>

The net OPEB asset of the System, as well as what the System's net OPEB asset would be if it were calculated using healthcare cost trend rates that are 1% point lower or 1% point higher than current healthcare cost trend rates, follows:

	<b>1% Decrease (7.00% Decreasing to 3.50%)</b>	<b>Trend Rate (8.00% Decreasing to 4.50%)</b>	<b>1% Increase (9.00% Decreasing to 5.50%)</b>
<b><u>2024</u></b>			
Net OPEB asset	\$ <u>(35,194,305)</u>	\$ <u>(32,098,554)</u>	\$ <u>(28,251,486)</u>
		<b>Trend Rate</b>	
<b><u>2023</u></b>	<b>1% Decrease (6.50% Decreasing to 3.50%)</b>	<b>1% Increase (8.50% Decreasing to 5.50%)</b>	
Net OPEB asset	\$ <u>(19,079,916)</u>	\$ <u>(15,195,636)</u>	\$ <u>(10,400,807)</u>

**Post-Employment Benefit Trust**

The System established the Post-Employment Benefit Trust as an irrevocable trust for the sole purpose of accumulating assets to provide funding for certain of the System's post-employment benefits. The System was named Trustee of the Trust. The effective date of the establishment of the Trust was June 30, 2009.

Plan assets include amounts in the Post-Employment Benefit Trust relating to current year annual required contributions.

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**Notes to Financial Statements**

**June 30, 2024 and 2023**

**12. Other Post-Employment Health Insurance Benefit Plan and Trust (Continued)**

The significant accounting policies followed by the Trust are set forth below:

***Basis of Accounting***

The Trust follows the accrual basis of accounting as set forth by GASB.

***Cash***

Cash held by the trust in a financial institution at June 30, 2024 was fully covered by federal depository insurance. Bank balances were \$149,094 and \$147,669 at June 30, 2024 and 2023, respectively.

***Investments***

The fair value of investments in the Trust at June 30, 2024 and 2023 is as follows:

	<u>2024</u>	<u>2023</u>
Investments measured at NAV		
Fixed-income	\$ 14,969,765	\$ 14,232,618
Equity	<u>44,875,573</u>	<u>37,633,081</u>
	<u>\$ 59,845,338</u>	<u>\$ 51,865,699</u>

***Revenue Recognition***

Contributions are recognized as additions in the period when they become due, pursuant to formal commitments or statutory or contractual requirements; supplemental contributions are recognized when received. Investment and interest income and loss are recognized on the accrual basis when earned or incurred.

***Net Position***

Net position at June 30, 2024 and 2023 was for funding certain post-employment benefits.

***Administrative Expenses***

Substantially all administrative expenses of the Trust are paid by the Trust.

***Interest Rate Risk***

The Trust manages interest rate risk according to its investment policy by maintaining investments that are both liquid, as determined by a readily available market, and highly diversified, using institutional class mutual funds and exchange-traded funds.

**MAINE COMMUNITY COLLEGE SYSTEM  
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**Notes to Financial Statements**

**June 30, 2024 and 2023**

**12. Other Post-Employment Health Insurance Benefit Plan and Trust (Continued)**

***Credit Risk***

The Trust limits its exposure to credit risk in its investment policy by investing in highly diversified fixed-income funds. Collectively taken, the majority of the underlying holdings in these funds in which the Trust may invest are investment grade as rated by an NRSRO. The Trust further reduces potential credit risk by not investing directly in individual fixed-income securities. Management periodically reviews the exposure to securities that are unrated or below investment grade in its portfolio to ensure the Trust limits its credit risk.

A summary of fixed-income investments and their related interest rate and credit risks follows:

<u>Rating</u>	<b>2024</b>		<b>2023</b>	
	<u>Amount</u>	<u>Maturity</u>	<u>Amount</u>	<u>Maturity</u>
A	<b><u>\$14,969,765</u></b>	<b>8.47 years</b>	<b><u>\$14,232,618</u></b>	9.07 years

The ratings are, and maturities are the weighted averages of, the debt securities in which the funds invest.

***Concentration of Credit Risk***

The Trust has not defined a limit in its investment policies regarding the amount that can be placed in one issuer. However, the investment policy states that the portfolio should be well-diversified as to limit exposure to one issuer or security.

***Custodial Credit Risk***

All of the Trust's investments are held with a third-party custodian in the Trust's name.

***Fair Value Measurement***

At June 30, 2024, all investments were measured at NAV, which is fair value estimated by management using values provided by the investment managers. Management does not anticipate that these funds will be liquidated, although relative positions are rebalanced periodically.

**MAINE COMMUNITY COLLEGE SYSTEM  
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**Notes to Financial Statements**

**June 30, 2024 and 2023**

**12. Other Post-Employment Health Insurance Benefit Plan and Trust (Concluded)**

Assets measured at NAV are as follows at June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Cash	\$ 149,094	\$ 147,669
Fixed-income:		
CTF Core Bond Plus	7,460,798	7,118,561
CTF Intermediate Bond	7,508,967	7,114,057
Equity:		
CTF Enduring Assets	2,629,496	2,434,709
CTF Global Quality Growth	10,012,197	8,030,379
CTF Global Opportunities	13,693,646	11,194,727
CTF Quality Value	2,807,340	2,526,896
CTF Research Equity	8,675,751	6,954,332
CTF Emerging Markets Research Equity	1,249,344	1,149,976
CTF Small Cap Opportunities	<u>5,807,799</u>	<u>5,342,062</u>
	<u>\$ 59,994,432</u>	<u>\$ 52,013,368</u>

See Note 3 for additional disclosures.

***Rate of Return***

All of the Trust's investments are held with a third-party custodian in the Trust's name. For the year ended June 30, 2024, the annual money-weighted rate of return on investments, net of investment expense, was 16%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**13. Commitments and Contingencies**

The System is covered by a commercial insurance policy for workers' compensation. The State of Maine has the primary obligation for self-insured claims and reimburses the System for payments made. In 2024 and 2023, the System made payments of \$54,086 and \$49,796, respectively, which were reimbursed by the State of Maine. The contingent liability for estimated unpaid workers' compensation claims at June 30, 2024 and 2023 is \$281,000 and \$1,152,000, respectively.

The System owns property with a book value of approximately \$14.9 million in Brunswick, Maine for the use of the Southern Maine Community College. This property must be used solely and continuously for educational programs until November 2041 under the terms by which the property was donated.

From time-to-time, the System is named as a defendant in legal actions and other claims incident to the normal conduct of its operations. Management does not expect to suffer any material liability by reason of such actions, nor does it expect that such actions will have a material effect on the financial position of the System.

**MAINE COMMUNITY COLLEGE SYSTEM  
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**Notes to Financial Statements**

**June 30, 2024 and 2023**

**13. Commitments and Contingencies (Concluded)**

The System has entered into various construction and renovation contracts. The System has outstanding commitments under these contracts of approximately \$2.4 million at June 30, 2024.

The System participates in various federally-funded programs. These programs are subject to financial and compliance audits and resolution of identified questioned costs. The amount, if any, of expenditures which may be disallowed by the granting agency cannot be determined at this time.

The System entered into a three-year contract on July 1, 2019 to receive net energy billing credits. This contract is to be completed no later than June 30, 2022, with two one-year extensions. Both of the one-year extensions were executed for fiscal year 2023 and 2024. A one-year extension was signed for fiscal year 2025.

**14. Proceeds from State for Grants and Capital Asset Acquisition**

In November 2017, a State of Maine general-purpose bond issue was authorized; the System's portion of the bond is \$15,000,000 and is to be used for facility repairs, improvements, information technology infrastructure upgrades, and capital equipment. The System is not required by the State of Maine to assume the bond liability when activities are complete. Through June 30, 2024, the System has spent \$14,965,005 on these projects. Revenues recognized from the State in fiscal years 2024 and 2023 amounted to \$280,730 and \$369,659, respectively, and are included as other revenues in the statements of revenues, expenses, and changes in net position.

**15. State Appropriations**

During the years ended 2024 and 2023, the System's State appropriations revenue was unrestricted. These appropriations include general appropriations as well as special appropriations.

**16. Maine Community College Educational Foundations**

The significant accounting policies followed by the Maine Community College Educational Foundations (the Foundations), as set forth below, are governed by the Financial Accounting Standards Board (FASB). As such, certain revenue and expense recognition criteria and presentation requirements differ from GASB. No modifications have been made to the Foundations' financial information included here for these differences.

**Basis of Accounting**

The Foundations follow the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when incurred.

**MAINE COMMUNITY COLLEGE SYSTEM  
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**Notes to Financial Statements**

**June 30, 2024 and 2023**

**16. Maine Community College Educational Foundations (Continued)**

**Newly Adopted Accounting Pronouncement**

During 2024, the Foundations adopted FASB Accounting Standards Update No. 2016-13, *Financial Instruments – Credit Losses: Measurement of Credit Losses on Financial Instruments* (Topic 326), and related guidance as amended, that is referred to as the current expected credit loss (CECL) methodology. The CECL methodology is applicable to financial assets measured at amortized cost, including accounts and loan receivables. The Foundation’s adoption of Topic 326 during the year ended June 30, 2024 did not have a material impact on its financial statements.

**Cash and Cash Equivalents**

For the purpose of reporting cash flows, cash and cash equivalents include cash on hand and all liquid investments with an original maturity of three months or less, except for cash to be invested in funds of perpetual duration. The Foundations maintain cash accounts with various financial institutions. At times, amounts held exceed federally insured limits.

**Subsequent Events**

For the purposes of recognition and disclosure in these financial statements, management of the Foundations has evaluated subsequent events through October 15, 2024, which is the date these financial statements were available to be issued.

**Pledges**

Pledges receivable are recorded at their net present value and net of allowance for uncollectible amounts. Pledges receivable at June 30, 2024 and 2023 are substantially all due within five years. Pledges receivable are comprised of the following at June 30:

	<u>2024</u>	<u>2023</u>
Due within one year	\$ 1,994,938	\$ 4,350,290
Due after one year and within five years	<u>821,795</u>	<u>2,637,123</u>
	<b>2,816,733</b>	6,987,413
Less allowance for uncollectible pledges	<b>(4,923)</b>	(167,312)
Less discount to reflect present value	<u><b>(134,097)</b></u>	<u>(179,022)</u>
Net pledges receivable	<u><b>\$ 2,677,713</b></u>	<u><b>\$ 6,641,079</b></u>

**Appreciation on Endowments**

The Boards of Directors have interpreted State of Maine law as requiring the preservation of the fair value of the original gift of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. The expendable portion of income on such assets is reported in the statement of activities as investment income with donor restrictions and reclassified to net assets without donor restrictions when the stipulated donor restriction is accomplished.

**MAINE COMMUNITY COLLEGE SYSTEM  
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**Notes to Financial Statements**

**June 30, 2024 and 2023**

**16. Maine Community College Educational Foundations (Continued)**

**Investments**

Investments held by the Foundations at June 30, 2024 and 2023, which are carried at fair value, consisted of the following:

	<u>2024</u>	<u>2023</u>
U.S. government securities	\$ 1,976,294	\$ 3,074,467
Corporate bonds	4,574,924	3,201,910
Common stock	7,180,063	5,953,379
Mutual funds	2,863,963	2,706,092
Investments measured at NAV		
Fixed-income	494,489	392,502
Equity	1,152,931	1,034,961
Money market funds and certificates of deposit	<u>10,515,658</u>	<u>612,833</u>
	<u>\$ 28,758,322</u>	<u>\$ 16,976,144</u>

The fair value of investments is primarily based on quoted prices in active markets; certificates of deposit are carried at cost which approximates fair value.

The Foundations each have their own investment policies that allow for a range of investment options.

Endowment investments by class of net assets at June 30 are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>
<b><u>2024</u></b>		
Donor-restricted	\$ -	\$ 21,067,565
Board designated	<u>2,603,903</u>	<u>-</u>
	<u>\$ 2,603,903</u>	<u>\$ 21,067,565</u>
<b><u>2023</u></b>		
Donor-restricted	\$ -	\$ 15,784,796
Board designated	<u>1,081,141</u>	<u>-</u>
	<u>\$ 1,081,141</u>	<u>\$ 15,784,796</u>

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**Notes to Financial Statements**

**June 30, 2024 and 2023**

**16. Maine Community College Educational Foundations (Continued)**

Changes in endowment net assets and a summary of investment return for the years ended June 30 are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Investments</u>
Endowment net assets, June 30, 2023	\$ 1,081,141	\$ 15,784,796	\$ 16,865,937
Investment income, net	265,892	1,783,605	2,049,497
Deposits	22,045	5,789,715	5,811,760
Other	1,064,454	101,832	1,166,286
Appropriated withdrawals	(34,449)	(2,187,563)	(2,222,012)
Change in donor intent	<u>204,820</u>	<u>(204,820)</u>	<u>-</u>
Endowment net assets, June 30, 2024	<u>\$ 2,603,903</u>	<u>\$ 21,067,565</u>	<u>\$ 23,671,468</u>
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Investments</u>
Endowment net assets, June 30, 2022	\$ 647,675	\$ 14,414,012	\$ 15,061,687
Investment income, net	97,143	1,179,882	1,277,025
Deposits	63,254	1,888,618	1,951,872
Appropriated withdrawals	(88,332)	(1,336,315)	(1,424,647)
Change in donor intent	<u>361,401</u>	<u>(361,401)</u>	<u>-</u>
Endowment net assets, June 30, 2023	<u>\$ 1,081,141</u>	<u>\$ 15,784,796</u>	<u>\$ 16,865,937</u>

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**Notes to Financial Statements**

**June 30, 2024 and 2023**

**16. Maine Community College Educational Foundations (Continued)**

**Fair Value Measurement**

FASB Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurement*, defines fair value, establishes a framework for measuring fair value in accordance with U.S. GAAP, and expands disclosures about fair value measurements.

FASB ASC Subtopic 820-10-20 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. FASB ASC Subtopic 820-10-20 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

**Level 1:** Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

**Level 2:** Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.

**Level 3:** Significant unobservable inputs that reflect an entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

Assets measured at fair value on a recurring basis are summarized below.

	Fair Value Measurements at June 30, 2024			
	Total	Level 1	Level 2	Level 3
Beneficial interest in assets held by others	<u>\$ 1,369,224</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,369,224</u>
Money market funds and certificates of deposit	\$ 10,515,658	\$ 10,515,658	\$ -	\$ -
Common stock	7,180,063	7,180,063	-	-
Fixed income				
Corporate bonds	4,574,924	3,131,570	1,443,354	-
U.S. government securities	1,976,294	734,857	1,241,437	-
Mutual funds	<u>2,863,963</u>	<u>2,863,963</u>	<u>-</u>	<u>-</u>
	27,110,902	<u>\$ 24,426,111</u>	<u>\$ 2,684,791</u>	<u>\$ -</u>
Pooled investments at NAV as a practical expedient	<u>1,647,420</u>			
Total investments measured at fair value on a recurring basis	<u>\$ 28,758,322</u>			

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**Notes to Financial Statements**

**June 30, 2024 and 2023**

**16. Maine Community College Educational Foundations (Continued)**

	Fair Value Measurements at June 30, 2023			
	Total	Level 1	Level 2	Level 3
Beneficial interest in assets held by others	\$ <u>1,241,609</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,241,609</u>
Money market funds and certificates of deposit	\$ 612,833	\$ 612,833	\$ -	\$ -
Common stock	5,953,379	5,953,379	-	-
Fixed income				
Corporate bonds	3,201,910	2,263,148	938,762	-
U.S. government securities	3,074,467	1,028,866	2,045,601	-
Mutual funds	<u>2,706,092</u>	<u>2,706,092</u>	<u>-</u>	<u>-</u>
	15,548,681	<u>\$ 12,564,318</u>	<u>\$ 2,984,363</u>	<u>\$ -</u>
Pooled investments at NAV as a practical expedient	<u>1,427,463</u>			
Total investments measured at fair value on a recurring basis	<u>\$ 16,976,144</u>			

Assets measured at fair value on a recurring basis consist of investments which are valued using Level 1 inputs with the exception of corporate bonds which are valued using Level 2 inputs and the market approach, investments measured at NAV and beneficial interest in assets held by others. Beneficial interest in assets held by others is valued based on the fair value of underlying assets reported by the trustee. Investments measured at NAV represent the Foundation for Maine's Community College Educational Foundations' allocable portion of the System's portfolio (generally 5.5%). Assets measured at NAV are as follows at June 30:

	<u>2024</u>	<u>2023</u>
Fixed-income:		
CTF Core Bond Plus	\$ 246,892	\$ 196,302
CTF Intermediate Bond	247,597	196,200
Equity:		
CTF Enduring Assets	81,540	66,790
CTF Global Quality Growth	247,325	220,784
CTF Global Opportunities	328,914	308,202
CTF Quality Value	82,553	70,951
CTF Research Equity	207,035	189,784
CTF Emerging Markets Research Equity	41,520	31,452
CTF Small Cap Opportunities	<u>164,044</u>	<u>146,998</u>
	<u>\$ 1,647,420</u>	<u>\$ 1,427,463</u>

See Note 3 for additional disclosures.

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**Notes to Financial Statements**

**June 30, 2024 and 2023**

**16. Maine Community College Educational Foundations (Continued)**

Investments in general are exposed to various risks, such as interest rates, credit, and overall market volatility. As such, it is reasonably possible that changes could materially affect the amounts reported in the balance sheets.

**Net Assets**

The net assets of the Foundations are reported as follows:

*Net Assets without Donor Restrictions*—Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundations. These net assets may be used at the discretion of the Foundations' management and the Boards of Directors.

*Net Assets with Donor Restrictions*—Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by the actions of the Foundations or by the passage of time, at which time they are reclassified to net assets without donor restrictions. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

**Gifts and Contributions**

Gifts and contributions are recorded when an unconditional promise to give is received, or when assets are received in a contribution, whichever comes first. Contributed assets are recorded at fair value.

**Related Party Transactions**

Support consists of amounts paid to the System in support of the System's various programs. At June 30, 2024 and 2023, substantially all accounts payable and accruals are payable to the System for such support. The System also provides funding and in-kind support to the Foundations. This support totaled approximately \$368,000 and \$352,000 in 2024 and 2023, respectively, which is included in gifts and contributions revenue on the statement of activities.

**Net Assets with Donor Restrictions**

Net assets with donor restrictions consist of the following as of June 30:

	<u>2024</u>	<u>2023</u>
Subject to expenditure for specific purpose:		
Scholarships	\$ 9,122,177	\$ 14,984,700
Programs	4,948,134	1,735,488
Appreciation on funds of perpetual duration without purpose restrictions	1,902,986	1,123,843
Contributions receivable for endowment	-	238,225
Funds of perpetual duration	<u>12,763,167</u>	<u>11,439,602</u>
	<u>\$ 28,736,464</u>	<u>\$ 29,521,858</u>

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**Notes to Financial Statements**

**June 30, 2024 and 2023**

**16. Maine Community College Educational Foundations (Concluded)**

**Liquidity and Availability of Financial Assets**

The Foundations regularly monitor the availability of resources required to meet operating needs, while also striving to maximize the investment of its available funds. The Foundations have various sources of liquidity at their disposal, including cash and cash equivalents, investments, and pledges receivable.

The following financial assets could readily be made available within one year of the balance sheet date to meet general expenditures, which includes grants to the System:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 3,537,397	\$ 9,426,144
Investments	28,758,322	16,976,144
Pledges receivable	2,677,713	6,641,079
Beneficial interest in assets held by others	<u>1,369,224</u>	<u>1,241,609</u>
	<b>36,342,656</b>	34,284,976
Less net assets with donor restrictions	<u>(28,736,464)</u>	<u>(29,521,858)</u>
Financial assets available to meet cash needs for general expenditures in one year	<u><b>\$ 7,606,192</b></u>	<u><b>\$ 4,763,118</b></u>

**Contributed Nonfinancial Assets**

For the years ended June 30, 2024 and 2023, contributed nonfinancial assets recognized within the statements of activities included:

	<u>2024</u>	<u>2023</u>
Salaries and benefits	\$ 111,928	\$ 122,137
Rent	46,194	42,530
Software support	<u>13,097</u>	<u>13,097</u>
	<u><b>\$ 171,219</b></u>	<u><b>\$ 177,764</b></u>

The Foundations recognized contributed nonfinancial assets within revenue and are substantially utilized within the same fiscal year the contribution occurred. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Contributed services from salaries and benefits consist primarily of services provided from the System and are valued based on an estimate of fair value of current rates for similar services. The Foundations utilize space in South Portland, which is rent free, and is valued based on similar property in South Portland. Finally, software support is support paid for by the System, which is valued based on the estimated cost of the software.

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**Required Supplementary Information**

**Schedule of the System's Proportionate  
Share of the Net Pension Liability**

**State Employee and Teacher Plan—State Employee Portion**

**Last 10 Fiscal Years\***

**Measurement Date as of June 30  
(UNAUDITED)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
The System's proportion of the net pension liability	4.51 %	4.21 %	4.09 %	4.30 %	4.61 %	4.70 %	4.61 %	4.97 %	6.64 %
The System's proportionate share of the net pension liability	\$ 41,980,020	\$ 39,038,376	\$ 26,390,375	\$ 51,040,842	\$ 48,215,367	\$ 49,279,510	\$ 52,462,480	\$ 66,740,128	\$ 68,006,887
The System's covered employee payroll	\$ 38,211,222	\$ 33,294,996	\$ 32,075,165	\$ 31,982,861	\$ 31,133,842	\$ 30,421,527	\$ 29,200,966	\$ 30,244,628	\$ 32,008,027
The System's proportionate share of the net pension liability as a percentage of its covered employee payroll	109.9 %	117.3 %	82.3 %	160.2 %	154.9 %	162.0 %	179.7 %	220.7 %	212.5 %
Plan fiduciary net position as a percentage of the total pension liability	84.5 %	84.1 %	88.6 %	77.0 %	79.4 %	78.7 %	76.1 %	76.2 %	81.2 %

\* The amounts presented for each fiscal year were determined as of the beginning of the fiscal year. Schedule is intended to show 10 years. Data has been provided for fiscal years in which the data is available.

See accompanying independent auditor's report.

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**Required Supplementary Information**

**Schedule of the System's Pension Contributions**

**State Employee and Teachers Plan**

**Last 10 Fiscal Years**

**Year Ended June 30  
(UNAUDITED)**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually-required contribution	<b>\$ 9,050,342</b>	\$ 8,466,766	\$ 7,386,034	\$ 7,035,912	\$ 7,029,833	\$ 7,414,754	\$ 7,347,216	\$ 6,862,506	\$ 7,367,698	\$ 8,328,072
Contributions in relation to the contractually-required contribution	<b><u>(9,050,342)</u></b>	<u>(8,466,766)</u>	<u>(7,386,034)</u>	<u>(7,035,912)</u>	<u>(7,029,833)</u>	<u>(7,414,754)</u>	<u>(7,347,216)</u>	<u>(6,862,506)</u>	<u>(7,367,698)</u>	<u>(8,328,072)</u>
Contribution deficiency (excess)	<b><u>\$ -</u></b>	<u>\$ -</u>								
The System's covered employee payroll	<b>\$42,953,688</b>	\$38,211,222	\$ 33,294,996	\$32,075,165	\$31,982,861	\$31,133,842	\$30,421,527	\$29,200,966	\$30,244,628	\$32,008,027
Contributions as a percentage of covered employee payroll	<b>21.07 %</b>	22.16 %	22.18 %	21.94 %	21.98 %	23.82 %	24.15 %	23.50 %	24.36 %	26.02 %

See accompanying independent auditor's report.

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**Required Supplementary Information**

**Schedule of the System's Proportionate  
Share of the Net OPEB Liability**

**Retired State Employees and Teachers Plan**

**Last 10 Fiscal Years\***

**Measurement Date as of June 30  
(UNAUDITED)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Plan total OPEB liability	\$ 124,426,546	\$ 119,403,083	\$ 115,123,392	\$ 106,398,135	\$ 102,240,873	\$ 98,707,399
Less: Plan net fiduciary position	<u>(53,277,904)</u>	<u>(46,031,286)</u>	<u>(51,849,291)</u>	<u>(38,587,121)</u>	<u>(36,961,097)</u>	<u>(34,638,335)</u>
Plan net OPEB liability	<u>\$ 71,148,642</u>	<u>\$ 73,371,797</u>	<u>\$ 63,274,101</u>	<u>\$ 67,811,014</u>	<u>\$ 65,279,776</u>	<u>\$ 64,069,064</u>
The System's proportionate share of the net OPEB liability	\$ 3,112,099	\$ 3,109,401	\$ 2,591,142	\$ 2,992,572	\$ 2,998,031	\$ 2,849,172
The System's proportion of the net OPEB liability	4.37 %	4.24 %	4.10 %	4.41 %	4.59 %	4.45 %
The System's covered employee payroll	\$ 32,808,064	\$ 30,935,681	\$ 28,824,906	\$ 30,231,881	\$ 28,188,961	\$ 26,565,023
The System's proportionate share of the net OPEB liability as a percentage of its covered employee payroll	9.5 %	10.1 %	9.0 %	9.9 %	10.6 %	10.7 %
Plan fiduciary net position as a percentage of the total OPEB liability	42.8 %	38.6 %	45.0 %	36.3 %	36.2 %	35.1 %

\* The amounts presented for each fiscal year were determined as of the beginning of the fiscal year. Schedule is intended to show 10 years. Data has been provided for fiscal years in which the data is available.

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**Required Supplementary Information**

**Schedule of Changes in the Net OPEB Liability and Related Ratios  
Post-Employment Health Insurance Plan**

Last 10 Fiscal Years\*

**June 30, 2024  
(UNAUDITED)**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability								
Service cost	\$ 1,268,026	\$ 1,217,391	\$ 1,421,779	\$ 1,233,815	\$ 1,221,424	\$ 1,624,172	\$ 1,607,490	\$ 1,431,234
Interest	2,267,267	2,595,134	2,956,037	3,082,496	2,993,988	3,498,015	3,484,152	3,315,490
Differences between expected and actual experience	(11,731,547)	(9,065,806)	(8,669,051)	(4,348,283)	(1,157,551)	(5,346,242)	(3,243,432)	(3,617,568)
Changes of assumptions	1,116,799	2,063,826	(423,017)	5,986,128	-	(4,852,463)	-	5,915,472
Benefit payments	(1,489,439)	(1,513,083)	(1,583,221)	(1,845,275)	(1,767,775)	(1,675,995)	(1,658,023)	(1,647,873)
Net change in total OPEB liability	(8,568,894)	(4,702,538)	(6,297,473)	4,108,881	1,290,086	(6,752,513)	190,187	5,396,755
Total OPEB liability, beginning of year	36,817,732	41,520,270	47,817,743	43,708,862	42,418,776	49,171,289	48,981,102	43,584,347
Total OPEB liability, end of year	28,248,838	36,817,732	41,520,270	47,817,743	43,708,862	42,418,776	49,171,289	48,981,102
Plan fiduciary net position								
Contributions—System	1,897,396	1,713,730	1,541,526	1,493,107	1,525,122	2,142,140	2,096,898	2,090,345
Net investment income (loss)	7,981,067	4,846,968	(9,015,815)	12,201,762	2,458,551	1,873,651	2,836,346	4,769,443
Benefit payments	(1,489,439)	(1,513,083)	(1,583,221)	(1,845,275)	(1,767,775)	(1,675,995)	(1,658,023)	(1,647,873)
Administrative expense	(55,000)	(55,000)	(55,000)	(55,015)	(55,040)	(55,000)	(55,000)	(55,150)
Net change in plan fiduciary net position	8,334,024	4,992,615	(9,112,510)	11,794,579	2,160,858	2,284,796	3,220,221	5,156,765
Plan fiduciary net position, beginning of year	52,013,368	47,020,753	56,133,263	44,338,684	42,177,826	39,893,030	36,672,809	31,516,044
Plan fiduciary net position, end of year	60,347,392	52,013,368	47,020,753	56,133,263	44,338,684	42,177,826	39,893,030	36,672,809
Net OPEB (asset) liability—end of year	\$ (32,098,554)	\$ (15,195,636)	\$ (5,500,483)	\$ (8,315,520)	\$ (629,822)	\$ 240,950	\$ 9,278,259	\$ 12,308,293
Plan fiduciary net position as a percentage of the total OPEB liability	213.6 %	141.3 %	113.2 %	117.4 %	101.4 %	99.4 %	81.1 %	74.9 %
Covered employee payroll	\$ 63,471,471	\$ 55,376,047	\$ 49,593,349	\$ 48,762,264	\$ 47,919,193	\$ 46,733,530	\$ 47,627,297	\$ 46,240,094
Net OPEB (asset) liability as a percentage of covered employee payroll	(50.6)%	(27.4)%	(11.1)%	(17.1)%	(1.3)%	0.5 %	19.5 %	26.6 %

\* Schedule is intended to show 10 years. Data has been provided for fiscal years in which the data is available.

See accompanying independent auditor's report.

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**Required Supplementary Information**

**Schedule of Contributions  
Post-Employment Health Insurance Plan**

**June 30, 2024  
(UNAUDITED)**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 435,438	\$ 954,936	\$ 1,016,104	\$ 1,280,107	\$ 1,413,409	\$ 2,303,706	\$ 2,456,206	\$ 2,289,969	\$ 1,814,116
Contributions in relation to the actuarially determined contribution	<u>1,897,396</u>	<u>1,713,730</u>	<u>1,541,526</u>	<u>1,493,107</u>	<u>1,525,122</u>	<u>2,142,140</u>	<u>2,096,898</u>	<u>2,096,898</u>	<u>2,187,091</u>
Contribution (excess) deficiency	<u>\$ (1,461,958)</u>	<u>\$ (758,794)</u>	<u>\$ (525,422)</u>	<u>\$ (213,000)</u>	<u>\$ (111,713)</u>	<u>\$ 161,566</u>	<u>\$ 359,308</u>	<u>\$ 193,071</u>	<u>\$ (372,975)</u>
Covered employee payroll	\$ 63,471,471	\$ 55,376,047	\$ 49,593,349	\$ 48,762,264	\$ 47,919,193	\$ 46,733,530	\$ 47,627,297	\$ 47,627,297	\$ 46,887,000
Contributions as a percentage of covered employee payroll	3.0 %	3.1 %	3.1 %	3.1 %	3.2 %	4.6 %	4.4 %	4.4 %	4.7 %

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See accompanying independent auditor's report.

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**Required Supplementary Information**

**Schedule of Investment Returns  
Post-Employment Health Insurance Plan**

**Last 10 Fiscal Years\***

**June 30, 2024  
(UNAUDITED)**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return (loss), net of investment expense	<b>16.01 %</b>	10.97 %	(15.45)%	29.78 %	5.45 %	4.70 %	7.73 %	15.15 %

\* Schedule is intended to show 10 years. Data has been provided for fiscal years in which the data is available.

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**Notes to Required Supplementary Information**

**June 30, 2024  
(UNAUDITED)**

Factors that significantly affect the identification of trends in the amounts reported in the schedules are:

*Schedule of System's Proportionate Share of the Net Pension Liability and Schedule of the System's Pension Contributions*

The discount rate decreased to 6.50% in 2021, down from 6.75% in 2020 through 2018, 7.5% in 2017 and 7.125% in both 2016 and 2015.

*Schedules of Funding Progress and Employer's Contributions—Post-Employment Health Insurance Plan*

The Plan was established in 2009.

In 2023, the per capita costs were calculated using current enrollment and aging factors and the mortality table was changed from SOA RPH-2006 Total Dataset Mortality Table fully generational using Scale MP-2021. Actuarially determined contributions were determined using a discount rate of 6.07%, a payroll growth factor of 3.00% and entry age normal as the actuarial cost method.

In 2021, the per capita costs were calculated using current enrollment and aging factors and the mortality table was changed from SOA RPH-2018 Total Dataset Mortality Table fully generational using Scale MP-2018 to SOA RPH-2018 Total Dataset Mortality Table fully generational using Scale MP-2020. This change caused a decrease in liabilities. Actuarially determined contributions were determined using a discount rate of 6.10%, a payroll growth factor of 3.00% and entry age normal as the actuarial cost method.

In 2019, the per capita costs were increased using current enrollment and aging factors and the mortality table was changed from RPH-2015 Total Dataset Mortality Table Fully Generational using Scale MP-2015 to RPH-2018 Total Dataset Mortality Table Fully Generational using Scale MP-2018. Actuarially determined contributions were determined using a discount rate of 7.00%, a payroll growth factor of 3.00% and entry age normal as the actuarial cost method.

In 2017, the per capita costs were increased using current enrollment and aging factors and the mortality table was changed from RPH-2014 Total Dataset Mortality Table Fully Generational using Scale MP-2014 to RPH-2015 Total Dataset Mortality Table Fully Generational using Scale MP-2015. Actuarially determined contributions were determined using a discount rate of 7.00% as of July 1, 2021 and 6.10% as of June 30, 2020, a payroll growth factor of 3.00% and entry age normal as the actuarial cost method.

In 2015, the per capita costs were increased using current enrollment and aging factors and the mortality table was changed from RP-2000 Combined Mortality Table Fully Generational using Scale AA to RPH-2014 Total Dataset Mortality Table Fully Generational using Scale MP-2014. There were no changes in 2016.

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See accompanying independent auditor's report.

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**Schedule of Activities**

**Year Ended June 30, 2024**

**(Dollars in Thousands)**

<u>Functions/Programs</u>	Program Revenues					Net Revenue (Expense) and Changes in Net Assets			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Investment Income</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Primary Government Business- Type Activities</u>	<u>Total</u>	<u>Component Units Total</u>
Primary government									
Business-type activities									
Education	\$ 179,164	\$ 14,559	\$ -	\$ 82,512	\$ 281	\$ -	\$ (81,812)	\$ (81,812)	\$ -
Total primary government	<u>\$ 179,164</u>	<u>\$ 14,559</u>	<u>\$ -</u>	<u>\$ 82,512</u>	<u>\$ 281</u>	<u>-</u>	<u>(81,812)</u>	<u>(81,812)</u>	<u>-</u>
Component units	<u>\$ 10,298</u>	<u>\$ -</u>	<u>\$ 2,812</u>	<u>\$ 7,795</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>309</u>
			General revenues						
			Unrestricted interest and investment gains		-	9,054	9,054	-	-
			Non-program specific grants, contributions, and appropriations		-	84,890	84,890	-	-
			Miscellaneous income		-	3,380	3,380	-	-
			Total general revenues and extraordinary items		-	97,324	97,324	-	-
			Change in net position		-	15,512	15,512	-	309
			Net position, beginning of year		-	241,160	241,160	-	33,085
			Net position, end of year		<u>\$ -</u>	<u>\$ 256,672</u>	<u>\$ 256,672</u>	<u>\$ -</u>	<u>\$ 33,394</u>

See accompanying independent auditor's report.



# Maine Community College System

(A Component Unit of the State of Maine)

FINANCIAL STATEMENTS  
and  
SUPPLEMENTARY INFORMATION

June 30, 2025 and 2024  
With Independent Auditor's Report



**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**Financial Statements**

**Years Ended June 30, 2025 and 2024**

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BDMP Assurance, LLP

## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Maine Community College System

### Report on the Audit of the Financial Statements

#### ***Opinion***

We have audited the accompanying financial statements of the business-type activities, the aggregate discretely presented component units, and the fiduciary fund of the Maine Community College System (the System), a component unit of the State of Maine, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the System'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 2025 financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the aggregate discretely presented component units, and the fiduciary fund of the System as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles (U.S. GAAP).

We did not audit the financial statements of certain foundations within the aggregate discretely-presented component units, which represent 44% of the assets and 39% of the revenues, respectively, of the aggregate discretely-presented component units as of June 30, 2025, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion on the aggregate discretely-presented component units, insofar as it relates to the amounts included for these certain foundations, is based solely on the reports of the other auditors.

#### ***Basis for Opinion***

We conducted our audit in accordance with U.S. generally accepted auditing standards (U.S. GAAS) and *Government Auditing Standards*. 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 System 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 opinion.

#### ***Change in Accounting Principles***

As discussed in Note 1 to the financial statements, the System adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement Nos. 101, *Compensated Absences* and 102, *Certain Risk Disclosures*, during the year ended June 30, 2025. Our opinion is not modified with respect to these matters.

### ***Prior Period Financial Statements***

The financial statements of the System as of and for the year ended June 30, 2024, were audited by Berry, Dunn, McNeil & Parker, LLC whose report dated, October 15, 2024, expressed an unmodified opinion on those statements. In their audit, Berry, Dunn, McNeil & Parker, LLC made reference to the reports of other auditors who audited the financial statements of certain component units included in the System's financial statements. Accordingly, Berry, Dunn, McNeil & Parker, LLC's opinion, insofar as it relates to the amounts included for those component units, was based solely on the reports of the other auditors.

### ***Adjustments to Prior Period Financial Statements***

The System discovered errors to certain component units included in the System's 2024 financial statements which has resulted in restating the 2024 financial statements during the current year in accordance with U.S. GAAP. As part of our audit of the 2025 financial statements, we audited the adjustments described in Note 16 that were applied to restate the 2024 financial statements. Our opinion is not modified with respect to that matter.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. GAAP; 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 System's ability to continue as a going concern within 12 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 opinion. 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 U.S. GAAS 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 U.S. GAAS 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 System'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 System'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***

U.S. GAAP require that Management's Discussion and Analysis and the information listed under Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, and/or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. GAAS, 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 System's basic financial statements. The Schedule of Activities is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Activities 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. Such information has been subjected to the auditing procedures applied in the audits 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 U.S. GAAS. In our opinion, the Schedule of Activities is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2025 on our consideration of the System'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 System'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 System's internal control over financial reporting and compliance.

*BDMF Assurance, LLP*

Manchester, New Hampshire  
October 29, 2025

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2025**

**Introduction**

The following report is Management's Discussion and Analysis (MD&A) of the financial results for the year ended June 30, 2025, with comparative information for the prior two years. The MD&A should be read in conjunction with the financial statements and related notes that are presented with this report. The MD&A is unaudited supplemental information required by the Governmental Accounting Standards Board (GASB). The purpose of the MD&A is to enhance the understandability and usefulness of the financial statements by providing an objective analysis of the financial activities based on currently known facts, decisions, and conditions. The financial statements, footnotes, and MD&A are management's responsibility.

**General Information about the Maine Community College System**

The history of Maine's community colleges dates to 1946 and the creation of the Maine Vocational Technical Institute within the Maine Department of Education. During the 1960s, five more vocational technical institutes were created, and in 1986 the Maine Vocational Technical Institute System was established as a quasi-governmental organization and autonomous public instrumentality. In 1989, the name was changed to the Maine Technical College System. A seventh college was added in 1994, and on July 1, 2003 the Legislature expanded the System's mission and changed its name to the Maine Community College System (MCCS or the System).

Maine's seven community colleges offer more than 300 degree and certificate options in over 140 occupational fields. More than 75 percent are the only ones of their kind in the state. In all, over 33,000 Maine people are served by the state's community colleges each year, through degree programs, customized training, and credit and non-credit offerings.

The seven-college system consists of Central Maine Community College in Auburn (CMCC), Eastern Maine Community College in Bangor (EMCC), Kennebec Valley Community College in Fairfield and Hinckley (KVCC), Northern Maine Community College in Presque Isle (NMCC), Southern Maine Community College in South Portland and Brunswick (SMCC), Washington County Community College in Calais (WCCC), and York County Community College in Wells (YCCC). Off-campus centers are located in East Millinocket, Dover-Foxcroft, Damariscotta, Houlton and Sanford. The System's central office, located in Augusta, Maine, was established by legislation to provide statewide coordination and leadership to the seven colleges.

The System also operates two state-wide programs; Embark and the Alford Center for the Advancement of Maine's Workforce. Embark is a comprehensive high school-to-college transition program offered in partnership with secondary schools throughout the state. Embark provides selected students with scholarships to community colleges, access to college courses to juniors and seniors in high school (i.e. "early college") and advising and support throughout a student's high school and community college experience. The Alford Center for the Advancement of Maine's Workforce ("the Center"). The Center works directly with Maine businesses to provide customized workforce training and grants to prospective and incumbent workers as well as scholarships to continue education at a community college. The Center coordinates the delivery of these services through the seven community colleges.

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2025**

**Using the Financial Statements**

In addition to this MD&A, the System's financial report includes a Statement of Net Position; Statement of Revenues, Expenses, and Changes in Net Position; and a Statement of Cash Flows, together with related footnotes. These financial statements are presented in accordance with GASB principles, which establish the standard for external financial reporting for public colleges and universities. The GASB standards require that the financial statements focus on the System as a whole.

In order to provide a more comprehensive understanding of the resources supporting the mission of the MCCS, the GASB also requires that the MCCS report on the assets, liabilities, and activities of organizations that are not owned or managed by MCCS, but that exist for the sole purpose of benefiting the System or its colleges. Accordingly, these financial statements include a Balance Sheet and Statement of Activities for the Maine Community College Educational Foundations (MCCEF) and a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position for the Maine Community College System Other Post-Employment Benefit Trust (MCCS OPEB Trust or Trust). The MCCEF includes six foundations established to support individual colleges and their students. It also includes The Foundation for Maine's Community Colleges, which was established in November of 2009 to provide broad-based support to all seven of the state's community colleges. The MCCS OPEB Trust was established under Section 115 of the Internal Revenue Code as an irrevocable trust to manage the assets contributed by the System to fund its long-term obligation to pay the health care and life insurance benefit costs for certain employees after their retirement.

The Statement of Net Position depicts the financial position of the System as of June 30, 2025, with comparative data from June 30, 2024, and includes all of the assets, liabilities, deferred inflows, and deferred outflows of the System. Assets represent what the System owns, plus what is owed to MCCS. Liabilities constitute obligations to make payment to others, plus what the System has collected in advance of providing the related services. Net position represents the residual interest in the MCCS assets after liabilities are deducted, net of deferred inflows and outflows, and the positive or negative change in net position over time is an indicator of the relative financial health of the System. The net position is divided into three primary categories:

*Net investment in capital assets* represent the land, buildings, and equipment that the System has acquired over its life and still uses. Net capital assets are presented after deductions for accumulated depreciation and the outstanding debt incurred to acquire or construct them. This category includes deposits held with bond trustee to service outstanding debt.

*Restricted* net position has inherent limitations and can only be expended for the purposes stipulated by the individual, institution, or governmental unit that directed the resources to the System. Restricted *expendable* net position is available to be used for the intended purpose while *nonexpendable* assets are invested in perpetuity, and the investment income is used for the intended purpose.

*Unrestricted* net position is available for general operations of the System and for dedicated purposes such as capital projects for renewal and replacement, MQC training initiatives, and working capital maintained for departmental and auxiliary enterprise activities. While there are no external constraints on unrestricted net position, MCCS has set aside certain unrestricted net position for future use.

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2025**

The Statement of Revenues, Expenses, and Changes in Net Position presents the operating, non-operating, and other activities of the System for the full fiscal year which runs from July 1<sup>st</sup> to June 30<sup>th</sup>. Two years of revenues, expenses, and changes in net position are presented for comparative purposes.

This statement reports the amounts received from tuition, State appropriations, residential life fees, grants, and services and other items of income against all the costs and outlays incurred in order to operate the System. The costs incurred include salaries and benefits, supplies and overhead expenses, insurances, utilities, and depreciation. The expenses are categorized according to the activity that generated the cost.

The Statement of Cash Flows examines the changes in cash position resulting from a year of operations. Cash flows are separated by the nature of the activity and include operating activities, noncapital financing activities, capital and related financing activities, and investing activities.

Operating activities involve activities relating to the delivery of education and related services. Common examples of cash flows provided by operating activities include tuition, fees, grants, and bookstore and food service sales. Cash flows used in operating activities include payments to employees, vendors, and suppliers.

Noncapital financing activities include appropriations from state government, noncapital grants, and gifts.

Capital and related financing activities include those activities relating to the generation and repayment of funds provided by and paid to lenders as well as grants for acquisition of capital assets. There were a number of capital projects across the System using grant funds. In fiscal year 2026, these projects included the Sanford Instructional Site expansion; Katahdin Higher Education Daycare expansion and renovation; DOD Manufacturing Training Innovation; Electric Vehicle Automotive Certificate expansion; ELT Classroom renovation; expansion of remote education of nurses, EMS providers, and other healthcare workers in rural areas; logging program vehicles; wind power training; and purchased capital equipment to support workforce training.

Investing activities include funds used to purchase marketable securities and funds provided from the sale of marketable securities.

**Highlights and Trends Impacting Financial Results**

As a publicly-funded institution of higher education, MCCS receives appropriations from the State of Maine partially subsidizing the cost of attendance at one of the seven community colleges. In 2025, State appropriations for operations increased \$3.82 million, or 4.6 percent. In 2024, State appropriations for operations increased \$3.35 million or 4.25 percent.

The effect of Maine Free College on enrollment resulted in a headcount of 21,385 in the fall 2024 (fiscal 2025) compared to 19,477 in the fall of 2023, an increase of 9.8 percent. The increase came across all categories of student: degree-seeking, non-degree seeking, and high school students. In 2025, degree seeking and non-degree seeking students increased 6.8 percent and 3 percent, respectively. High school students taking courses for college credit increased by 19 percent.

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**MANAGEMENT’S DISCUSSION AND ANALYSIS**

**June 30, 2025**

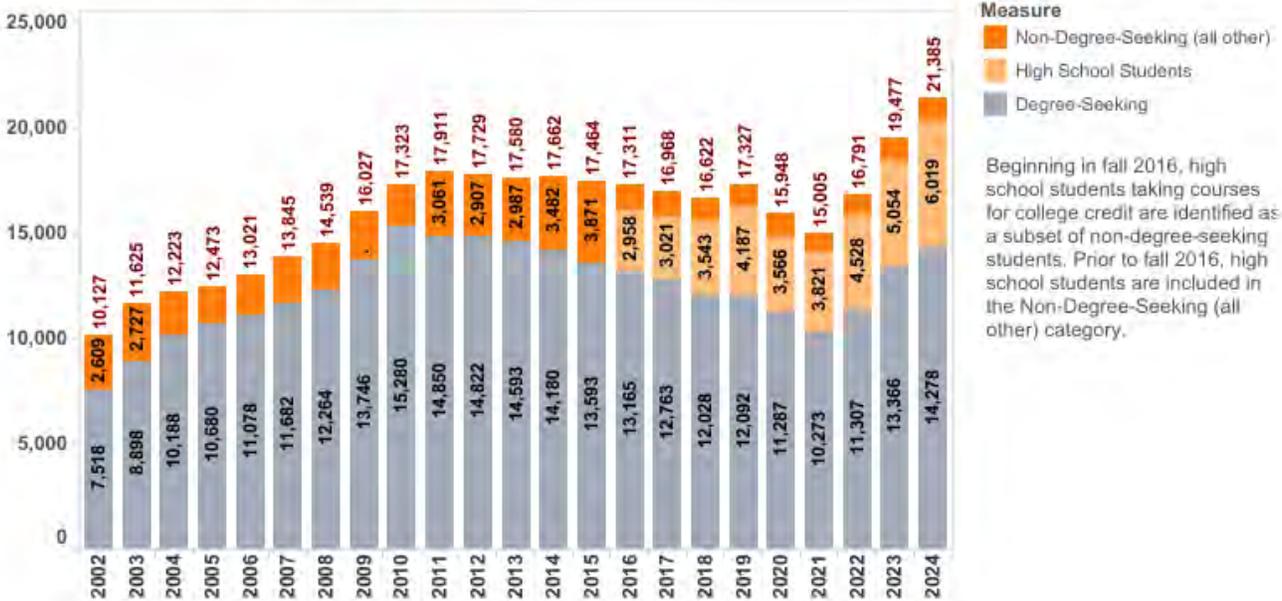
After making the transition from technical to community colleges in 2003, enrollment system-wide grew to an all-time high in 2011 of 17,911, a 76.9 percent increase. The enrollment growth was partially attributable to the expanded mission of the institutions with more students enrolling in liberal studies programs and taking advantage of transfer agreements to four-year institutions. The decline in degree-seeking enrollments that followed is the result of fewer students graduating from Maine high schools and up until the 2020 pandemic, a strong job market. The recovery in enrollment was due to growth in high school students taking early college coursework (which the System started separately identifying in 2016) and to the State of Maine passing the Maine Free College program in 2022. In 2025 Maine Free College enrollment accounted for 8,989 of the 14,278 degree seeking students (unduplicated headcount for Fall and Spring).

The state unemployment rate for June 2025 was 3.3 percent. The current rate is up from June 2024, when it was at 3.0 percent, and slightly above the June 2019 pre-pandemic rate of 3.2 percent.

**Fall Headcount:**

**Maine Community College System**

College  
Maine Community College System



Source: College Enrollment Reports (2002-2014); MCCS Data Mart (2015-2020)

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2025**

MCCS implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68) in 2015. GASB 68 requires MCCS to report the System's proportionate share of the State's net pension liability. MCCS's proportionate share of the State's net pension liability as of June 30, 2025 was \$41.8 million, compared to \$42.0 million as of June 30, 2024 and \$39.0 million as of June 30, 2023. The System incurred expense related to pension benefits of \$6,646,334 in 2025, \$8,692,140 in 2024, and \$4,074,843 in 2023.

The impact of GASB 68 results from a change in accounting for pension benefits administered by the Maine Public Employees Retirement System (MainePERS), not a change resulting from operations. MCCS is not directly responsible for the payment of retirement pensions earned by employees who are members of MainePERS.

In 2018, MCCS implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75). GASB 75 changed the method of accounting for the System's responsibility to pay for Other Post-employment Benefits (OPEB) for qualified retirees. The System reported a net OPEB liability of \$2.9 as of June 30, 2025, \$3.1 million as of June 30, 2024, and \$3.1 million as of June 30, 2023, with over funding coming from investment income exceeding expectations and decreasing healthcare costs.

MCCS implemented GASB Statement No. 87, *Leases* (GASB 87) in 2022. GASB 87 changed the method of accounting for the System's leases and required a restatement of net position. GASB 87 required MCCS to report leases by lessee and lessor. The System reported right-of-use asset on System Office space of \$522,735 as of June 30, 2025, \$639,110 as of June 30, 2024, and \$755,484 as of June 30, 2023. Lease obligations were \$555,921 as of June 30, 2025, \$669,952 as of June 30, 2024, and \$781,325 as of June 30, 2023.

In 2023, the implementation of GASB statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)* (GASB 96) changed the method of accounting for the System's subscription-based information technology arrangements that convey control of the right to use another party's information technology software. The subscription term includes the period during which MCCS has a noncancellable right to use the underlying assets. GASB 96 required MCCS to recognize a subscription liability and an intangible right-to-use asset associated with the implementation of a new Student Information System (SIS). MCCS reported subscription assets of \$12,850,714 as of June 30, 2025, \$13,754,498 as of June 30, 2024, and \$15,619,593 as of June 30, 2023. Subscription liabilities were \$10,371,757 as of June 30, 2025, \$10,754,677 as of June 30, 2024, and \$11,873,635 as of June 30, 2023.

In 2025, MCCS implemented GASB Statement No. 101, *Compensated Absences* (GASB 101). GASB 101 requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability for compensated absences more appropriately reflects when a liability is incurred.

In 2025, MCCS also implemented GASB Statement No. 102, *Certain Risk Disclosures*. This statement defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed by an external party or by formal action of government decision-making authority. Concentrations and constraints may limit the ability to acquire resources or control spending.

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**MANAGEMENT’S DISCUSSION AND ANALYSIS**

**June 30, 2025**

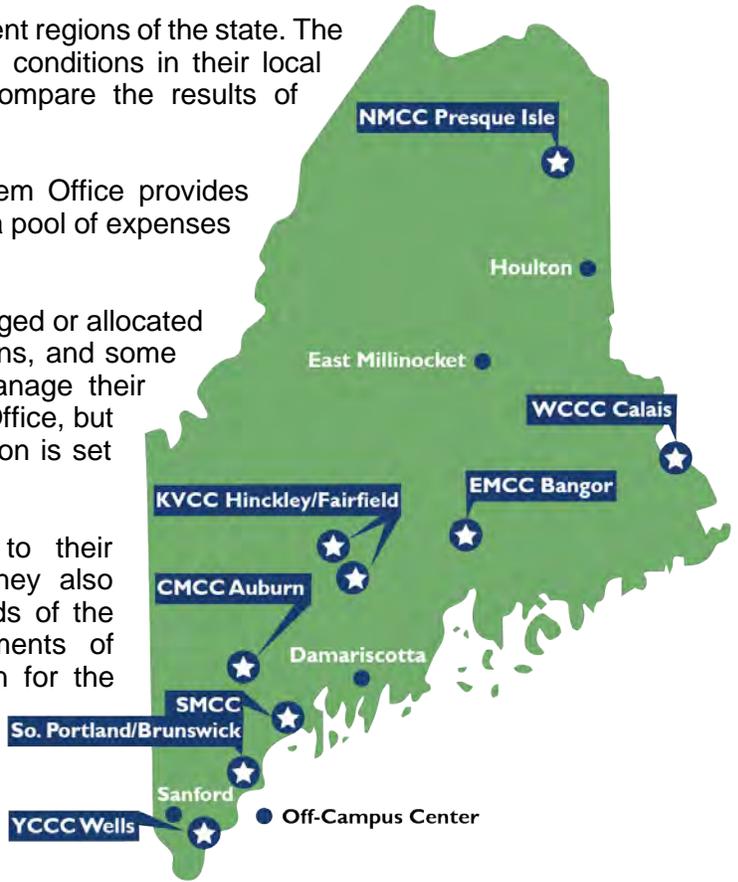
**College Results and Combined Operating Results**

Maine’s seven community colleges serve very different regions of the state. The different locations face very different demographic conditions in their local communities and, as a result, it is difficult to compare the results of operations between the colleges.

In addition, MCCS is quasi-centralized. The System Office provides certain services to all the colleges and administers a pool of expenses that cannot be effectively allocated to the colleges.

Central services, for which the colleges are not charged or allocated fees, include legal, certain human resource functions, and some information technology services. The colleges manage their own budgets based on guidance from the System Office, but cash and investments are managed centrally. Tuition is set by the Board of Trustees as a rate per credit hour.

The colleges are responsible for responding to their community’s business and enrollment needs. They also respond to grant opportunities based on the needs of the individual college. The 2025 and 2024 statements of revenues, expenses, and changes in net position for the individual colleges are as follows:



**MAINE COMMUNITY COLLEGE SYSTEM**  
**(A Component Unit of the State of Maine)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2025

<u>Year ended June 30, 2025</u> <i>(in millions)</i>	<u>CMCC</u>	<u>EMCC</u>	<u>KVCC</u>	<u>NMCC</u>	<u>SMCC</u>	<u>WCCC</u>	<u>YCCC</u>	<u>All Colleges</u>
Student tuition and fees	\$ 10.9	\$ 6.8	\$ 6.2	\$ 2.3	\$ 21.2	\$ 1.8	\$ 4.0	\$ 53.2
Residential life fees	3.9	2.4	-	0.9	7.7	1.0	0.4	16.3
Less: scholarships	(13.2)	(7.0)	(7.0)	(3.1)	(16.2)	(2.5)	(3.8)	(52.8)
Tuition and residential life fees	<u>1.6</u>	<u>2.2</u>	<u>(0.8)</u>	<u>0.1</u>	<u>12.7</u>	<u>0.3</u>	<u>0.6</u>	<u>16.7</u>
Federal grants and contracts	11.6	9.0	7.1	5.1	15.8	3.5	5.6	57.7
Grants and other revenue	3.6	3.6	2.4	5.2	8.2	0.9	1.3	25.2
Total operating revenues	<u>16.8</u>	<u>14.8</u>	<u>8.7</u>	<u>10.4</u>	<u>36.7</u>	<u>4.7</u>	<u>7.5</u>	<u>99.6</u>
Instruction	13.5	11.5	9.0	7.2	24.5	4.1	4.0	73.8
Public service	-	0.1	-	-	1.7	-	-	1.8
Academic support	1.6	0.9	1.7	1.1	3.6	1.3	2.0	12.2
Student services	3.8	2.6	2.3	1.9	7.2	1.8	1.5	21.1
Institutional support	2.4	1.9	2.4	2.3	5.9	1.2	2.9	19.0
Operations and maintenance	2.5	2.8	1.9	2.3	6.4	1.1	1.0	18.0
Student aid	0.1	0.1	0.2	0.1	0.1	-	0.2	0.8
Auxiliary enterprises	3.2	1.4	-	0.9	3.5	0.6	0.5	10.1
Depreciation and amortization	2.7	1.6	1.3	1.3	3.8	1.0	1.1	12.8
Total operating expenses	<u>29.8</u>	<u>22.9</u>	<u>18.8</u>	<u>17.1</u>	<u>56.7</u>	<u>11.1</u>	<u>13.2</u>	<u>169.6</u>
Operating (loss) income	(13.0)	(8.1)	(10.1)	(6.7)	(20.0)	(6.4)	(5.7)	(70.0)
State appropriations	11.3	12.0	9.2	10.7	19.9	7.2	6.9	77.2
Gifts	-	-	-	0.4	0.3	0.1	-	0.8
Net investment (loss) income	(0.1)	0.1	-	0.1	-	0.1	0.1	0.3
Net nonoperating revenues	<u>11.2</u>	<u>12.1</u>	<u>9.2</u>	<u>11.2</u>	<u>20.2</u>	<u>7.4</u>	<u>7.0</u>	<u>78.3</u>
Income before other	<u>(1.8)</u>	<u>4.0</u>	<u>(0.9)</u>	<u>4.5</u>	<u>0.2</u>	<u>1.0</u>	<u>1.3</u>	<u>8.3</u>
Gain on disposals of capital assets—other	-	-	-	-	-	-	0.1	0.1
Inter-campus transfers	(0.4)	(0.1)	-	0.2	(0.3)	0.1	0.5	-
Total other revenue, gains, or	<u>(0.4)</u>	<u>(0.1)</u>	<u>-</u>	<u>0.2</u>	<u>(0.3)</u>	<u>0.1</u>	<u>0.6</u>	<u>0.1</u>
Change in net position	(2.2)	3.9	(0.9)	4.7	(0.1)	1.1	1.9	8.4
Net position-beginning / year	<u>41.2</u>	<u>33.0</u>	<u>29.1</u>	<u>27.5</u>	<u>71.9</u>	<u>19.3</u>	<u>20.2</u>	<u>242.2</u>
Net position-end / year	<u>\$ 39.0</u>	<u>\$ 36.9</u>	<u>\$ 28.2</u>	<u>\$ 32.2</u>	<u>\$ 71.8</u>	<u>\$ 20.4</u>	<u>\$ 22.1</u>	<u>\$ 250.6</u>

**MAINE COMMUNITY COLLEGE SYSTEM**  
**(A Component Unit of the State of Maine)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2025

<u>Year ended June 30, 2025</u> <i>(in millions)</i>	<u>All</u>	<u>System-</u>	<u>System</u>	<u>State's</u>	
	<u>Colleges</u>	<u>Wide</u>	<u>Office</u>	<u>UAAL</u>	<u>MCCS</u>
Student tuition and fees	\$ 53.2	\$ -	\$ -	\$ -	\$ 53.2
Residential life	16.3	-	-	-	16.3
Less: scholarships	(52.8)	(2.5)	-	-	(55.3)
Tuition and residential life fees	<u>16.7</u>	<u>(2.5)</u>	<u>-</u>	<u>-</u>	<u>14.2</u>
Federal grants and contracts	57.7	-	0.8	-	58.5
Grants and other revenue	25.2	4.3	11.9	-	41.4
Total operating revenues	<u>99.6</u>	<u>1.8</u>	<u>12.7</u>	<u>-</u>	<u>114.1</u>
Instruction	73.8	-	0.4	(5.5)	68.7
Public service	1.8	-	-	-	1.8
Academic support	12.2	-	8.0	(1.2)	19.0
Student services	21.1	-	0.3	(2.0)	19.4
Institutional support	19.0	6.8	13.6	(2.3)	37.1
Operations and maintenance	18.0	-	0.2	(1.0)	17.2
Student aid	0.8	-	-	-	0.8
Auxiliary enterprises	10.1	-	-	-	10.1
Depreciation	12.8	2.0	0.1	-	14.9
Total operating expenses	<u>169.6</u>	<u>8.8</u>	<u>22.6</u>	<u>(12.0)</u>	<u>189.0</u>
Operating (loss) income	(70.0)	(7.0)	(9.9)	12.0	(74.9)
State appropriations	77.2	1.0	9.3	-	87.5
Gifts	0.8	-	-	-	0.8
Net investment (loss) income	0.3	8.2	-	-	8.5
Net nonoperating revenues	<u>78.3</u>	<u>9.2</u>	<u>9.3</u>	<u>-</u>	<u>96.8</u>
Income before other	<u>8.3</u>	<u>2.2</u>	<u>(0.6)</u>	<u>12.0</u>	<u>21.9</u>
Gain on disposals of capital assets—other	0.1	-	-	-	0.1
Inter-campus transfers	-	1.3	(1.3)	-	-
Total other revenue, gains, or	<u>0.1</u>	<u>1.3</u>	<u>(1.3)</u>	<u>-</u>	<u>0.1</u>
Change in net position	8.4	3.5	(1.9)	12.0	22.0
Net position-beginning / year	<u>242.2</u>	<u>41.6</u>	<u>12.9</u>	<u>(40.0)</u>	<u>256.7</u>
Net position-end / year	<u>\$ 250.6</u>	<u>\$ 45.1</u>	<u>\$ 11.0</u>	<u>\$ (28.0)</u>	<u>\$ 278.7</u>

**MAINE COMMUNITY COLLEGE SYSTEM**  
**(A Component Unit of the State of Maine)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2025**

<u>Year ended June 30, 2024</u> <i>(in millions)</i>	<u>CMCC</u>	<u>EMCC</u>	<u>KVCC</u>	<u>NMCC</u>	<u>SMCC</u>	<u>WCCC</u>	<u>YCCC</u>	<u>All Colleges</u>
Student tuition and fees	\$ 9.4	\$ 6.0	\$ 5.5	\$ 2.1	\$ 18.7	\$ 1.5	\$ 3.5	\$ 46.7
Residential life	3.8	2.2	-	0.9	6.9	0.7	0.4	14.9
Less: scholarships	(10.7)	(5.9)	(6.2)	(2.8)	(14.0)	(2.1)	(3.4)	(45.1)
Tuition and residential life	<u>2.5</u>	<u>2.3</u>	<u>(0.7)</u>	<u>0.2</u>	<u>11.6</u>	<u>0.1</u>	<u>0.5</u>	<u>16.5</u>
Federal grants and contracts	9.4	9.0	6.5	4.7	14.0	3.0	3.4	50.0
Grants and other revenue	<u>4.0</u>	<u>4.3</u>	<u>3.0</u>	<u>2.4</u>	<u>9.7</u>	<u>1.0</u>	<u>2.1</u>	<u>26.5</u>
Total operating revenues	<u>15.9</u>	<u>15.6</u>	<u>8.8</u>	<u>7.3</u>	<u>35.3</u>	<u>4.1</u>	<u>6.0</u>	<u>93.0</u>
Instruction	12.3	10.7	8.5	7.7	24.2	3.9	3.8	71.1
Public service	-	0.1	-	-	1.4	-	-	1.5
Academic support	1.5	0.9	1.9	1.1	3.8	1.2	2.2	12.6
Student services	4.0	2.7	2.1	1.9	6.6	1.6	1.5	20.4
Institutional support	2.2	2.3	2.4	2.0	5.1	1.3	2.5	17.8
Operations and maintenance	2.4	2.3	2.1	2.3	6.0	1.1	1.1	17.3
Student aid	0.1	0.1	-	0.1	0.2	-	-	0.5
Auxiliary enterprises	2.5	1.3	-	0.9	3.9	0.5	0.5	9.6
Depreciation	<u>2.5</u>	<u>1.4</u>	<u>1.5</u>	<u>1.3</u>	<u>4.0</u>	<u>0.8</u>	<u>1.2</u>	<u>12.7</u>
Total operating expenses	<u>27.5</u>	<u>21.8</u>	<u>18.5</u>	<u>17.3</u>	<u>55.2</u>	<u>10.4</u>	<u>12.8</u>	<u>163.5</u>
Operating loss	(11.6)	(6.2)	(9.7)	(10.0)	(19.9)	(6.3)	(6.8)	(70.5)
State appropriations	10.9	11.3	8.8	10.2	19.0	6.9	6.5	73.6
HEERF	-	-	0.3	-	-	-	-	0.3
Gifts	-	-	-	0.4	0.3	0.1	0.1	0.9
Net investment loss	-	0.1	-	0.1	-	0.1	0.1	0.4
Net nonoperating revenues	<u>10.9</u>	<u>11.4</u>	<u>9.1</u>	<u>10.7</u>	<u>19.3</u>	<u>7.1</u>	<u>6.7</u>	<u>75.2</u>
(Loss) income before other	<u>(0.7)</u>	<u>5.2</u>	<u>(0.6)</u>	<u>0.7</u>	<u>(0.6)</u>	<u>0.8</u>	<u>(0.1)</u>	<u>4.7</u>
Proceeds from State for capital asset acquisition	-	0.2	-	-	0.1	-	-	0.3
Inter-campus transfers	<u>(0.1)</u>	<u>(0.3)</u>	<u>(0.5)</u>	<u>(0.7)</u>	<u>(0.9)</u>	<u>-</u>	<u>(0.3)</u>	<u>(2.8)</u>
Total other revenue and gains	<u>(0.1)</u>	<u>(0.1)</u>	<u>(0.5)</u>	<u>(0.7)</u>	<u>(0.8)</u>	<u>-</u>	<u>(0.3)</u>	<u>(2.5)</u>
Change in net position	(0.8)	5.1	(1.1)	-	(1.4)	0.8	(0.4)	2.2
Net position-beginning / year	<u>42.0</u>	<u>27.9</u>	<u>30.2</u>	<u>27.5</u>	<u>73.3</u>	<u>18.5</u>	<u>20.6</u>	<u>240.0</u>
Net position-end / year	<u>\$ 41.2</u>	<u>\$ 33.0</u>	<u>\$ 29.1</u>	<u>\$ 27.5</u>	<u>\$ 71.9</u>	<u>\$ 19.3</u>	<u>\$ 20.2</u>	<u>\$ 242.2</u>

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2025**

Year ended June 30, 2024  
(in millions)

	<u>All</u>	<u>System-</u>	<u>System</u>	<u>State's</u>	
	<u>Colleges</u>	<u>Wide</u>	<u>Office</u>	<u>UAAL</u>	<u>MCCS</u>
Student tuition and fees	\$ 46.7	\$ -	\$ -	\$ -	\$ 46.7
Residential life	14.9	-	-	-	14.9
Less: scholarships	<u>(45.1)</u>	<u>(3.0)</u>	<u>(0.1)</u>	-	<u>(48.2)</u>
Net tuition and residential life	16.5	(3.0)	(0.1)	-	13.4
Federal grants and contracts	50.0	-	0.8	-	50.8
Grants and other revenue	<u>26.5</u>	<u>4.5</u>	<u>5.2</u>	-	<u>36.2</u>
Total operating revenues	<u>93.0</u>	<u>1.5</u>	<u>5.9</u>	-	<u>100.4</u>
Instruction	71.1	-	-	(3.7)	67.4
Public service	1.5	-	-	-	1.5
Academic support	12.6	-	6.8	(0.9)	18.5
Student services	20.4	-	0.1	(1.1)	19.4
Institutional support	17.8	2.0	11.1	(1.2)	29.7
Operations and maintenance	17.3	-	0.1	(0.5)	16.9
Student aid	0.5	-	-	-	0.5
Auxiliary enterprises	9.6	-	-	(0.1)	9.5
Depreciation and amortization	<u>12.7</u>	<u>1.9</u>	<u>0.1</u>	-	<u>14.7</u>
Total operating expenses	<u>163.5</u>	<u>3.9</u>	<u>18.2</u>	<u>(7.5)</u>	<u>178.1</u>
Operating (loss) income	(70.5)	(2.4)	(12.3)	7.5	(77.7)
State appropriations	73.6	1.1	8.9	-	83.6
HEERF	0.3	-	-	-	0.3
Gifts	0.9	-	-	-	0.9
Net investment (loss) income	<u>0.4</u>	<u>7.7</u>	-	-	<u>8.1</u>
Net nonoperating revenues	<u>75.2</u>	<u>8.8</u>	<u>8.9</u>	-	<u>92.9</u>
Income before other	<u>4.7</u>	<u>6.4</u>	<u>(3.4)</u>	<u>7.5</u>	<u>15.2</u>
Proceeds from State for capital asset acquisition	0.3	-	-	-	0.3
Inter-campus transfers	<u>(2.8)</u>	<u>(0.9)</u>	<u>3.7</u>	-	<u>0.0</u>
Total other revenue, gains, or (losses)	<u>(2.5)</u>	<u>(0.9)</u>	<u>3.7</u>	-	<u>0.3</u>
Change in net position	2.2	5.5	0.3	7.5	15.5
Net position-beginning / year	<u>240.0</u>	<u>36.1</u>	<u>12.6</u>	<u>(47.5)</u>	<u>241.2</u>
Net position-end / year	<u>\$ 242.2</u>	<u>\$ 41.6</u>	<u>\$ 12.9</u>	<u>\$ (40.0)</u>	<u>\$ 256.7</u>

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2025**

In November of 2018, the voters of the State of Maine approved a \$15 million Chap. 465 P.L. 2017 General Purpose Bond. The bond funds were allocated to all seven colleges and, during fiscal year 2023, the colleges spent \$0.4 million on instruction lab upgrades and equipment, and residence hall ADA renovations.

The colleges are not required to budget for depreciation expenses but do budget for capital expenditures funded through operations. With approval from the System Office, the colleges can reserve a portion of the earned surplus for future capital investments (discussed below, in the section on Net Position), but the unobligated net position is not available to the colleges for discretionary spending.

Colleges in more rural areas of Maine have lower enrollments and, therefore, earn less in student tuition and fees, but the proportion of State appropriation tends to be higher.

**Economic Factors Affecting Maine's Community Colleges**

Free Community College launched in April 2022, with a one-time State investment of \$20 million benefiting the pandemic-era high school graduates from 2020 – 2023. This is a last-dollar scholarship, meaning eligible students must first accept grants or scholarship awarded to them, with the last-dollar costs of tuition and mandatory fees covered by the free college scholarships. In the first year of the program, 6,400 students attended community college tuition-free. In July 2023, Governor Mills signed the budget passed by the legislature which extended to two more graduating high school classes tuition-free community college in Maine. The \$15 million investment was intended to allow students graduating from high school or its equivalent in 2024 and 2025 to attend any Maine community college without paying any tuition or mandatory fees, a value of more than \$3,800 a year. In March 2025 Governor Mills signed a current services budget which funded an additional \$7.3 million to support the higher than estimated number of eligible Free College students enrolled in FY2025. In January of 2025 Governor Mills submitted the 2026/2027 Biennial Budget which included her proposal to make the Free Community College Scholarship a permanent and ongoing program of Maine public higher education. The Biennial Budget passed by the Legislature in June 2025 removes Governor Mills' proposal to make the Free Community College program permanent and ongoing but does provide \$20 million in one-time appropriation to fund graduating high school students from the classes up to 2025.

Post pandemic, Maine people with education and technical skills have gained economic opportunity. But those lacking the essential skills needed to get a job in the modern economy are losing hope. Data collected by Opportunity Insights indicated that, in Maine, almost 40% of low-income jobs have gone away, while moderate- and high-income jobs that require skills have increased substantially.

Students at the fringe of academic success and students who learn by working with their hands suffered incredible learning loss and emotional setbacks in recent years. For many, mental health and housing and food insecurity challenges their ability to get the education they need.

Pandemic relief funds from both the State of Maine and the federal government were a crucial resource that allowed Maine's community colleges to continue providing education and training as well as expand support for struggling students. These funds are time-limited in nature, and MCCS continues to invest those dollars in short-term training and immediate needs in compliance with state and federal requirements.

**MAINE COMMUNITY COLLEGE SYSTEM  
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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2025**

In July 2021, the Maine State Legislature approved the Maine Jobs and Recovery Plan (MJRP). LD1733 included \$35 million in one-time American Rescue Plan Act federal funding under State and Local Fiscal Recovery Funds for workforce development initiatives to provide training for 8,500 Maine residents in the following targeted industry sectors: Healthcare, The Green Economy, Manufacturing, Hospitality, Education, Computer Technology, and the trades.

The business plan for the MJRP grant was approved by the State on December 29, 2021. This allowed the work to begin and for the colleges to start implementation and recruitment. Through the end of fiscal year 2025, 6,484 Mainers were provided financial assistance for education training programs through MJRP, representing \$23.7 million in funding. The MCCS Maine Jobs and Recovery Plan program ends on December 31, 2026 with expected program delivery through September 2026.

In April 2022, the Governor signed the supplemental budget which included \$2.5 million in ongoing allocation to MCCS for expansion of the nursing programs across the State in fiscal year 2023. The \$2.5 million was matched by healthcare providers at MaineHealth and Northern Light Health. The State's support is continuing indefinitely, and the private support extends to spring 2026. This allowed Maine's community colleges to double the number of nursing program graduates from approximately 240 people per year to 480 per year. These funds are a significant investment in addressing the nursing shortage in Maine. In March and June of 2025, the Governor signed current services and biennial budgets respectively which provided appropriation funding for the purpose of supporting the State's paid family and medical leave premiums for eligible MCCS employees.

MCCS was allocated a total of \$65.7 million in Higher Education Emergency Relief Funds (HEERF) under the Coronavirus Aid, Relief, and Economic Security (CARES) Act in March 2020, the Coronavirus Response and Relief Supplemental Appropriation (CRRSA) disbursed in January 2021, the American Rescue Plan Act (ARPA) passed in March 2021, and most recently the Supplemental Support American Rescue Plan awarded in July 2022. The HEERF allocations included \$26.5 million for emergency financial aid grants to students and \$39.2 million of institutional funds for COVID-19 response expenses. The major change with the ARPA was under the use of institutional funds for lost revenue. This allowed MCCS to recover lost revenue due to COVID-19.

In 2024, MCCS spent \$0.3 million of the remaining HEERF funds on institutional expenditures. In 2023, MCCS spent \$6.9 million of the remaining HEERF funds, \$0.9 million in student emergency aid, and \$6.0 million on institutional expenditures, expending all but a small balance of the federal funds. When added to the expenditures from 2020, 2021 and 2022, the total HEERF expended is \$65.8 million through June 30, 2024. This represents \$38.6 million of institutional aid expended from all three pieces of funding, and a total of \$27.2 million disbursed in student emergency aid since the start of the pandemic.

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2025**

**Statement of Revenues, Expenses, and Changes in Net Position**

In 2025, MCCS saw an increase in net position of \$22.0 million. Operating revenue increased \$13.6 million due to an increase in federal grants of \$7.7 million, increase in residential life of \$1.3 million due to more students returning to campus from the previous year, an increase in state and local grants of \$1.2 million, and \$4.0 million increase in nongovernmental grants and contracts attributed to the Harold Alfond Foundation (HAF) grant. Operating expenses increased \$10.9 million due to increased enrollment and inflationary increases in operating expenses. Year-over-year, nonoperating revenue increased in 2025 by \$4.0 million due to a \$0.5 million increase in investment income, \$3.8 million increase in state appropriations, and \$0.4 million in new Free Community College funding from the State, offset by a \$0.3 million decrease in HEERF, and \$0.1 million decrease in gifts. Other revenue decreased \$0.2 million with a decline in Chap. 465 P.L. 2017 General Purpose Bond funds.

In 2024, MCCS saw an increase in net position of \$15.5 million. Operating revenue increased \$14.0 million due to an increase in federal grants of \$11.6 million, an increase in residential life of \$3.0 million due to more students returning to campus from the previous year, an increase in state and local grants of \$2.8 million, and a \$2.1 million increase in nongovernmental grants and contracts attributed to the Harold Alfond Foundation (HAF) grant. Operating expenses increased \$17.5 million due to increased enrollment and inflationary increases in operating expenses. Year-over-year, nonoperating revenue increased in 2024 by \$1.0 million, due to a \$3.8 million increase in investment income, \$3.3 million increase in appropriation, and \$4.3 million in new Free Community College funding from the State, offset by a \$6.6 million decrease in HEERF. Other revenue decreased \$0.2 million with a decline in Chap. 465 P.L. 2017 General Purpose Bond funds.

In 2023, MCCS saw an increase in net position of \$18.1 million. This increase is due to \$6.9 million in HEERF during the fiscal year, down from \$30.9 million in 2022. Operating revenue increased \$18.3 million due to an increase in federal grants of \$12.0 million, an increase in residential life of \$4.5 million due to more students returning to campus from the previous year, an increase in state and local grants of \$0.9 million, and a \$5.7 million increase in nongovernmental grants and contracts attributed to the Harold Alfond Foundation (HAF) grant. Operating expenses increased \$9.1 million due to increased enrollment and inflationary increases in operating expenses. Year-over-year, nonoperating revenue increased in 2023 by \$3.8 million due to a \$12.5 million increase in investment income, a \$4.7 million increase in appropriation, and \$11.8 million in new Free Community College funding from the State, offset by a \$24.0 million decrease in HEERF and a \$1.2 million decrease in gifts. Other revenue decreased \$1.7 million with a decline in Chap. 465 P.L. 2017 General Purpose Bond funds.

**MAINE COMMUNITY COLLEGE SYSTEM  
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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2025**

**Statement of Revenues, Expenses, and Changes in Net Position**

<i>(in millions)</i>	<u><b>2025</b></u>	<u>2024</u>	<u>2023</u>
Operating revenues	<b>\$114.0</b>	\$100.4	\$ 86.3
Operating expenses	<u><b>188.9</b></u>	<u>178.0</u>	<u>160.5</u>
Operating loss	<b>(74.9)</b>	(77.6)	(74.2)
Nonoperating revenues	<u><b>96.8</b></u>	<u>92.8</u>	<u>91.8</u>
Income before other revenue	<b>21.9</b>	15.2	17.6
Other revenue, net	<u><b>0.1</b></u>	<u>0.3</u>	<u>0.5</u>
Increase in net position	<u><b>\$ 22.0</b></u>	<u>\$ 15.5</u>	<u>\$ 18.1</u>

**Operating Revenues**

In 2025, operating revenues increased by \$13.5 million, or 13.5 percent. Net tuition and residential life fees increased \$0.8 million as enrollment grew 9.8 percent primarily attributable to Free Community College funding. Student tuition and fees were up \$6.5 million or 14.0 percent; residential life fees increased \$1.3 million or 8.8 percent with students returning to on campus housing and increased occupancy rates from 2024. Scholarship allowances also increased \$7.1 million or 14.6 percent with the Free Community College program.

Federal grants and contracts increased \$7.7 million due to increased activity in federal State and Local Fiscal Recovery Funds (SLFRF) available through the Maine Jobs and Recovery Program, and higher enrollments driving higher financial aid grants. State and local grants and contracts increased by \$1.2 million due to increases in Maine State Grants and Racino revenue. Nongovernmental grants and contracts increased \$3.9 million with HAF grant activity. Other operating revenues decreased by \$0.2 million. Other operating revenues decrease of \$0.2 million includes interdepartmental transfers of \$5.3 million to System Office for IT Shared Services allocated expenses incurred across the system. This interdepartmental transfer is fully eliminated upon consolidation.

In 2024, operating revenues increased by \$14.1 million or 16.3 percent. Net tuition and residential life fees increased \$0.4 million with enrollment growing 13 percent primarily attributable to Free Community College funding. Student tuition and fees were up \$7.6 million or 19.4 percent, residential life fees increased \$2.9 million or 24.2 percent with students returning to on-campus housing and increased occupancy rates from 2023. Scholarship allowances also increased \$10.0 million or 26.2 percent with the increased enrollment.

Federal grants and contracts increased \$11.6 million due to increased activity in federal State and Local Fiscal Recovery Funds (SLFRF) available through the Maine Jobs and Recovery Program, and higher enrollments driving higher financial aid grants. State and local grants and contracts increased by \$2.8 million due to increases in Maine State Grants, Racino, and Aspirations revenue. Nongovernmental grants and contracts increased \$2.1 million with HAF grant activity. Sales and service, auxiliary enterprises revenue, and other operating revenues decreased by \$2.9 million primarily due to a \$4.4 million prior-period GASB adjustments offset by a \$1.1 million increase in interest income and \$0.6 million increase in room and facility rental income.

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2025**

In 2023, operating revenues increased by \$28.7 million, or 49.7 percent. Net tuition and residential life fees increased \$5.0 million as enrollment grew 12.0 percent during the first year of Free Community College funding. Student tuition and fees were up \$5.6 million, or 16.7 percent, residential life fees increase \$4.5 million, or 60.0 percent with students returning to on-campus housing and increased occupancy rates from 2022. Scholarship allowances also increased \$5.1 million, or 15.4 percent with the increased enrollment.

Federal grants and contracts increased \$12.0 million due to increased activity in federal SLFRF available through the Maine Jobs and Recovery Program, and higher enrollments driving higher financial aid grants. State and local grants and contracts increased by \$0.9 million due to increases in Maine State Grants, Racino, and Aspirations revenue. Nongovernmental grants and contracts increased \$5.7 million with HAF grant activity. Sales and service, auxiliary enterprises revenue, and other operating revenues increased by \$4.9 million.

Changes in the sources of grants fluctuate between Federal, state, and nongovernment entities based on the opportunities the colleges pursue, but in the current environment do not reflect any meaningful pattern or strategic change beyond the HEERF allocated in response to COVID-19, which are included in the nonoperating revenue section of the Statement of Revenues, Expenses, and Changes in Net Assets. Workforce development training funds from the Maine Jobs and Recovery Fund and the Harold Alfond Fund were received in 2023, and continued through 2024 and 2025.

**Nonoperating Revenue**

Nonoperating revenues are primarily comprised of the appropriations from the State of Maine, gifts, and investment gains and losses. In 2025, nonoperating revenue increased \$4.0 million due to \$3.8 million increase in appropriation for general operations and expanding MCCS nursing programs. A \$0.4 million increase in Free Community College state revenue was also reported in 2025. Investment income increased \$0.5 million with favorable market returns. Increases were offset by a decrease of \$0.3 million in HEERF revenue; a \$0.1 million decrease in gifts received at colleges for renovations and program equipment. Interest on capital asset debt also decreased \$0.1 million.

In 2024, nonoperating revenue increased \$1.0 million due to a \$3.3 million increase in appropriation for general operations and expanding MCCS nursing programs. \$7.5 million in Free Community College state revenue net of an increase in state appropriations of \$4.1 million was also reported in 2024. Investment income increased \$3.7 million with active management and favorable market returns. Gifts received at colleges for renovations and program equipment increased \$0.1 million. Increases were offset by a decrease of \$6.6 million in HEERF revenue. Interest on capital asset debt also decreased \$0.1 million.

In 2023, nonoperating revenue decreased \$6.6 million due to a \$4.7 million increase in appropriation for general operations and expanding MCCS nursing programs and \$11.8 million in Free Community College state revenue net of state appropriations of \$10.4 million. Investment income increased \$13.2 million with favorable market returns. Increases were offset by a decrease of \$24.0 million in HEERF revenue, a \$1.2 million decrease in gifts received at colleges for renovations and program equipment. Interest on capital asset debt also decreased \$0.6 million.

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**MANAGEMENT’S DISCUSSION AND ANALYSIS**

**June 30, 2025**

**Operating Expenses**

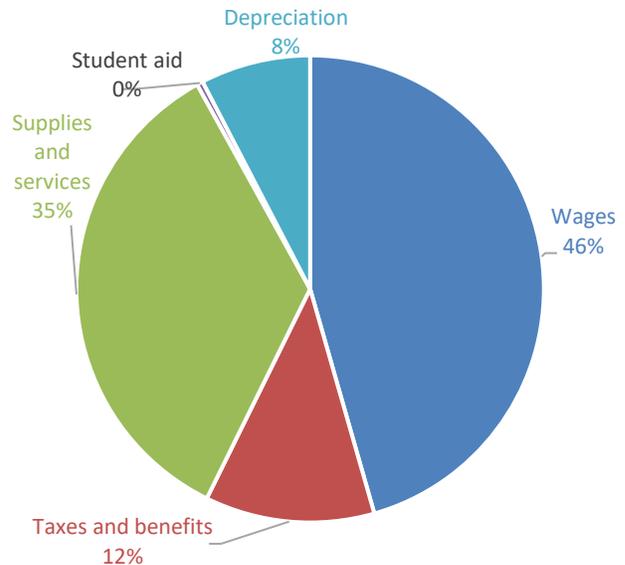
Like most colleges and universities, MCCS’s largest expense is payroll. Wages, benefits, and wage-related taxes accounted for between 56 and 62 percent of expenditures in each of the last three years. Over 90 percent of MCCS employees are represented by one of six collective bargaining agreements. Contractually, wages increased an average of 4.5 percent in 2025, 2024, and 2023 to bring wages closer to market level. In 2025, 2024, and 2023, positions were added to address increased enrollment and student support. Additional positions for increased grant activity were also filled in 2023. The adjustment for GASB 75 pension expense reduced the overall cost of benefits offsetting a healthcare increase of 6.4 percent in 2025. Taxes and benefits decreased \$4.5 million in 2025 due to the GASB 75 adjustment. The adjustment for GASB 75 pension expense reduced the overall cost of benefits offsetting a healthcare increase of 3.67 percent in 2024. Taxes and benefits increased \$7.9 million in 2024 due to the GASB 75 adjustment and the State of Maine Health Commission implementation of four months of health insurance premium holiday in 2023, in which neither the employee nor employer paid health insurance premiums. Taxes and benefits increased \$3.4 million in 2023 due to the GASB 75 adjustment and the State of Maine Health Commission implementation of four months of health insurance premium holiday, in which neither the employee nor employer paid health insurance premiums.

Pension plans for MCCS retirees represent the largest benefit expense for the System. Two-thirds of the System’s employees participate in the State Employee and Teacher Retirement Plan, a multiple-employer, cost-sharing plan administered by MainePERS. For employees enrolled in the MainePERS, the System was required to contribute 21.14 percent of payroll for 2025. Healthcare benefits for current members and retirees purchased from the Maine Bureau of Employee Health also contributed to the cost of benefits.

Expenses by natural class are as follows:

*(in millions)*

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Wages	<b>\$ 88.5</b>	\$ 84.5	\$ 75.9
Taxes and benefits	<u>21.2</u>	<u>25.7</u>	<u>17.8</u>
Wages and benefits	<b>109.7</b>	110.2	93.7
Supplies and services	<b>63.6</b>	52.7	50.7
Student aid	<b>0.8</b>	0.5	1.4
Depreciation	<u>14.8</u>	<u>14.7</u>	<u>14.8</u>
Total expenses	<b><u>\$188.9</u></b>	<u>\$178.1</u>	<u>\$160.6</u>



**MAINE COMMUNITY COLLEGE SYSTEM  
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**MANAGEMENT’S DISCUSSION AND ANALYSIS**

**June 30, 2025**

The distribution of expenses by functional area has shifted over the three-year period ended June 30, 2025. Instruction and academic support accounted for 46.4 percent of the operating expenditures in 2025. Most functional areas experienced increases due to higher enrollment.

Auxiliary enterprises saw a 6.3 percent increase, or \$0.6 million due to the return of dorm occupancy and the number of students living and dining on campus. Instruction increased \$1.3 million due to new and expanded programs. Institutional support increased \$7.5 million including costs associated with the Student Information Services implementation, personnel retirements and increased insurance costs.

In 2025, expenses were offset by \$12.0 million of GASB adjustments to record decreased pension liability and OPEB for MainePERS. GASB adjustments accounted for decreases in instruction of \$5.6 million, academic support of \$1.2 million, student services of \$1.7 million, institutional support of \$2.4 million, and operations and auxiliary enterprises of \$1.0 million.

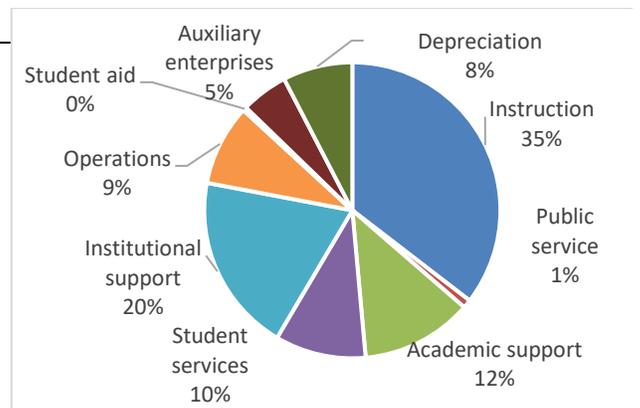
Instruction and academic support accounted for 48.2 percent of the operating expenditures in 2024. Most functional areas experienced increases except for a decrease of \$0.9 million in student aid due to the reduction of HEERF student emergency aid. Increases in expense over 2023 reflect additional costs due to higher enrollment.

Instruction and academic support accounted for 50 percent of the operating expenditures in 2023. All functional areas experienced increases except for a decrease of \$17.8 million in Student aid due to the reduction of HEERF student emergency aid disbursed in response to the COVID-19 pandemic. Auxiliary enterprises saw a 37 percent increase, or \$1.8 million, due to the return of dorm occupancy and the number of students living and eating on campus.

In 2023, expenses were offset by \$8.1 million of GASB adjustments to record decreased pension liability for OPEB and MainePERS. GASB adjustments accounted for decreases in instruction of \$3.8 million, academic support \$1.0 million, student services \$1.2 million, instructional support \$1.4 million, and operations and auxiliary enterprises \$0.7 million.

Expenses by function are as follows:

<i>(in millions)</i>	<b>2025</b>	<b>2024</b>	<b>2023</b>
Instruction	<b>\$ 68.7</b>	\$ 67.4	\$ 58.2
Public service	<b>1.8</b>	1.5	1.3
Academic support	<b>19.0</b>	18.5	21.4
Student services	<b>19.3</b>	19.4	16.7
Institutional support	<b>37.2</b>	29.7	25.8
Operations	<b>17.2</b>	16.9	14.3
Student aid	<b>0.8</b>	0.5	1.4
Auxiliary enterprises	<b>10.1</b>	9.5	6.7
Depreciation	<b>14.8</b>	14.7	14.8
<b>Total</b>	<b><u>\$188.9</u></b>	<b><u>\$178.1</u></b>	<b><u>\$160.6</u></b>



**MAINE COMMUNITY COLLEGE SYSTEM  
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**MANAGEMENT’S DISCUSSION AND ANALYSIS**

**June 30, 2025**

**Other Revenues, Expenses, Gains, and Losses**

Other revenues, expenses, gains, and losses are primarily the net result of capital activity paid through state-funded bonds, which the System has no obligation to repay, and capital gifts and grants, including the transfer of land and buildings from other public entities.

<i>(in millions)</i>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Other revenues, net	<b>\$ 0.1</b>	\$ 0.3	\$ 0.5

The System generated proceeds from the State for grants and capital asset acquisition of \$0.3 million in 2024 and \$0.4 million in 2023, as some colleges continued spending the Chap. 465 P.L. 2017 General Purpose Bond.

Capital grants and gifts increased \$34,000 in 2025, decreased \$132,000 in 2024, and increased \$122,000 in 2023, due to fluctuations in donor activity.

**Statement of Net Position**

In 2025, net position increased \$22.0 million. Assets and deferred outflows increased \$23.1 million while liabilities and deferred inflows increased \$1.1 million in 2025. The assets increase was from noncurrent assets increasing \$9.0 million, the result of increases in prepaid post-employment benefit plans of \$4.3 million, endowment investments of \$1.7 million, and capital assets of \$4.0 million. Current assets also increased \$11.3 million from cash and cash equivalents decreasing \$5.3 million, short-term investments increasing \$6.1 million, and accounts receivable increasing \$4.4 million, and assets due from the State of Maine increasing \$7.4 million. Increases in deferred outflows of resources from the defined benefit pension plan of \$2.2 million and other post-retirement benefit plans increase of \$0.6 million.

The \$1.1 million increase in liabilities and deferred inflows of resources was the result of liabilities increasing \$5.6 million and deferred inflows of resources decreasing \$4.6 million. Decreases of \$0.2 million in net pension liability, \$0.4 million in subscription liabilities, increase of \$5.1 million in unearned revenue, and decrease of \$3.5 million in accrued expense, including accounts payable were offset by decreases of \$1.1 million in long-term debt and small decreases in lease obligations. Decreases in deferred inflows of resources were the result of \$0.7 million of defined benefit pension plan and other post-employment benefit plan decrease of \$3.9 million.

In 2024, net position increased \$15.5 million. Assets and deferred outflows of resources increased \$15.7 million while liabilities and deferred inflows of resources increased \$0.2 million in 2024. The assets increase was from noncurrent assets increasing \$16.0 million, the result of increases in prepaid post-employment benefit plans of \$16.9 million, endowment investments of \$1.7 million, and capital assets decrease of \$0.6 million. Current assets also increased \$2.6 million from cash and cash equivalents decreasing \$8.4 million, short-term investments increasing \$6.2 million, and accounts receivable increasing \$6.0 million. Asset increases were offset by a decrease in HEERF receivable of \$0.3 million, a decrease in deferred outflows of resources from the defined benefit pension plan of \$0.5 million, and other post-retirement benefit plans decrease of \$2.4 million.

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2025**

The \$0.2 million increase in liabilities and deferred inflows of resources was the result of liabilities decreasing \$3.4 million and deferred inflows of resources increasing \$3.6 million. Increases of \$2.9 million in net pension liability, and \$2.0 million in accrued expense, including accounts payable, were offset by decreases of \$1.1 million in subscription liabilities, \$6.0 million in unearned revenue, \$1.1 million in long-term debt, and small decreases in lease obligations. Decreases in deferred inflows of resources were the result of \$3.8 million of defined benefit pension plan offset by other post-employment benefit plan increase of \$7.4 million.

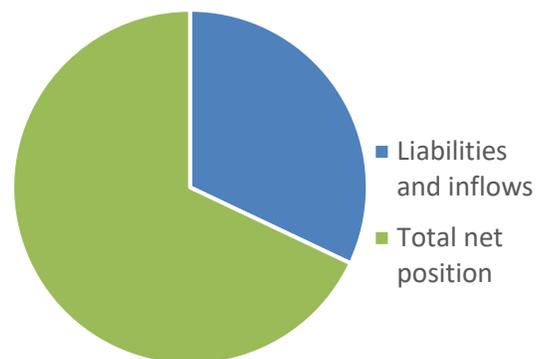
In 2023, net position increased \$18.1 million. Assets and deferred outflows of resources increased \$37.9 million while liabilities and deferred inflows of resources increased \$19.8 million in 2023 with the implementation of GASB 96. The assets increase was from noncurrent assets increasing \$25.9 million, the result of increases in prepaid post-employment benefit plans of \$9.7 million, endowment investments of \$0.8 million, and capital assets of \$0.2 million. Current assets also increased by \$15.8 million from cash and cash equivalents increasing \$11.8 million, short-term investments increasing by \$3.9 million, and accounts receivable increasing \$5.3 million. Asset increases were offset by a decrease in HEERF receivable of \$7.0 million, a decrease in deferred outflows of resources from the defined benefit pension plan of \$2.5 million, and other post-retirement benefit plans decrease of \$1.2 million.

The \$19.8 million increase in liabilities and deferred inflows of resources was the result of liabilities increasing \$35.4 million and deferred inflows of resources decreasing \$15.6 million. Increases of \$12.6 million in net pension liability, \$11.5 million in subscription liabilities, \$9.3 million in unearned revenue, and \$2.5 million in accrued expense, including accounts payable were offset by decreases of \$1.0 million in long-term debt and small decreases in lease obligations. Decreases in deferred inflows of resources were the result of \$19.6 million of defined benefit pension plan offset by other post-employment benefit plan increase of \$4.1 million.

**Net Position**

*(In millions)*

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Current assets	<b>\$ 131.7</b>	\$ 120.3	\$ 117.7
Noncurrent assets	<b>255.6</b>	246.7	230.7
Deferred outflows	<u>22.8</u>	<u>20.0</u>	<u>22.9</u>
Total assets and deferred outflows	<b><u>\$ 410.1</u></b>	<b><u>\$ 387.0</u></b>	<b><u>\$ 371.3</u></b>
Current liabilities	<b>\$ 36.3</b>	\$ 28.6	\$ 32.7
Noncurrent liabilities	<b>65.7</b>	67.8	67.0
Deferred inflows	<u>29.4</u>	<u>34.0</u>	<u>30.4</u>
Total liabilities and deferred inflows	<b><u>\$ 131.4</u></b>	<b><u>\$ 130.4</u></b>	<b><u>\$ 130.1</u></b>
Investment in capital assets	<b>\$ 177.0</b>	\$ 172.4	\$ 172.7
Net restricted position	<b>31.3</b>	28.4	25.7
Net unrestricted position	<u>70.4</u>	<u>55.8</u>	<u>42.8</u>
 Total net position	<b><u>\$ 278.7</u></b>	<b><u>\$ 256.6</u></b>	<b><u>\$ 241.2</u></b>



**MAINE COMMUNITY COLLEGE SYSTEM  
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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2025**

**Current Assets and Current Liabilities**

Current assets increased \$11.3 million, and current liabilities increased \$7.7 million, in 2025, improving liquidity. Cash decreased \$5.3 million and short-term investments increased \$6.1 million due to favorable returns realized in 2025.

Accounts receivable increased \$4.4 million in 2025, due in large part to the MJRP training program and HAF grant activity. Funds due from the state increased \$7.4 million.

In 2025, the \$7.7 million increase in current liabilities is related to a \$5.1 million increase in unearned revenue due largely to Free Community College funding, \$3.5 million decrease in accrued expenses, and \$6.0 million increase in accounts payable.

Current assets increased \$2.6 million, and current liabilities decreased \$4.1 million, in 2024, improving liquidity. Cash decreased \$8.4 million and short-term investments increased \$6.2 million due to favorable returns realized in 2024.

Accounts receivable increased \$6.0 million in 2024, due in large part to the MJRP training program and HAF grant activity. Due from state increased \$0.8 million, and prepaid expenses and other assets each decreased \$1.5 million.

In 2024, the \$4.1 million decrease in current liabilities is related to a \$6.0 million decrease in unearned revenue due largely to Free Community College funding, partially offset by \$1.6 million increase in accrued expenses, and \$0.5 million increase in accounts payable.

Current assets increased \$15.8 million, and current liabilities increased \$12.8 million, in 2023, improving liquidity. Cash increased \$11.8 million and short-term investments increased \$3.9 million due to favorable returns realized in 2023.

Accounts receivable increased \$5.3 million in 2023, due in large part to the MJRP training program and HAF grant activity. Due from state decreased \$0.3 million and other assets each increased \$2.2 million.

In 2023, the \$12.8 million increase in current liabilities is related to a \$9.3 million increase in unearned revenue due largely to Free Community College funding, \$1.6 million increase in accrued expenses, \$0.9 million increase in accounts payable, and \$0.9 million due to adoption of GASB 96.

**Noncurrent Assets and Long-term Liabilities**

Noncurrent assets increased \$9.0 million and long-term liabilities decreased \$2.1 million in 2025. The increase in noncurrent assets is due to increases in prepaid post-employment benefit plans of \$4.3 million and endowment investments and net capital assets of \$1.7 million and \$4.0 million, respectively.

Long-term liabilities decreased by \$2.1 million in 2025, the result of a decrease in long-term debt of \$1.1 million, SBITA obligations of \$0.5 million, lease obligations of \$0.1 million and net pension liability of \$0.2 million. MCCS made scheduled payments on existing debt and did not incur any new debt.

**MAINE COMMUNITY COLLEGE SYSTEM  
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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2025**

Noncurrent assets increased \$16.0 million and long-term liabilities increased \$0.8 million in 2024. In 2024, increases in prepaid post-employment benefit plans of \$16.9 million and endowment investments of \$1.7 million. Capital assets decreased \$0.6 million.

Long-term liabilities increased in 2024, the result of a \$3.0 million increase in net pension liability and minor increase in other post-employment benefit plans offset by a \$1.1 million decrease in long-term debt and \$1.1 million decrease in SBITA obligations. MCCS made scheduled payments on existing debt and did not incur any new debt.

Noncurrent assets increased \$25.9 million and long-term liabilities increased \$22.5 million in 2023. The increase in noncurrent assets is due to the adoption of GASB 96 resulting in a \$15.2 million increase. In 2023, increases in prepaid post-employment benefit plans of \$9.7 million and endowment investments and capital assets of \$0.8 million and \$0.2 million, respectively, were also reported.

Long-term liabilities increased in 2023, the result of a \$12.6 million increase in net pension liability, \$10.5 million increase in SBITA obligations, and \$0.5 million in other post-employment benefit plans offset by a \$1.0 million decrease in long-term debt. MCCS made scheduled payments on existing debt and did not incur any new debt.

**Costs and Obligations of Retirement Plans**

Regular employees of the System have two retirement plan options: participation in TIAA/CREF, a defined contribution plan, and MainePERS, a defined benefit plan. MainePERS is an independent public agency of the State of Maine that administers retirement programs for State employees and other public entities including MCCS. MainePERS is responsible for the payment of retirement benefits to participants in that plan.

Participants in both the defined benefit and the defined contribution plan are eligible for retiree health insurance after vesting.

In 2015, the System implemented GASB 68. As a result, MCCS's proportionate share of the State's Unfunded Actuarially Accrued Liability (UAAL) for pension benefits was \$41.8 million as of June 30, 2025, \$42.0 million as of June 30, 2024, and \$39.0 million as of June 30, 2023. The plan is administered by MainePERS. The System does not manage the defined benefit plan assets or directly control the benefits, but the System is required to fund its share of the plan so that it remains viable and able to honor the commitments made to retired employees. Therefore, the presentation of MCCS's proportionate share of the MainePERS UAAL, 4.8% percent as of the last reporting date, an increase of 0.3% percent from the proportion measured as of June 30, 2023, chronicles an important understanding of the System's fully formed financial condition and the totality of its obligations.

The UAAL is determined by actuaries, not staff or the System's auditors. Certain estimates used by actuaries, including investment returns, salary increases, mortality rates, and cost of living benefits will impact the valuation of the liability. Note 10 to the financial statements includes a required disclosure that demonstrates the impact of changing one assumption (the discount rate) by an increase or decrease of one percent.

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2025**

In 2018, the System adopted GASB 75 which requires recognition of the total OPEB liability and retroactive restatement of net position. In 2009, the System created the MCCS OPEB Trust. The Trust Agreement allows the Trust to accept contributions from MCCS to fund future retiree benefits and limits the trustees to prudent investment of trust assets and payment of retiree health and life insurance benefit costs. MCCS's recognized income for other post-employment benefits was \$6.9 million in 2025, \$5.1 million in 2024, and \$2.1 million in 2023. The actuarially accrued obligation for retiree health and life insurance in 2025 was \$31.5 million, an increase of \$3.3 million from 2024 obligation of \$28.2 million. The actuarially accrued obligation for retiree health and life insurance in 2024 was \$28.2 million, a decrease of \$8.6 million from 2023 obligation of \$36.8 million. The actuarially accrued obligation for retiree health and life insurance in 2023 was \$36.8 million, a decrease of \$4.7 million from 2022 obligation of \$41.5 million.

Trust assets were valued at \$67.9 million on June 30, 2025, \$60.3 million on June 30, 2024, and \$52.0 million on June 30, 2023. Accordingly, the net OPEB asset liability was \$36.4 million on June 30, 2025, \$32.1 million on June 30, 2024, and \$15.2 million on June 30, 2023.

**Endowments**

Noncurrent assets also include \$19.1 million in endowment investments; an increase of \$1.7 million, or 9.7 percent, from 2024. In 2024, noncurrent assets included \$17.4 million in endowment investments, an increase of \$1.7 million, or 10.8 percent, from 2023. In 2023, noncurrent assets included \$15.7 million in endowment investments, an increase of \$0.8 million, or 5.3 percent, from 2022.

Endowment investments earned 10.0 percent in 2025, 11.0 percent in 2024, and 10.9 percent in 2023.

The largest shares of the endowment are comprised of gifts from the Bernard Osher Foundation. The Osher Endowments are comprised of four donations that total \$7.0 million. The State and the System have added \$3.0 million in matching funds. The gifts support scholarships and emergency financial assistance for full-time matriculated associate degree students.

The Board of Trustees adopted an investment policy using a long-term investment strategy, and investment results are compared to a blended benchmark index that is a composite made up of 40 percent Morgan Stanley Capital International—All Country World Index (MSCI-ACWI), 12.5 percent S&P 500, 15 percent of the Bloomberg Barclays US Aggregate Bond Index (BC Agg), 15 percent Bloomberg Barclays Intermediate US Government/Credit, 10 percent of the Russell 2000, 2.5 percent Morgan Stanley Capital International Emerging Markets, and 5 percent Russell 1000 value. Endowment investments are pooled with the System's long-term investments and are allocated based upon a percentage of the total investment pool.

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2025**

**Net Position**

MCCS's net position represents the value of its assets and deferred outflows of resources after subtracting its liabilities and deferred inflows of resources. Net investment in capital assets is the value of nonexpendable, capital assets after subtracting the related debt on facilities and equipment. Restricted net assets are assets owned by MCCS, but, by agreement with grantors or donors, the assets can only be used for purposes specified in grant or donor agreements. As such, those assets are not available to meet the general obligations of operations. Unrestricted net assets are those assets, net of liabilities, which have accumulated over time, are free of restrictions and are expendable at the Trustees' direction. MCCS has designated unrestricted net position as follows (in millions):

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Funds committed to OPEB	\$ 2.9	\$ 3.1	\$ 3.1
Funds carried from prior years for programs	33.4	30.7	24.5
Funds committed to property, plant, and equipment renewal	33.8	31.4	34.4
Funds on deposit with bond trustee	1.3	1.2	1.2
Unobligated net position	27.4	20.9	11.4
Proportionate share of the State's net pension liability	<u>(28.4)</u>	<u>(31.5)</u>	<u>(31.8)</u>
Total unrestricted net position	<u>\$ 70.4</u>	<u>\$ 55.8</u>	<u>\$ 42.8</u>

The narrative on costs and obligations of retirement plans notes that MCCS has appropriately recorded its proportionate share of the net pension liability (NPL) administered by MainePERS, but that the System does not manage any aspect of the plan. The results of operations and impact of GASB 68 are as follows:

(in <i>millions</i> )	<u>2025</u>			<u>2024</u>		
	<u>Before NPL</u>	<u>State's NPL</u>	<u>MCCS</u>	<u>Before NPL</u>	<u>State's NPL</u>	<u>MCCS</u>
Current assets	\$ 131.7	\$ -	\$ 131.7	\$ 120.3	\$ -	\$ 120.3
Noncurrent assets	255.6	-	255.6	246.7	-	246.7
Deferred outflows—pension	<u>6.9</u>	<u>15.9</u>	<u>22.8</u>	<u>6.3</u>	<u>13.7</u>	<u>20.0</u>
Total assets and deferred outflows	<u>\$ 394.2</u>	<u>\$ 15.9</u>	<u>\$ 410.1</u>	<u>\$ 373.3</u>	<u>\$ 13.7</u>	<u>\$ 387.0</u>
Current liabilities	\$ 36.3	\$ -	\$ 36.3	\$ 28.6	\$ -	\$ 28.6
Noncurrent liabilities	23.9	41.8	65.7	25.8	42.0	67.8
Deferred inflows	<u>26.8</u>	<u>2.6</u>	<u>29.4</u>	<u>30.8</u>	<u>3.2</u>	<u>34.0</u>
Total liabilities and deferred inflows	<u>\$ 87.0</u>	<u>\$ 44.4</u>	<u>\$ 131.4</u>	<u>\$ 85.2</u>	<u>\$ 45.2</u>	<u>\$ 130.4</u>
Investment in capital assets	\$ 177.0	\$ -	\$ 177.0	\$ 172.4	\$ -	\$ 172.4
Net restricted position	31.3	-	31.3	28.4	-	28.4
Net unrestricted position	<u>98.8</u>	<u>(28.4)</u>	<u>70.4</u>	<u>87.3</u>	<u>(31.5)</u>	<u>55.8</u>
Total net position	<u>\$ 307.1</u>	<u>\$ (28.4)</u>	<u>\$ 278.7</u>	<u>\$ 288.1</u>	<u>\$ (31.5)</u>	<u>\$ 256.6</u>

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**Statements of Net Position**

**June 30, 2025 and 2024**

**ASSETS**

	<u>2025</u>	<u>2024</u>
Current assets		
Cash and cash equivalents	\$ 33,843,182	\$ 39,173,654
Short-term investments	66,330,959	60,205,187
Accounts receivable, net	21,322,499	16,907,305
Higher Education Emergency Relief Funds receivable	-	214,080
Due from State of Maine	9,563,049	2,170,436
Prepaid expenses and other current assets	<u>601,870</u>	<u>1,651,234</u>
Total current assets	<u>131,661,559</u>	<u>120,321,896</u>
Noncurrent assets		
Prepaid post-employment benefit plans	36,386,352	32,098,554
Deposit with bond trustee	1,333,676	1,261,958
Endowment investments	19,080,884	17,399,817
Right-of-use asset, net	522,735	639,110
Subscription assets, net	12,850,714	13,754,498
Capital assets, net	<u>185,475,171</u>	<u>181,505,449</u>
Total noncurrent assets	<u>255,649,532</u>	<u>246,659,386</u>
Total assets	<u>\$387,311,091</u>	<u>\$366,981,282</u>

**DEFERRED OUTFLOWS OF RESOURCES**

Defined benefit pension plan	\$ 15,922,066	\$ 13,748,037
Other post-retirement benefit plans	<u>6,864,290</u>	<u>6,276,642</u>
Total deferred outflows of resources	<u>\$ 22,786,356</u>	<u>\$ 20,024,679</u>

(continued at next page)

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

## LIABILITIES

	<u>2025</u>	<u>2024</u>
Current liabilities		
Accounts payable	\$ 11,003,180	\$ 4,959,877
Accrued expenses	11,659,824	15,194,732
Unearned revenue	11,515,229	6,399,113
Current portion of lease obligation	116,751	114,031
Current portion of subscription liabilities	1,079,164	988,321
Current portion of long-term debt	<u>960,000</u>	<u>980,000</u>
Total current liabilities	<u>36,334,148</u>	<u>28,636,074</u>
Long-term liabilities		
Long-term debt, excluding current portion	11,258,926	12,346,347
Lease obligation, excluding current portion	439,170	555,921
Subscription liabilities, excluding current portion	9,292,593	9,766,356
Net pension liability	41,776,712	41,980,020
Other post-employment benefit plans	<u>2,900,397</u>	<u>3,112,099</u>
Total long-term liabilities	<u>65,667,798</u>	<u>67,760,743</u>
Total liabilities	<u>\$102,001,946</u>	<u>\$ 96,396,817</u>

## DEFERRED INFLOWS OF RESOURCES

Defined benefit pension plan	\$ 2,576,449	\$ 3,227,421
Other post-employment benefit plans	26,498,473	30,374,212
Deferred gain on bond refunding	<u>307,228</u>	<u>335,158</u>
Total deferred inflows of resources	<u>\$ 29,382,150</u>	<u>\$ 33,936,791</u>

## NET POSITION

Net investment in capital assets	\$ 177,024,090	\$ 172,398,438
Restricted for:		
Nonexpendable:		
Scholarships and fellowships	13,529,106	11,848,038
Expendable:		
Scholarships and fellowships	13,113,249	12,547,492
Instructional department uses	4,648,168	4,042,588
Other	(4,401)	57,215
Unrestricted	<u>70,403,139</u>	<u>55,778,582</u>
Total net position	<u>\$278,713,351</u>	<u>\$256,672,353</u>

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**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**Statements of Revenues, Expenses, and Changes in Net Position**

**Years Ended June 30, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
Operating revenues		
Student tuition and fees	\$ 53,186,669	\$ 46,663,782
Residential life fees	16,260,030	14,948,301
Less scholarship allowances	<u>(55,222,937)</u>	<u>(48,166,809)</u>
Net tuition and residential life fees	14,223,762	13,445,274
Federal grants and contracts	58,510,794	50,821,710
State and local grants and contracts	18,604,584	17,431,385
Nongovernmental grants and contracts	18,227,567	14,258,775
Sales and services of educational departments	723,469	585,221
Auxiliary enterprises	532,164	528,732
Other operating revenues	<u>3,194,945</u>	<u>3,373,015</u>
Total operating revenues	<u>114,017,285</u>	<u>100,444,112</u>
Operating expenses		
Instruction	68,684,742	67,362,257
Public service	1,776,526	1,469,223
Academic support	19,005,932	18,522,708
Student services	19,350,825	19,377,840
Institutional support	37,235,526	29,730,448
Operations and maintenance	17,206,040	16,937,027
Student aid	814,738	490,335
Auxiliary enterprises and residential life	10,058,428	9,465,862
Depreciation and amortization	<u>14,790,064</u>	<u>14,699,360</u>
Total operating expenses	<u>188,922,821</u>	<u>178,055,060</u>
Operating loss	<u>(74,905,536)</u>	<u>(77,610,948)</u>
Nonoperating revenues (expenses)		
State appropriations	85,833,415	82,013,346
Higher Education Emergency Relief Funds	-	311,398
State appropriations - Maine Free College Program	16,538,645	16,108,635
Less scholarship allowances - Maine Free College Program	(14,869,986)	(14,455,806)
Gifts	799,540	912,148
Investment income, net of investment expenses of \$287,479 in 2025 and \$321,518 in 2024	9,515,051	9,053,665
Interest on capital asset-related debt and leases	<u>(973,010)</u>	<u>(1,108,490)</u>
Net nonoperating revenues	<u>96,843,655</u>	<u>92,834,896</u>
Income before other revenues and gains	21,938,119	15,223,948

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

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**Statements of Revenues, Expenses, and Changes in Net Position (Concluded)**

**Years Ended June 30, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
Other revenues and gains		
Capital grants and gifts	\$ 33,886	\$ -
Appropriation from State for grants and capital asset acquisition	-	280,730
Gain on disposals of capital assets—other	<u>68,993</u>	<u>7,308</u>
Net other revenues and gains	<u>102,879</u>	<u>288,038</u>
Increase in net position	<b>22,040,998</b>	15,511,986
Net position, beginning of year	<u>256,672,353</u>	<u>241,160,367</u>
Net position, end of year	<u><b>\$ 278,713,351</b></u>	<u><b>\$ 256,672,353</b></u>

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

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**Statements of Cash Flows**

**Years Ended June 30, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities		
Receipts from tuition and residential life fees	\$ 13,046,183	\$ 5,153,473
Receipts from grants and contracts	87,920,459	76,682,150
Receipts from bookstore	717,331	674,598
Payments to suppliers and vendors	(35,418,464)	(56,989,186)
Payments for employees' salaries and benefits	(142,558,337)	(107,300,856)
Payments for funding of Other Post-Employment Benefit Trust (OPEB)	(1,971,440)	(1,897,396)
Other sales and services	662,927	568,370
Other receipts	<u>3,395,807</u>	<u>2,914,287</u>
Net cash used by operating activities	<u>(74,205,534)</u>	<u>(80,194,560)</u>
Cash flows from noncapital financing activities		
State appropriations	85,833,415	82,013,346
State appropriations - Maine Free College Program	214,080	1,652,829
Gifts and grants received for other than capital purposes		
Nonoperating private gifts	1,668,659	501,317
Higher Education Emergency Relief Funds	<u>430,224</u>	<u>644,593</u>
Net cash provided by noncapital financing activities	<u>88,146,378</u>	<u>84,812,085</u>
Cash flows from capital and related financing activities		
Payments on long-term liabilities	(1,476,951)	(2,165,331)
Proceeds from state grants for capital asset acquisition	-	280,729
Purchase of capital assets	(18,371,491)	(11,019,335)
Proceeds from sale of capital assets	68,993	7,308
Increase in deposit with bond trustee	(71,718)	(28,430)
Interest paid on capital debt and leases	<u>(1,128,361)</u>	<u>(1,285,890)</u>
Net cash used by capital and related financing activities	<u>(20,979,528)</u>	<u>(14,210,949)</u>
Cash flows from investment activities		
Proceeds from sales and maturities of investments	296,262	322,479
Investments purchased	(1,321,936)	(1,532,720)
Interest and dividends received	<u>2,733,886</u>	<u>2,372,582</u>
Net cash provided by investing activities	<u>1,708,212</u>	<u>1,162,341</u>
Net decrease in cash and cash equivalents	<u>(5,330,472)</u>	<u>(8,431,083)</u>
Cash and cash equivalents, beginning of year	<u>39,173,654</u>	<u>47,604,737</u>
Cash and cash equivalents, end of year	<u>\$ 33,843,182</u>	<u>\$ 39,173,654</u>

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

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**Statements of Cash Flows (Concluded)**

**Years Ended June 30, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
Reconciliation of operating loss to net cash used by operating activities		
Operating loss	\$ (74,905,536)	\$ (77,610,948)
Adjustments to reconcile operating loss to net cash used by operating activities		
Bad debts provision	1,582,886	1,567,360
Depreciation and amortization	14,790,064	14,699,360
Noncash pension credit	(3,028,309)	(359,667)
Noncash OPEB (credit) expense	(4,675,089)	9,803,308
Noncash donations of supplies	369,316	410,831
(Increase) decrease in		
Accounts receivable, net	(5,998,080)	(7,608,336)
Due from State of Maine	(7,392,613)	(796,761)
Prepaid expenses and other current assets	1,049,364	1,680,118
Prepaid post-employment benefit plans	(4,287,798)	(16,902,918)
Increase (decrease) in		
Accounts payable	6,709,053	(616,541)
Accrued expenses, net of accrued interest on capital debt	(3,534,908)	1,585,772
Unearned revenue	<u>5,116,116</u>	<u>(6,046,138)</u>
Net cash used by operating activities	<u>\$ (74,205,534)</u>	<u>\$ (80,194,560)</u>
Supplemental disclosure of noncash capital and related financing activities		
Donated capital assets	<u>\$ 33,886</u>	<u>\$ -</u>
Capital asset purchases recorded in accounts payable	<u>\$ 789,846</u>	<u>\$ 1,455,596</u>
Summary of noncash investing activities		
Net gains related to investments	<u>\$ 6,781,165</u>	<u>\$ 6,681,083</u>

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

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**MAINE COMMUNITY COLLEGE EDUCATIONAL FOUNDATIONS  
(Component Units)**

**Balance Sheets**

**June 30, 2025 and 2024**

**ASSETS**

	<u>2025</u>	<u>Restated 2024</u>
Current assets		
Cash and cash equivalents	\$ 3,255,431	\$ 3,537,397
Investments	24,435,306	28,758,322
Pledges receivable, current portion	1,051,195	1,994,938
Grants receivable	269,662	-
Beneficial interest in assets held by others	1,499,419	1,369,224
Other assets	<u>80,177</u>	<u>3,868</u>
Total current assets	<b>30,591,190</b>	35,663,749
Pledges receivable, net of allowance for uncollectible pledges and discounts to net present value	<u>51,794</u>	<u>682,775</u>
Total assets	<b><u>\$ 30,642,984</u></b>	<b><u>\$ 36,346,524</u></b>

**LIABILITIES AND NET ASSETS**

Liabilities		
Accounts payable and accruals	\$ 1,107,805	\$ 1,986,196
Contributions payable	<u>661,837</u>	<u>934,559</u>
Total liabilities	<u>1,769,642</u>	<u>2,920,755</u>
Net assets		
Without donor restrictions	4,643,035	4,041,978
With donor restrictions	<u>24,230,307</u>	<u>29,383,791</u>
Total net assets	<u>28,873,342</u>	<u>33,425,769</u>
Total liabilities and net assets	<b><u>\$ 30,642,984</u></b>	<b><u>\$ 36,346,524</u></b>

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

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**MAINE COMMUNITY COLLEGE EDUCATIONAL FOUNDATIONS  
(Component Units)**

**Statement of Activities**

**Year Ended June 30, 2025**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains, and other support			
Gifts and contributions	\$ 350,439	\$ 1,602,073	\$ 1,952,512
Contributed services	40,252	-	40,252
Contributed nonfinancial assets	161,689	-	161,689
Net investment income	518,211	1,874,991	2,393,202
Other	<u>591,785</u>	<u>144,477</u>	<u>736,262</u>
	1,662,376	3,621,541	5,283,917
Net assets released from restrictions	<u>8,775,025</u>	<u>(8,775,025)</u>	<u>-</u>
Total revenues, gains, and other support	<u>10,437,401</u>	<u>(5,153,484)</u>	<u>5,283,917</u>
Expenses			
Program expenses			
Scholarships	2,172,031	-	2,172,031
Support	6,459,099	-	6,459,099
Fundraising			
Personnel costs	71,005	-	71,005
Special events	123,416	-	123,416
Miscellaneous	299,552	-	299,552
Management and general			
Wages and benefits	285,121	-	285,121
Personnel costs	77,293	-	77,293
Professional services	173,591	-	173,591
General operating	139,758	-	139,758
Miscellaneous	<u>35,478</u>	<u>-</u>	<u>35,478</u>
Total expenses	<u>9,836,344</u>	<u>-</u>	<u>9,836,344</u>
Change in net assets	601,057	(5,153,484)	(4,552,427)
Net assets, beginning of year	<u>4,041,978</u>	<u>29,383,791</u>	<u>33,425,769</u>
Net assets, end of year	<u>\$ 4,643,035</u>	<u>\$ 24,230,307</u>	<u>\$ 28,873,342</u>

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

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**MAINE COMMUNITY COLLEGE EDUCATIONAL FOUNDATIONS  
(Component Units)**

**Statement of Activities**

**Year Ended June 30, 2024**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains, and other support			
Gifts and contributions	\$ 416,894	\$ 6,701,948	\$ 7,118,842
Contributed nonfinancial assets	171,219	-	171,219
Net investment income	790,821	2,021,100	2,811,921
Other	<u>418,301</u>	<u>86,312</u>	<u>504,613</u>
	1,797,235	8,809,360	10,606,595
Net assets released from restrictions	<u>9,594,754</u>	<u>(9,594,754)</u>	<u>-</u>
Total revenues, gains, and other support	<u>11,391,989</u>	<u>(785,394)</u>	<u>10,606,595</u>
Expenses			
Program expenses			
Scholarships	2,164,166	-	2,164,166
Support	7,046,706	-	7,046,706
Fundraising			
Personnel costs	41,651	-	41,651
Special events	194,492	-	194,492
Miscellaneous	248,295	-	248,295
Management and general			
Wages and benefits	318,052	-	318,052
Professional services	63,071	-	63,071
General operating	168,487	-	168,487
Miscellaneous	<u>52,959</u>	<u>-</u>	<u>52,959</u>
Total expenses	<u>10,297,879</u>	<u>-</u>	<u>10,297,879</u>
Change in net assets	1,094,110	(785,394)	308,716
Net assets, beginning of year	3,562,832	29,521,858	33,084,690
Prior period changes in net assets	<u>(614,964)</u>	<u>647,327</u>	<u>32,363</u>
Net assets, end of year	<u>\$ 4,041,978</u>	<u>\$ 29,383,791</u>	<u>\$ 33,425,769</u>

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

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**MAINE COMMUNITY COLLEGE SYSTEM POST-EMPLOYMENT BENEFIT TRUST**

**Statements of Fiduciary Net Position**

**June 30, 2025 and 2024**

	<u><b>2025</b></u>	<u><b>2024</b></u>
Assets		
Cash	\$ <b>503,819</b>	\$ 149,094
Accounts receivable	<b>641,644</b>	352,960
Investments	<u><b>66,717,209</b></u>	<u>59,845,338</u>
Total assets	<u><b>67,862,672</b></u>	<u>60,347,392</u>
Net position held in trust for benefits	<u><b>\$ 67,862,672</b></u>	<u>\$ 60,347,392</u>

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

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**MAINE COMMUNITY COLLEGE SYSTEM POST-EMPLOYMENT BENEFIT TRUST**

**Statements of Changes in Fiduciary Net Position**

**Years Ended June 30, 2025 and 2024**

	<u><b>2025</b></u>	<u><b>2024</b></u>
Additions		
Interest income	\$ <b>1,372</b>	\$ 1,426
Employer contributions	<b>1,971,440</b>	1,897,396
Investment income, net of investment expense of \$290,313 in 2025 and \$322,121 in 2024	<u><b>6,871,872</b></u>	<u>7,979,641</u>
Total additions	<u><b>8,844,684</b></u>	<u>9,878,463</u>
Deductions		
Benefits	<b>1,274,404</b>	1,489,439
Administrative expenses	<u><b>55,000</b></u>	<u>55,000</u>
Total deductions	<u><b>1,329,404</b></u>	<u>1,544,439</u>
Net increase	<b>7,515,280</b>	8,334,024
Fiduciary net position held in trust for benefits, beginning of year	<u><b>60,347,392</b></u>	<u>52,013,368</u>
Fiduciary net position held in trust for benefits, end of year	<u><b>\$ 67,862,672</b></u>	<u>\$ 60,347,392</u>

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

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**Notes to Financial Statements**

**June 30, 2025 and 2024**

**1. Summary of Significant Accounting Policies**

The significant accounting policies followed by the Maine Community College System (the System) are set forth below:

**Basis of Presentation**

The 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 its seven colleges and the central administrative office.

The System is included in the financial statements of the State of Maine (the State) as a discretely-presented component unit. This financial performance is based primarily on the State's appointment of the System Board of Trustees, the level of revenues derived from State appropriations, and the ability of the State to influence the operational decisions of the System.

The accompanying financial statements have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP) as prescribed by the Governmental Accounting Standards Board (GASB) using the economic resources measurement focus and the accrual basis of accounting. The System follows all applicable GASB pronouncements.

The following elements are included with these general purpose financial statements:

- Management's Discussion and Analysis (as required supplementary information);
- Basic financial statements, which include the Statements of Net Position, Statements of Revenues, Expenses, and Changes in Net Position, Statements of Cash Flows, Balance Sheets & Statements of Activities for the Maine Community College System Educational Foundation, and Statements of Fiduciary Net Position & Changes in Fiduciary Net Position for the Maine Community College System Post-employment Benefit Trust;
- Notes to the Financial Statements;
- Required Supplementary Information; and
- Schedule of Activities.

The System follows the "business-type activities" (BTA) requirements of GASB Statement No. 35, *Basic Financial Statements—and Management's Discussion and Analysis—for Public Colleges and Universities*. BTAs are defined as those that are financed in whole or in part by fees charged to external parties for goods or services.

The financial statements are reported on a consolidated basis and the System classified resources into the following net position categories:

- **Net investment in capital assets**—Capital assets, at historical cost or fair market value on the date of gift, net of accumulated depreciation, plus deposit with trustee; reduced by outstanding principal balances of debt; increased by deferred outflows of resources, and decreased by deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets.

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**Notes to Financial Statements**

**June 30, 2025 and 2024**

**1. Summary of Significant Accounting Policies (Continued)**

- **Restricted nonexpendable**—Net position subject to externally-imposed stipulations that is invested permanently by the System. The amount is affected by new nonexpendable gifts.
- **Restricted expendable**—Net position whose use by the System is subject to externally-imposed stipulations. Such assets include the accumulated net gains/losses on true endowment funds as well as the fair market value of restricted funds functioning as endowments, restricted funds loaned to students, restricted gifts and endowment income, and other similar restricted funds.
- **Unrestricted**—All other categories of net position. Unrestricted net position may be designated by actions of the System's Board of Trustees.

The System determines on a case-by-case basis whether to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available. However, the System generally encourages the use of restricted resources first.

**Reporting Entity**

The financial reporting entity consists of the primary government (the System), its component units, which consist of the seven Foundations of the System's Colleges (the Foundations), and the Maine Community College System Post-Employment Benefit Trust (the Trust).

The Trust is a separate legal entity established in 2009 to accumulate funds to pay, at least in part, the System's obligations under the post-employment healthcare plan. See Note 12 for more information.

The Foundations are legally separate, tax-exempt component units of the System. The Foundations act primarily as fundraising organizations to supplement the resources that are available to the System by raising money for endowed scholarships, technology, and teaching resources. The Foundations are self-perpetuating and their donors consist of graduates and friends of the Colleges. Although the System does not control the timing or amount of receipts from the Foundations, the majority of resources, and income thereon, that the Foundations hold and invest are restricted to the activities of the System by the donors. Because these resources held by the Foundations can only be used by, or for the benefit of, the System, the Foundations are considered component units of the System. The Foundations are reported in separate financial statements.

The Foundations are private, not-for-profit organizations that report their financial results in accordance with private, non-governmental accounting standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the System's financial reporting entity for these differences. Significant note disclosures to the Foundations' financial statements have been incorporated into the System's notes to the financial statements in Note 16.

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**Notes to Financial Statements**

**June 30, 2025 and 2024**

**1. Summary of Significant Accounting Policies (Continued)**

**Cash Equivalents**

Cash equivalents are carried at cost, which approximates fair value, and consist principally of money market funds and other pooled funds with maturities of three months or less at the date of purchase.

**Investments**

Investments are reported at fair value. Realized gains and losses are calculated on a specific identification basis.

The System invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the financial statements.

**Endowment Investments**

Endowed investments consist of funds received from donors with the stipulation that the original principal remain invested in perpetuity to produce income, which is to be expended for the purposes specified by the donor. All endowments have been established for the purpose of granting scholarships to students.

Individual endowment funds are invested on a pooled basis. Total endowment investment yield received for the year is ratably allocated to fund accounts.

**Accounts Receivable**

Accounts receivable consist principally of tuition receivable from students and third-party payors and various state and federal grants.

Student accounts receivable are carried at the unpaid balance of the original amount billed to students, net of an estimate made for doubtful accounts based on a review of all outstanding amounts. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Student accounts are written off when deemed uncollectible. Recoveries of student accounts previously written off are recorded when received.

A student account receivable is generally considered to be past due if any portion of the receivable balance is outstanding at the beginning of a semester, at which point late charges may be assessed and are recognized when charged. Interest is not charged on past-due accounts.

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**Notes to Financial Statements**

**June 30, 2025 and 2024**

**1. Summary of Significant Accounting Policies (Continued)**

**Capital Assets**

Capital assets funds, derived from appropriations and the System funds so designated by the Board of Trustees, may be used to meet expenditures for construction of additional facilities, major renovations, and retirement of indebtedness arising therefrom. Designated funds are unrestricted funds for which the Board of Trustees or administration stipulates a specific use, thereby designating them for that purpose. However, the Board of Trustees may at any time redesignate the funds for other use. Total designated capital assets funds included in unrestricted net position amounted to \$32,226,738 and \$28,144,294 at June 30, 2025 and 2024, respectively.

Land, buildings, equipment, and fixtures are stated at cost at the date of acquisition, or fair market value at the date of donation in the case of gifts. Expenditures for maintenance, repairs, and assets with a cost of under \$5,000 are expensed as incurred. Upon sale or retirement of an asset, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is included in the statements of revenues, expenses, and changes in net position. Assets are depreciated on a straight-line basis according to the following estimated useful lives:

Buildings and improvements	40 years
Land improvements	10 years
Furniture and equipment	3—10 years
Library books and periodicals	5 years

**Defined Benefit Pension Plan**

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 State Employee and Teacher Retirement Plan (the SET Pension Plan), and additions to/deductions from the SET Pension Plan's fiduciary net position, has been determined on the same basis as it is reported by the SET Pension Plan. 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.

**Other Post-Employment Benefits (OPEB)**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Group Life Insurance Plan for Retired State Employees and Teachers (the SET OPEB Plan), and additions to/deductions from the SET OPEB Plan's fiduciary net position, has been determined on the same basis as it is reported by the SET OPEB Plan. 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.

**MAINE COMMUNITY COLLEGE SYSTEM  
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**Notes to Financial Statements**

**June 30, 2025 and 2024**

**1. Summary of Significant Accounting Policies (Continued)**

**Deferred Outflows and Inflows of Resources**

Pursuant to GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, the System has recorded deferred outflows and inflows of resources relative to its pension plan and OPEB plans and deferred gain on bond refunding.

An analysis of deferred outflows of resources, deferred inflows of resources, and net position at June 30 is as follows:

	<b>2025</b>		
	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>	<b><u>Net (Asset) Liability</u></b>
Maine Public Employees Retirement System Pension Plan	\$ 15,922,066	\$ 2,576,449	\$ 41,776,712
Maine Community College System Post-employment Health Insurance Plan	5,942,188	26,025,871	(36,386,352)
Maine Public Employees Retirement System OPEB Plan	922,102	472,602	2,900,397
Deferred gain on bond refunding	-	307,228	-
Total	<b>\$ 22,786,356</b>	<b>\$ 29,382,150</b>	<b>\$ 8,290,757</b>
	<b>2024</b>		
	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>	<b><u>Net (Asset) Liability</u></b>
Maine Public Employees Retirement System Pension Plan	\$ 13,748,037	\$ 3,227,421	\$ 41,980,020
Maine Community College System Post-employment Health Insurance Plan	5,518,133	30,170,557	(32,098,554)
Maine Public Employees Retirement System OPEB Plan	758,509	203,655	3,112,099
Deferred gain on bond refunding	-	335,158	-
Total	<b>\$ 20,024,679</b>	<b>\$ 33,936,791</b>	<b>\$ 12,993,565</b>

**MAINE COMMUNITY COLLEGE SYSTEM  
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**Notes to Financial Statements**

**June 30, 2025 and 2024**

**1. Summary of Significant Accounting Policies (Continued)**

**Subscription-Based Information Technology Arrangements (SBITA)**

The System is party to SBITAs. The System recognizes a subscription liability and an intangible right-of-use subscription asset (subscription asset) in the statements of net position. The System reports SBITA current expenditures in the statements of revenues, expenses, and changes in net position. The System recognizes subscription liabilities with an initial term greater than 12 months. Remaining subscription terms range from 2 to 10 years with fixed payments due monthly and annually. For SBITAs with a maximum possible term of 12 months or less at commencement, the System recognizes expenses/expenditures based on the provisions of the arrangement.

At the commencement of a SBITA, the System initially measures the subscription liability at the present value of expected subscription payments to be made over the SBITA term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial measurement of the subscription liability, adjusted for payments associated with the SBITA contract made to the vendor at the commencement of the subscription term, plus any capitalizable initial implementation costs, less any vendor incentives received at the commencement of the subscription term. Subsequently, the subscription asset is amortized on a straight-line basis over the shorter of the useful life of the SBITA asset or subscription term.

Key estimates and judgments related to SBITAs include how the System determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) the subscription term, and (3) subscription payments.

The System uses prime rate at the commencement date of the contract as the discount rate. The subscription term includes the noncancellable period during which the System has a noncancellable right to use the underlying IT assets. The subscription term also includes periods covered by an option to extend if reasonably certain the System or vendor will exercise that option or to terminate if it is reasonably certain that the System or vendor will not exercise that option. Subscription payments included in the measurement of the subscription liability are composed of fixed payments only.

The System monitors changes in circumstances that would require a remeasurement of a SBITA and will remeasure the subscription asset and subscription liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Subscription assets are reported with noncurrent assets and subscription liabilities are reported with long-term liabilities on the statements of net position.

**MAINE COMMUNITY COLLEGE SYSTEM  
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**Notes to Financial Statements**

**June 30, 2025 and 2024**

**1. Summary of Significant Accounting Policies (Continued)**

**Compensated Absences**

The System accrues amounts for compensated absences as earned. As of June 30, 2025 and 2024, the System had accrued \$3,232,896 and \$3,608,285, respectively. These accrued balances represent vacation and earned time amounts available to be used or payable to employees upon termination of employment and are included in accrued expenses on the statements of net position.

**Revenue Recognition**

Tuition and fees revenues are recognized when the services are performed. Unrestricted gifts of securities and other noncash assets are recognized as revenue based on the fair value at the date of donation; restricted grants and gifts are recognized as revenue based on the fair value when eligibility requirements have been met; state appropriations are recognized in the year the State appropriates the funds.

Unearned revenue consists primarily of unrestricted tuition and student fees related to future fiscal years.

Investment income consists of interest and dividend income recognized on the accrual method, as well as realized and unrealized gains or losses on investments.

Auxiliary enterprises furnish goods or services to students, faculty, or staff, and charge a fee directly related to the cost of the goods or services. Revenues from auxiliary enterprises are primarily earned from college stores and are recognized as the services are performed or the goods are delivered.

**Operating Revenues and Expenses**

Operating revenues substantially consist of tuition and fees; federal, state, and other grants and contracts for noncapital purposes; sales and services of education activities; and auxiliary enterprises revenues. Operating expenses include instruction, public service, academic support, student services, institutional support, operations and maintenance, student aid, auxiliary enterprises and residential life, and depreciation and amortization. All other revenues and expenses of the System are reported as other or nonoperating revenues and expenses, including state general appropriations, noncapital gifts, investment income, interest expense, and capital additions and deductions. Revenues are recognized when earned and expenses are recognized when incurred. Restricted grant revenue is recognized only to the extent eligibility requirements have been met, primarily representing funds spent for expenditure driven grants.

**MAINE COMMUNITY COLLEGE SYSTEM  
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**Notes to Financial Statements**

**June 30, 2025 and 2024**

**1. Summary of Significant Accounting Policies (Continued)**

**Tax Status**

The System is exempt from income taxes because it is an instrumentality of the State of Maine. The Foundations are exempt from income taxes because they are 501(c)(3) organizations. The Trust is exempt from income taxes by virtue of the exempt status of the System.

If an exempt organization regularly carries on a trade or business not substantially related to its exempt purpose, except that it provides funds to carry out that purpose, the organization is subject to tax on its income from that unrelated trade or business. The System has evaluated the positions taken on its business activities and has concluded no unrelated business income tax exists at June 30, 2025 and 2024.

**Custodial Funds**

Custodial funds are cash held by an institution acting as custodian or fiscal agent, but not assets or liabilities of the institution. The cash is deposited with the institution for safekeeping, to be used or withdrawn by the depositor at will. As of June 30, 2025 and 2024, the System held assets totaling \$1,636,821 and \$1,629,201, respectively, consisting primarily of Student Union Activity Funds, which are not reflected in the accompanying statements of net position.

**Risk Management**

The System is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental, and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

**Use of Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, as well as the reported amounts of revenues and expenses. These estimates include, but are not limited to, the valuation of accounts and pledges receivable and the actuarial assumptions used in determining the post-employment benefit expenses and related balances. Actual results could differ from those estimates.

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**Notes to Financial Statements**

**June 30, 2025 and 2024**

**1. Summary of Significant Accounting Policies (Concluded)**

**New Accounting Pronouncements Not Yet Effective**

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This Statement is intended to enhance the clarity, consistency, and usefulness of financial statements for governments. The new enhancements are designed to enhance the effectiveness of governmental financial reports by focusing on essential information for decision-making and assessing a government's accountability and address certain application issues. This Statement changes existing requirements related to (1) management's discussion and analysis, (2) unusual or infrequent items (previously known as extraordinary and special items), (3) presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position, (4) major component unit information, and (5) budgetary comparison information. This Statement is effective for reporting periods beginning after June 15, 2025, and all reporting period thereafter. Management is currently evaluating the impact this Statement will have on the System's financial statements.

In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. This Statement requires that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. This Statement is effective for reporting periods beginning after June 15, 2025, and all reporting period thereafter. Management is currently evaluating the impact this Statement will have on the System's financial statements.

**New Accounting Pronouncement**

As of June 30, 2025, the System adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences* and Statement No. 102, *Certain Risk Disclosures*. The adoption of GASB Statement No. 101 and related guidance during the year ended June 30, 2025 was applied prospectively. The adoption of GASB Statement No. 102 and related guidance during the year ended June 30, 2025 did not have a material impact on the financial statements of the System.

**MAINE COMMUNITY COLLEGE SYSTEM  
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**Notes to Financial Statements**

**June 30, 2025 and 2024**

**2. Cash and Cash Equivalents**

The carrying amounts, which represent both cost and fair value, of cash and cash equivalents for the System at June 30, 2025 and 2024 are presented below:

	<u>2025</u>	<u>2024</u>
Cash in bank	\$ 11,439,649	\$ 11,066,034
Deposits in transit	448,983	2,576
Outstanding checks	(1,766,038)	-
State Treasurer's Cash Pool	<u>23,720,588</u>	<u>28,105,044</u>
	<u>\$ 33,843,182</u>	<u>\$ 39,173,654</u>

The bank account balances are covered by depository insurance up to \$250,000 at each bank at June 30, 2025 and 2024. The cash in bank in excess of depository insurance is collateralized by a \$1,000,000 stand-by letter of credit with the Federal Home Loan Bank. Cash in bank in excess of \$1,250,000 is uncollateralized. The System has established internal procedures to monitor credit risk relating to deposits in financial institutions.

The State Treasurer's Cash Pool (the Pool), established by the Maine State Treasurer, is not rated by a nationally recognized statistical rating organization. However, the Pool is limited by State law to invest in obligations of the U.S. Treasury and its agencies and instrumentalities that mature within 36 months; repurchase agreements that are secured by obligations of the U.S. Government and its agencies and instrumentalities and mature within 12 months; prime commercial paper; tax-exempt municipal obligations rated no less than AA; corporate bonds rated AAA; money market funds; bankers' acceptances not exceeding 180 days; and time certificates of deposit not exceeding two years.

The System's management considers this investment to be a money market instrument and carries the amounts at cost, which approximates fair value.

**3. Investments**

The fair value of investments for the System at June 30, 2025 and 2024 was as follows:

	<u>2025</u>	<u>2024</u>
Management account investments		
Investments at net asset value (NAV)		
Equity	\$ 35,763,183	\$ 31,575,324
Fixed-income	<u>49,642,433</u>	<u>46,024,390</u>
Total management account investments	<b>85,405,616</b>	77,599,714
Other investments	<u>6,227</u>	<u>5,290</u>
Total investment balance	<u>\$ 85,411,843</u>	<u>\$ 77,605,004</u>

**MAINE COMMUNITY COLLEGE SYSTEM  
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**Notes to Financial Statements**

**June 30, 2025 and 2024**

The System's investments are reported in the financial statements at June 30, 2025 and 2024 as follows, based on the portfolios underlying fund investments:

	<u>2025</u>	<u>2024</u>
Short-term investments	\$ 66,330,959	\$ 60,205,187
Endowment investments	<u>19,080,884</u>	<u>17,399,817</u>
	<u>\$ 85,411,843</u>	<u>\$ 77,605,004</u>

**Interest Rate Risk**

The System manages interest rate risk according to its investment policy by maintaining investments that are both liquid, as determined by a readily available market, and highly diversified, using institutional class mutual funds or exchange-traded funds.

**Credit Risk**

The System limits its exposure to credit risk in its investment policy by investing in highly diversified fixed-income funds. Collectively taken, the majority of the underlying holdings in these funds in which the System may invest are investment grade as rated by a nationally recognized statistical rating organization (NRSRO). The System further reduces potential credit risk by not investing directly in individual fixed-income securities. Management periodically reviews the exposure to securities that are unrated or below investment grade in its portfolios to ensure the System limits its credit risk.

A summary of fixed-income investments and their related interest rate and credit risks as of June 30, 2025 and 2024 are as follows:

<u>Rating</u>	2025		2024	
	<u>Amount</u>	<u>Maturity</u>	<u>Amount</u>	<u>Maturity</u>
AA	<u>\$ 49,642,433</u>	7.4 years	<u>\$ 46,024,390</u>	8.5 years

The ratings are, and the maturities are the weighted averages of, the debt securities in which the funds invest.

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**Notes to Financial Statements**

**June 30, 2025 and 2024**

**3. Investments (Continued)**

**Concentration of Credit Risk**

The System has not defined a limit in its investment policies regarding the amount that can be placed in one issuer. However, the investment policy defines that the portfolio should be well diversified as to limit exposure to one issuer or security. Also, within the individual funds, the net credit exposure to any single issuer is not to represent 5% or more of the fund with the exception of U.S. Treasuries and Agencies and investment grade Organization for Economic Co-operation and Development member countries and their instrumentalities. As of June 30, 2025 and 2024, individual investments representing more than 5% of the System's investments were as follows:

	<u>Percentage of Investments</u>	
	<u>2025</u>	<u>2024</u>
WTC-CTF Intermediate Bond	<b>48.2 %</b>	40.7 %
WTC-CTF Credit Total Return	<b>9.9</b>	-
WTC-CTF Global Opportunities Equity Fund	<b>17.2</b>	16.5
WTC-CTF Core Bond Plus	-	18.6
WTC-CTF Research Equity	<b>9.6</b>	8.9
WTC-CTF Enduring Assets	<b>5.0</b>	-

**Custodial Credit Risk**

All of the System's investments are held with a third-party custodian in the System's name.

**Fair Value Measurement**

GASB Statement No. 72, *Fair Value Measurement and Application*, defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. GASB No. 72 also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1:** Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.
- Level 2:** Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.
- Level 3:** Significant unobservable inputs that reflect an entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

**MAINE COMMUNITY COLLEGE SYSTEM  
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**Notes to Financial Statements**

**June 30, 2025 and 2024**

**3. Investments (Continued)**

At June 30, 2025 and 2024, certain investments were measured at NAV, which is fair value estimated by management using values provided by the investment managers. Management does not anticipate that these funds will be liquidated, although relative positions are rebalanced periodically.

Assets measured at fair value on a recurring basis are summarized below:

	<u>Fair Value Measurements at June 30, 2025, Using:</u>			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments				
Cash and short-term investments	\$ 6,227	\$ <u>6,227</u>	\$ <u>-</u>	\$ <u>-</u>
Investments at NAV				
Equity funds	<b>35,763,183</b>			
Fixed-income funds	<b>49,642,433</b>			
		<b><u>\$ 85,411,843</u></b>		

	<u>Fair Value Measurements at June 30, 2024, Using:</u>			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments				
Cash and short-term investments	\$ 5,290	\$ <u>5,290</u>	\$ <u>-</u>	\$ <u>-</u>
Investments at NAV				
Equity funds	31,575,324			
Fixed-income funds	46,024,390			
		<b><u>\$ 77,605,004</u></b>		

Assets measured at NAV at June 30, 2025 and 2024 were as follows:

	<b>2025</b>	2024	Redemption	Redemption
	<b><u>Fair Value</u></b>	<u>Fair Value</u>	<u>Frequency</u>	<u>Notice Period</u>
Equity funds:				
CTF Enduring Assets (a)	<b>\$ 4,275,942</b>	\$ 3,859,177	Daily	On redemption date
CTF Global Quality Growth (b)	<b>3,462,685</b>	3,024,310	Daily	On redemption date
CTF Global Opportunities (c)	<b>14,673,692</b>	12,824,045	Daily	On redemption date
CTF Quality Value (d)	<b>2,668,559</b>	2,435,130	Daily	On redemption date
CTF Emerging Markets Research Equity (e)	<b>603,444</b>	507,713	Weekly	10 days prior to redemption date
CTF Research Equity (f)	<b>8,168,152</b>	6,919,006	Daily	On redemption date
CTF Small Cap Opportunities (g)	<b>1,910,709</b>	2,005,943	Daily	On redemption date
	<b><u>\$35,763,183</u></b>	<b><u>\$31,575,324</u></b>		

**MAINE COMMUNITY COLLEGE SYSTEM  
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**Notes to Financial Statements**

**June 30, 2025 and 2024**

**3. Investments (Continued)**

	<u>2025</u> <u>Fair Value</u>	2024 <u>Fair Value</u>	<u>Redemption</u> <u>Frequency</u>	<u>Redemption</u> <u>Notice Period</u>
Fixed-income funds:				
CTF Core Bond Plus (h)	\$ -	\$14,434,360	Daily	On redemption date
CTF Intermediate Bond (i)	<b>41,204,532</b>	31,590,030	Daily	On redemption date
CTF Credit Total Return (j)	<b><u>8,437,901</u></b>	<u>-</u>	Daily	On redemption date
	<b><u>\$49,642,433</u></b>	<b><u>\$46,024,390</u></b>		

- (a) This fund invests in companies with long-lived physical assets that exhibit low levels of earnings volatility and is managed on a total return basis.
- (b) This fund invests in high quality growth companies to provide long-term total returns above the Morgan Stanley Capital International (MSCI) Index and is managed on a total return basis.
- (c) This fund invests primarily in common stock to provide long-term total return in excess of the MSCI All Country World Index and is managed on a total return basis.
- (d) This fund invests primarily in large-capitalization companies to provide long-term total return in excess of the Russell 1000 Value Index over full market cycles and it managed on a total return basis.
- (e) This fund invests in real estate securities, convertible bonds, preferred stock, exchange-traded funds, and similar liquid investments and is managed to provide a long-term total return in excess of the MSCI Emerging Markets Index.
- (f) This fund invests primarily in equity securities issued by companies incorporated or exercising a predominant part of their economic activities in the U.S. The fund may also invest up to 10% of the fund's assets in non-U.S. companies.
- (g) This fund invests in common stocks of U.S. companies with a market cap between \$100 million and \$3 billion. Up to 15% of the Portfolio's assets may be invested in non-U.S. securities and less than 5% will be invested in cash (maximum of 10%).
- (h) This fund invests in U.S. Government and Agency securities, mortgage securities, municipal securities, and other similar assets to provide long-term total return in excess of the U.S. bond market represented by the Barclays Aggregate Bond Index. The fund also purchases debt obligations meeting similar risk and is managed on a total return basis.
- (i) This fund invests in investment-grade, U.S. dollar-denominated debt obligations of U.S. and non-U.S. issuers to provide long-term return in excess of the Barclays Capital Intermediate Government/Credit Bond Index and is managed on a total return basis.

**MAINE COMMUNITY COLLEGE SYSTEM  
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**Notes to Financial Statements**

**June 30, 2025 and 2024**

**3. Investments (Concluded)**

(j) This fund invests in a global portfolio of U.S. dollar-denominated treasury, corporate, high yield and emerging market fixed income instruments seeking long-term total returns. This fund is not constructed relative to a benchmark and does not use a benchmark for performance comparison purposes.

**4. Accounts Receivable**

Accounts receivable at June 30, 2025 and 2024 consisted of the following:

	<u>2025</u>	<u>2024</u>
Grants and contracts	\$ <b>13,334,891</b>	\$ 13,090,938
Student and general	<b>11,251,280</b>	5,661,582
Allowance for doubtful accounts	<u><b>(3,263,672)</b></u>	<u>(1,845,215)</u>
 Total accounts receivable, net	 <u><b>\$ 21,322,499</b></u>	 <u>\$ 16,907,305</u>

**5. Capital Assets**

Capital assets activity for the year ended June 30, 2025 is summarized as follows:

	<u>Balance July 1, 2024</u>	<u>Additions</u>	<u>Retirements/ Reductions</u>	<u>Balance June 30, 2025</u>
Non-depreciated assets:				
Land	\$ 3,963,348	\$ -	\$ -	\$ <b>3,963,348</b>
Construction in process	<u>5,579,801</u>	<u>8,027,818</u>	<u>(423,554)</u>	<u><b>13,184,065</b></u>
	<u>9,543,149</u>	<u>8,027,818</u>	<u>(423,554)</u>	<u><b>17,147,413</b></u>
Depreciated assets:				
Buildings and improvements	308,172,990	2,493,092	(48,674)	<b>310,617,408</b>
Furniture and equipment	94,025,618	6,591,074	(2,313,597)	<b>98,303,095</b>
Library books and periodicals	<u>3,675,153</u>	<u>20,228</u>	<u>-</u>	<u><b>3,695,381</b></u>
	<u>405,873,761</u>	<u>9,104,394</u>	<u>(2,362,271)</u>	<u><b>412,615,884</b></u>
Accumulated depreciation:				
Buildings and improvements	\$ (148,862,341)	\$ (7,671,449)	\$ 48,674	\$ <b>(156,485,116)</b>
Furniture and equipment	(81,449,835)	(5,036,892)	2,313,597	<b>(84,173,130)</b>
Library books and periodicals	<u>(3,599,285)</u>	<u>(30,595)</u>	<u>-</u>	<u><b>(3,629,880)</b></u>
	<u>(233,911,461)</u>	<u>(12,738,936)</u>	<u>2,362,271</u>	<u><b>(244,288,126)</b></u>
 Capital assets, net	 <u><b>\$ 181,505,449</b></u>	 <u><b>\$ 4,393,276</b></u>	 <u><b>\$ (423,554)</b></u>	 <u><b>\$ 185,475,171</b></u>

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**5. Capital Assets (Concluded)**

Capital assets activity for the year ended June 30, 2024 is summarized as follows:

	<u>Balance July 1, 2023</u>	<u>Additions</u>	<u>Retirements/ Reductions</u>	<u>Balance June 30, 2024</u>
Non-depreciated assets:				
Land	\$ 3,963,348	\$ -	\$ -	\$ 3,963,348
Construction in process	<u>5,953,011</u>	<u>4,571,821</u>	<u>(4,945,031)</u>	<u>5,579,801</u>
	<u>9,916,359</u>	<u>4,571,821</u>	<u>(4,945,031)</u>	<u>9,543,149</u>
Depreciated assets:				
Buildings and improvements	301,435,191	7,046,983	(309,184)	308,172,990
Furniture and equipment	90,506,360	5,394,682	(1,875,424)	94,025,618
Library books and periodicals	<u>3,790,355</u>	<u>25,643</u>	<u>(140,845)</u>	<u>3,675,153</u>
	<u>395,731,906</u>	<u>12,467,308</u>	<u>(2,325,453)</u>	<u>405,873,761</u>
Accumulated depreciation:				
Buildings and improvements	\$ (141,504,701)	\$ (7,666,824)	\$ 309,184	\$ (148,862,341)
Furniture and equipment	(78,312,515)	(5,012,744)	1,875,424	(81,449,835)
Library books and periodicals	<u>(3,701,806)</u>	<u>(38,324)</u>	<u>140,845</u>	<u>(3,599,285)</u>
	<u>(223,519,022)</u>	<u>(12,717,892)</u>	<u>2,325,453</u>	<u>(233,911,461)</u>
Capital assets, net	<u>\$ 182,129,243</u>	<u>\$ 4,321,237</u>	<u>\$ (4,945,031)</u>	<u>\$ 181,505,449</u>

**6. Leases**

The System entered into a 10-year operating lease, effective February 1, 2020, for the building in which the central administrative office of the System is currently located. Each year the annual rent may be adjusted by an inflation factor. There was a 4% and an 8% adjustment in 2025 and 2024, respectively. The amount of rent paid in excess of amortization for 2025 and 2024 was \$26,822 and \$21,087, respectively.

The following table presents the lease-related assets and liabilities as of the years ended June 30:

	<u>2025</u>	<u>2024</u>
Right-of-use asset	\$ 1,100,615	\$ 1,100,615
Accumulated amortization on right of use asset	<u>(577,880)</u>	<u>(461,505)</u>
Right-of-use asset, net	<u>\$ 522,735</u>	<u>\$ 639,110</u>
Lease obligation—current portion	\$ 116,751	\$ 114,031
Lease obligation—long-term portion	<u>439,170</u>	<u>555,921</u>
Total lease obligation	<u>\$ 555,921</u>	<u>\$ 669,952</u>

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**6. Leases (Concluded)**

A maturity analysis of the annual undiscounted cash flows reconciled to the carrying value of the lease obligation, and certain other statistical data related to these leases, follows:

2026		\$ 128,673		
2027		128,673		
2028		128,673		
2029		128,673		
2030		<u>72,525</u>		
Total		587,217		
Less discount		<u>(31,296)</u>		
Total		<u>\$ 555,921</u>		
		<b><u>2025</u></b>	<b><u>2024</u></b>	
Weighted-average discount rate		<b>2.00 %</b>	2.00 %	
Weighted average remaining lease term - June 30, 2025		<b>4.67 years</b>	6.00 years	

**7. Software Subscriptions**

The total subscription assets were \$12,850,714 and \$13,754,498 as of June 30, 2025 and 2024, respectively. In 2025, the System initiated 2 additional SBITAs, increasing the SBITA right-to-use assets by \$1,030,969. In 2024, the System initiated four additional SBITAs, increasing the SBITA right-to-use assets by \$17,751,701 and included implementation costs of \$4,404,430. During the years ended June 30, 2025 and 2024, the System incurred \$1,934,753 and \$1,865,095, respectively, in SBITA amortization expense.

The following is a schedule by year of future minimum SBITA payments as of June 30, 2025:

<u>Year</u>	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>
2026	\$ 1,619,124	\$ 539,960	\$ 1,079,164
2027	1,664,366	466,634	1,197,732
2028	1,427,669	404,897	1,022,772
2029	1,356,163	343,789	1,012,374
2030	1,381,060	277,151	1,103,909
2031 – 2033	<u>5,254,650</u>	<u>298,844</u>	<u>4,955,806</u>
Total minimum lease payments	<u>\$ 12,703,032</u>	<u>\$ 2,331,275</u>	<u>\$ 10,371,757</u>

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**8. Long-Term Debt**

Long-term debt activity is summarized as follows for the years ended June 30:

	<b>2025</b>					
	<b><u>Beginning Balance</u></b>	<b><u>Additions</u></b>	<b><u>Payments</u></b>	<b><u>Premium Accretion</u></b>	<b><u>Ending Balance</u></b>	<b><u>Current Portion</u></b>
Notes payable	<b><u>\$13,326,347</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 980,000</u></b>	<b><u>\$ 127,421</u></b>	<b><u>\$ 12,218,926</u></b>	<b><u>\$ 960,000</u></b>
	<b>2024</b>					
	<b><u>Beginning Balance</u></b>	<b><u>Additions</u></b>	<b><u>Payments</u></b>	<b><u>Premium Accretion</u></b>	<b><u>Ending Balance</u></b>	<b><u>Current Portion</u></b>
Notes payable	<b><u>\$14,388,768</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 935,000</u></b>	<b><u>\$ 127,421</u></b>	<b><u>\$ 13,326,347</u></b>	<b><u>\$ 980,000</u></b>

Notes payable consist of the following at June 30, 2025 and 2024:

	<b><u>2025</u></b>	<b><u>2024</u></b>
Notes payable to Maine Health and Higher Educational Facilities Authority (MHHEFA) in conjunction with revenue bonds:		
Series 2016A (including original issue premium of \$2,548,411), which bears interest at rates ranging from 3.00% to 5.00%; annual principal payments due in amounts ranging from \$960,000 to \$1,470,000. The notes will be paid in full in fiscal 2036.	<b><u>\$ 12,218,926</u></b>	<b><u>\$ 13,326,347</u></b>

In June of 2016, the System issued revenue bonds with a par value of \$19,010,000 through MHHEFA (direct borrowing) with an average annual interest rate of 4.7% and a final maturity in July 2035. MHHEFA requires that \$1,527,700 of the bond proceeds be transferred to a debt reserve fund. The amount transferred to the debt reserve fund is retained by MHHEFA in an interest-bearing account and is to be used by MHHEFA to make the final payment of principal and interest in 2035. Accordingly, funds transferred to MHHEFA are not included as assets and are deducted from the amounts owed in the System's statement of net position. The bonds were issued at a premium of \$2,548,411. These revenue bonds were used to refund the MHHEFA Series 2006F revenue bonds originally issued in September 2006.

The notes are collateralized by the gross receipts of the System. The System is required to make monthly deposits of principal and interest of amounts sufficient to make the semi-annual interest payments and annual principal payments and to maintain a ratio of income available for debt service to annual debt service of at least 1.20 for each fiscal year. At June 30, 2025, the System met the debt service ratio.

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**June 30, 2025 and 2024**

**8. Long-Term Debt (Concluded)**

At June 30, 2025, future payments in conjunction with the notes payable to MHHEFA related to the Series 2016A revenue bonds are as follows for the years ending June 30:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 960,000	\$ 485,800	\$ 1,445,800
2027	1,050,000	441,900	1,491,900
2028	1,070,000	390,450	1,460,450
2029	1,120,000	341,300	1,461,300
2030	1,170,000	289,650	1,459,650
2031 – 2035	5,202,300	638,425	5,840,725
2036	<u>245,000</u>	<u>3,675</u>	<u>248,675</u>
Total payments	10,817,300	<u>\$ 2,591,200</u>	<u>\$ 13,408,500</u>
Unamortized premium	<u>1,401,626</u>		
Total	<u>\$ 12,218,926</u>		

**9. Other Long-Term Liabilities**

A summary of changes in other long-term liabilities for the years ended June 30, 2025 and 2024 is as follows:

	<u>Balance July 1, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2025</u>	<u>Current Portion</u>
Lease obligation (Note 6)	\$ 669,952	\$ -	\$ (114,031)	\$ 555,921	\$ 116,751
Subscription liabilities (Note 7)	10,754,677	1,030,969	(1,413,889)	10,371,757	1,079,164
Net pension liability (Note 10)	41,980,010	-	(203,298)	41,776,712	-
Net OPEB liability (Note 11)	<u>3,112,099</u>	<u>-</u>	<u>(211,702)</u>	<u>2,900,397</u>	<u>-</u>
	<u>\$56,516,738</u>	<u>\$ 1,030,969</u>	<u>\$(1,942,920)</u>	<u>\$ 55,604,787</u>	<u>\$ 1,195,915</u>
	<u>Balance July 1, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2024</u>	<u>Current Portion</u>
Lease obligation (Note 6)	\$ 781,325	\$ -	\$ (111,373)	\$ 669,952	\$ 114,031
Subscription liabilities (Note 7)	11,873,635	-	(1,118,958)	10,754,677	988,321
Net pension liability (Note 10)	39,038,376	2,941,634	-	41,980,010	-
Net OPEB liability (Note 11)	<u>3,109,401</u>	<u>2,698</u>	<u>-</u>	<u>3,112,099</u>	<u>-</u>
	<u>\$54,802,737</u>	<u>\$ 2,944,332</u>	<u>\$(1,230,331)</u>	<u>\$ 56,516,738</u>	<u>\$ 1,102,352</u>

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**June 30, 2025 and 2024**

**10. Retirement Plans**

**Defined Benefit Pension Plan**

The System participates in the SET Pension Plan, a multiple-employer cost sharing plan administered by the Maine Public Employees Retirement System (the MainePERS). The MainePERS provides pension benefits to its members, which include employees of the State, certain public school employees, and employees of local municipalities and other public entities in Maine. There are approximately 241 employers in the SET Pension Plan. All state employees and teachers become members of the SET Pension Plan as a condition of their employment.

The MainePERS is established and administered under the Maine State Retirement System Laws, Title 5 M.R.S.A., C.421, 423, and 425. The MainePERS issues a publicly available financial report that includes financial statements and required supplementary information for the SET Pension Plan. That report is available online at [www.maineopers.org](http://www.maineopers.org) or may be obtained by writing to the Maine Public Employees Retirement System, PO Box 349, Augusta, Maine 04332-0349.

The SET Pension Plan provides defined 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 (prior to October 1, 1999, the service credit requirement is ten years); normal retirement age for the SET Pension Plan 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 Maine statute.

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. The annual rate of interest credited to members' accounts is set by the MainePERS Board of Trustees and is currently 3.88%.

***Contributions***

Retirement benefits are funded by contributions from members and employers and by earnings on investments. Disability and death benefits are funded by employer normal cost and by earnings on investments. In accordance with Maine statute, members are required to contribute 7.65% of their earnable compensation to the SET Pension Plan. The System is required to contribute at an actuarially-determined rate (21.14% and 21.07% of annual payroll for fiscal years 2025 and 2024, respectively) that, when combined with the contributions of other reporting entities, will be adequate to fund the SET Pension Plan.

The contribution rate is determined using an entry-age normal actuarial funding method for retirement benefits and a term-cost method for ancillary benefits. The System may be required to make contributions to fund the SET Pension Plan's pooled unfunded actuarial liability, if any. The contribution requirements of the SET Pension Plan members and the System are established by, and may be amended by, the State legislature.

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**10. Retirement Plans (Continued)**

Total System and employee contributions (which equal the actuarially-required contributions) to the SET Pension Plan were as follows:

	<u>2025</u>	<u>2024</u>
System	\$ <b>9,679,341</b>	\$ 9,050,342
Employee	<u>3,420,688</u>	<u>3,196,242</u>
Total	<u>\$ <b>13,100,029</b></u>	<u>\$ <b>12,246,584</b></u>

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

At June 30, 2025 and 2024, the System reported a liability for its proportionate share of the net pension liability of the SET Pension Plan. At June 30, 2025 and 2024, the net pension liability was measured as of June 30, 2024 and 2023, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. The System's proportionate share of the net position liability was based on a projection of the System's long-term share of contributions to the SET Pension Plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2024, the System's proportion was 4.81%, which was an increase of 0.30% from its proportion measured as of June 30, 2023.

The System recognized pension expense of \$6,646,334 and \$8,692,140 for the years ended June 30, 2025 and 2024, respectively. At June 30, 2025 and 2024, the System reported deferred outflows of resources and deferred inflows of resources related to the SET Pension Plan from the following sources:

	<u>2025</u>		<u>2024</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ <b>3,384,567</b>	\$ -	\$ 2,336,092	\$ -
Net difference between projected and actual earnings on SET Pension Plan investments	-	<b>2,576,449</b>	-	3,227,421
Changes in proportion and differences between System contributions and proportionate share of contributions	<b>2,858,158</b>	-	2,361,603	-
System contributions subsequent to the measurement date	<u>9,679,341</u>	<u>-</u>	<u>9,050,342</u>	<u>-</u>
	<u>\$ <b>15,922,066</b></u>	<u>\$ <b>2,576,449</b></u>	<u>\$ <b>13,748,037</b></u>	<u>\$ <b>3,227,421</b></u>

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**June 30, 2025 and 2024**

**10. Retirement Plans (Continued)**

The deferred outflows of resources resulting from the System's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the SET Pension Plan will be recognized as a reduction of or addition to pension expense as follows for the years ending June 30:

2026	\$ (624,238)
2027	5,117,654
2028	(329,820)
2029	(497,320)

***Actuarial Methods and Assumptions***

The total pension liability in the June 30, 2024 actuarial valuation was determined using the following methods and assumptions, applied to all periods included in the measurement:

*Actuarial Cost Method*—The entry age normal actuarial funding method is used to determine costs. Under this funding method, the total employer contribution rate consists of two elements, the normal cost rate and the unfunded actuarial liability rate.

The individual entry age normal method is used to determine liabilities. Under the individual entry age normal method, a normal cost rate is calculated for each member. This rate is determined by taking the value, as of age at entry into the SET Pension Plan, of the member's projected future benefits, and dividing it by the value, also as of the member's entry age, of his/her expected future salary.

The normal cost for each member is the product of his/her pay and his/her normal cost rate. The normal cost for the group is the sum of the normal costs for all members. Experience gains and losses (i.e., decreases or increases in liabilities and/or in assets when actual experience differs from the actuarial assumptions) affect the unfunded actuarial-accrued liability.

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

*Amortization*—The net pension liability is amortized on a level percentage of payroll over the amortization period then in effect under Maine statutory and constitutional requirements.

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**June 30, 2025 and 2024**

**10. Retirement Plans (Continued)**

Significant actuarial assumptions employed by the actuary in the actuarial valuation and for funding purposes as of June 30, 2024 and 2023 are as follows:

*Investment Rate of Return*—6.50% per annum for the years ended June 30, 2024 and 2023, compounded annually.

*Salary Increases, Merit and Inflation*—3.26% – 9.43%, including inflation of 2.75%.

*Mortality Rates*—For active members and non-disabled retirees, the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table is used, for males and females, projected generationally using the REC\_2020 model.

*Cost of Living Benefit Increases*—2.20% per annum. All service and disability retirement and survivor benefits are adjusted each year that there is a percentage change in the Consumer Price Index, based on the index. The maximum annual increase is 3%. If the percentage change 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. The process of adjustments may occur over a multi-year period if needed to recoup the full value of the negative changes in the index.

The long-term expected rate of return on the SET 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 geometric real rates of return for each major asset class included in the SET Pension Plan's target asset allocation as of June 30, 2024 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Public equities	30.0 %	5.6 %
U.S. Government	7.5	2.2
Private equity	15.0	7.2
Real assets		
Real estate	10.0	5.8
Infrastructure	10.0	5.3
Natural resources	5.0	5.1
Traditional credit	7.5	2.7
Alternative credit	5.0	6.4
Diversifiers	10.0	4.8

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**10. Retirement Plans (Continued)**

*Discount Rate*—The discount rate used to measure the collective total pension liability was 6.50% for 2024 and 2023. The projection of cash flows used to determine the discount rate assumed that SET Pension Plan member contributions will be made at the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the SET 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 SET Pension Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following table shows how the System's proportionate share of the net pension liability as of June 30, 2024 and 2023 would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate.

	<b>1% Decrease (5.50%)</b>	<b>Current Discount Rate (6.50%)</b>	<b>1% Increase (7.50%)</b>
<b><u>2024</u></b>			
The System's proportionate share of the net pension liability	\$ <u>76,742,212</u>	\$ <u>41,776,712</u>	\$ <u>12,437,793</u>
<b><u>2023</u></b>			
The System's proportionate share of the net pension liability	\$ <u>73,804,620</u>	\$ <u>41,980,020</u>	\$ <u>15,271,539</u>

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

*Differences between Expected and Actual Experience*—The differences between expected and actual experience with regard to economic or demographic factors are 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. For the 2024 and 2023 actuarial valuations, this was three years.

*Differences between Projected and Actual Investment Earnings*—Differences between projected and actual investment earnings are recognized in pension expense using a straight-line amortization method over a closed five-year period.

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**10. Retirement Plans (Concluded)**

*Changes in Assumptions*—Differences due to changes in assumptions about future economic or demographic factors or other inputs are 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.

*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 are recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members. Differences between total employer contributions and the employer's proportionate share of contributions may arise when an employer has a contribution requirement for an employer-specific liability.

*Rationale for Assumptions*—The assumptions were adopted by the SET Pension Plan trustees as a result of the latest experience study covering the period July 1, 2015 through June 30, 2020.

**Defined Contribution Plan**

Certain employees participate in an optional defined contribution plan with TIAA-CREF, a defined contribution plan. In defined contribution plans, benefits depend solely on amounts contributed, plus investment earnings. Only confidential employees and, as of July 1999, Maine Education Association (MEA) Administrators and faculty are eligible to participate in the TIAA-CREF defined contribution plan. The System contributes 12.88% and 6.04% of total salaries for eligible confidential and MEA employees, respectively. The System contribution is funded as it accrues and, along with the contributions of the employees, is immediately vested. Employees make contributions at an average of 6.62% of total salaries in fiscal years 2025 and 2024. Total employer contributions to the TIAA-CREF program in fiscal years 2025 and 2024, respectively, amounted to \$2,019,770 and \$1,957,827, which consisted of \$707,719 and \$627,958 for confidential employees and \$1,312,052 and \$1,329,870 for MEA employees, respectively. MEA employee contributions amounted to \$1,801,793 and \$1,780,327 in 2025 and 2024, respectively.

Total salaries and wages for covered employees participating in TIAA-CREF were \$27,217,419 and \$26,893,161 for fiscal years 2025 and 2024, respectively. Subject to applicable bargaining agreements, the Board of Trustees of the System is the authority under which benefits and contribution rates are established and may be amended.

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**11. OPEB-Maine Public Employees Retirement System**

**Plan Description**

In addition to providing pension benefits, MainePERS administers cost-sharing multiple-employer defined post-employment life insurance plans. The SET OPEB Plan is a multiple-employer cost sharing plan. As of June 30, 2024, there were approximately 237 employers, including the State, participating in the plan. The Group Life Insurance Plan provides basic group life insurance benefits, during retirement, to retirees who participated in the SET OPEB Plan prior to retirement for a minimum of 10 years. 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 life insurance is then subsequently reduced at the rate of 15% per year to the greater of 40% of the initial amount or \$2,500. For participants who become disabled, the 10-year participation requirement does not apply and the amount of basic life insurance will be in full force until retirement age then subsequently reduced at the rate of 15% per year to the greater of 40% of the initial amount or \$2,500. The MainePERS Board of Trustees is the authority under which benefit terms and contribution rates are established or may be amended.

***Contributions***

Premium rates are those determined by the MainePERS' Board of Trustees to be actuarially sufficient to pay anticipated claims. For state employees, the premiums for retiree life insurance coverage are factored into the premiums paid for basic coverage while participants are active members. The rate for fiscal year 2024 was \$0.45 per \$1,000 of coverage.

Premiums for basic life insurance coverage for retired teachers are paid by the State as the total dollar amount of each year's annual required contribution.

***Net OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to the SET OPEB Plan***

At June 30, 2025 and 2024, the System reported a liability for its proportionate share of the net OPEB liability. The net OPEB liability is measured as of June 30, 2024 and 2023, and was determined by an actuarial valuation performed as of June 30, 2024 and 2023. The System's proportionate share of the net OPEB liability was based on a projection of the System's long-term share of contributions to the SET OPEB Plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, the System's proportion of the net OPEB liability was as follows:

	<u>2025</u>	<u>2024</u>
SET OPEB Plan net OPEB liability	\$ 60,371,233	\$ 71,148,642
The System's share of the net OPEB liability	\$ 2,900,397	\$ 3,112,099
The System's proportion of the net OPEB liability	4.80 %	4.37 %

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**Notes to Financial Statements**

**June 30, 2025 and 2024**

**11. OPEB-Maine Public Employees Retirement System (Continued)**

The System recognized OPEB expense of \$286,143 and \$270,879 for the years ended June 30, 2025 and 2024, respectively. The System reported deferred outflows of resources and deferred inflows of resources related to the SET OPEB Plan from the following sources at June 30:

	<b>2025</b>		<b>2024</b>	
	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference between projected and actual earnings on SET OPEB Plan investments	\$ -	\$ 116,846	\$ 50,963	\$ -
Difference between expected and actual experience	5,657	247,054	18,624	26,452
Changes in proportion	368,047	108,702	159,917	177,203
Changes in assumption	83,697	-	105,902	-
System contributions subsequent to the measurement date	464,700	-	423,103	-
	<b>\$ 922,101</b>	<b>\$ 472,602</b>	<b>\$ 758,509</b>	<b>\$ 203,655</b>

The deferred outflows of resources resulting from the System's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the SET OPEB Plan will be recognized as a reduction of (increase in) SET OPEB Plan expense as follows for the years ending June 30:

2026	\$ (40,541)
2027	62,604
2028	(42,960)
2029	(17,403)
2030	18,039
Thereafter	5,060

***Actuarial Methods and Assumptions***

The total SET OPEB Plan liability in the June 30, 2024 actuarial valuation was determined using the following methods and assumptions, applied to all periods included in the measurement:

*Inflation: 2.75%*

*Salary increases: Individual and aggregate salary increases 3.26% – 9.43%.*

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**Notes to Financial Statements**

**June 30, 2025 and 2024**

**11. OPEB-Maine Public Employees Retirement System (Continued)**

*Mortality rates:* For active members and non-disabled retirees of the SET OPEB Plan, the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table is used, for males and females, projected generationally using the REC\_2020 model.

The long-term expected rate of return on SET OPEB Plan assets of 6.50% was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of SET 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 SET OPEB Plan's target asset allocation as of June 30, 2024 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Public equities	75 %	5.6 %
Traditional credit	15	2.7
U.S. Government securities	10	2.2

*Discount rate:* The discount rate used to measure the total SET OPEB liability was 6.50% in 2024 and 2023. The projection of cash flows used to determine the discount rate assumed that SET OPEB Plan member contributions will be made at the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments to current SET OPEB Plan members. Therefore, the long-term expected rate of return on SET OPEB Plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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**Notes to Financial Statements**

**June 30, 2025 and 2024**

**11. OPEB-Maine Public Employees Retirement System (Concluded)**

The following table shows how the System's proportionate share of the SET OPEB plan liability as of June 30, 2024 and 2023 would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate.

<u>2024</u>	<b>1% Decrease (5.50%)</b>	<b>Current Discount Rate (6.50%)</b>	<b>1% Increase (7.50%)</b>
The System's proportionate share of the net OPEB liability	<b><u>\$ 3,739,840</u></b>	<b><u>\$ 2,900,397</u></b>	<b><u>\$ 2,214,301</u></b>
<u>2023</u>	<b>1% Decrease (5.50%)</b>	<b>Current Discount Rate (6.50%)</b>	<b>1% Increase (7.50%)</b>
The System's proportionate share of the net OPEB liability	<b><u>\$ 3,868,472</u></b>	<b><u>\$ 3,112,099</u></b>	<b><u>\$ 2,494,068</u></b>

*Rationale for Assumptions:* The assumptions were adopted by the SET OPEB Plan trustees as a result of the latest experience study covering the period June 30, 2015 through June 30, 2020.

The MainePERS issues a publicly available financial report that includes financial statements and required supplementary information for the SET OPEB Plan. That report is available online at [www.maineopers.org](http://www.maineopers.org) or may be obtained by writing to the Maine Public Employees Retirement System, PO Box 349, Augusta, Maine 04332-0349.

**12. Other Post-Employment Health Insurance Benefit Plan and Trust**

The System established and administers a defined benefit post-employment healthcare plan, a single employer defined benefit plan, used to provide post-employment benefits other than pensions. This plan covers all employees who retire and participate in MainePERS or TIAA-CREF and provides healthcare benefits for retirees. Benefits are provided through a third-party insurer and the full cost of the benefits is covered by the plan.

The System records an expense for the post-employment healthcare plan as costs are incurred for current employees while the employees are performing services for the System. The amount in future years will be based on a calculation related solely to the System's employees and retirees. The System's contributions cover retirees only; additional family members are paid for by the retirees. Subject to applicable bargaining agreements, the Board of Trustees of the System is the authority under which benefits and contribution rates are established and may be amended. The System is required to contribute at an actuarially determined rate that will be adequate to fund the Plan. The System does not issue a stand-alone financial report for this plan.

**MAINE COMMUNITY COLLEGE SYSTEM  
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**Notes to Financial Statements**

**June 30, 2025 and 2024**

**12. Other Post-Employment Health Insurance Benefit Plan and Trust (Continued)**

*Employees covered by benefit terms:* At June 30, 2025 (the census date), the benefit terms covered the following employees:

<u>Category</u>	<u>Count</u>
Active employees	923
Inactive employees, spouses, or beneficiaries currently receiving benefit payments	644

***Net OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to the Plan***

The System's net OPEB liability was measured as of June 30, 2025, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The System recognized OPEB income of \$6,885,495 and \$5,124,554 for the years ended June 30, 2025 and 2024, respectively. The System reported deferred outflows of resources and inflows of resources related to the OPEB plan from the following sources at June 30:

	<b>2025</b>		<b>2024</b>	
	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference between projected and actual experience	\$ 415,919	\$21,387,593	\$ -	\$26,832,831
Change in assumptions	5,526,269	818,066	5,518,133	1,477,501
Net difference between projected and actual earnings in OPEB plan investments	<u>-</u>	<u>3,820,212</u>	<u>-</u>	<u>1,860,225</u>
	<b><u>\$ 5,942,188</u></b>	<b><u>\$26,025,871</u></b>	<b><u>\$ 5,518,133</u></b>	<b><u>\$30,170,557</u></b>

Amounts reported as deferred inflows of resources related to the OPEB plan will be recognized as a reduction of OPEB plan expense as follows for the years ending June 30:

2026	\$ (3,852,959)
2027	(5,065,524)
2028	(4,533,506)
2029	(3,775,575)
2030	(1,977,816)
Thereafter	(878,303)

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**Notes to Financial Statements**

**June 30, 2025 and 2024**

**12. Other Post-Employment Health Insurance Benefit Plan and Trust (Continued)**

*Actuarial assumptions:* The total OPEB liability in the June 30, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

*Salary increases:* Individual and aggregate salary increases 3.00%—Annual Service Cost is a constant percentage of a participant’s salary that is assumed to increase according to the salary increases.

*Healthcare cost trend rates:* 8% in the first year, trending down to 4.5% by fiscal year 2040 for Pre-65. 6.5% in the first year, trending down to 4.5% by fiscal year 2040 for Post-65.

*Mortality Table:* SOA RPH-2006 Total Dataset Mortality Table fully generational using Scale MP-2021.

*Discount rate:* The discount rate used to measure the total OPEB liability was 5.73% and 5.88% for June 30, 2025 and 2024, respectively. The System is expected to continue contributing the Actuarially Determined Contribution and paying the pay-as-you-go cost from the OPEB Trust. Under this arrangement, the OPEB Trust is expected to be able to pay for all future benefit payments.

*Rationale for Assumptions:* The assumptions were adopted by the trustees as a result of the latest experience study covering the period July 1, 2005 through June 30, 2009.

The long-term expected rate of return on plan assets was 5.73% and 5.88% for June 30, 2025 and, 2024, respectively, and 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) 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. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2025, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global equities	35.0 %	6.7 %
U.S. large cap equities	17.5	6.1
U.S. small cap equities	10.0	7.6
Emerging market equities	2.5	7.8
Infrastructure equities	5.0	6.3
Intermediate bonds	15.0	3.4
Core bonds	15.0	3.6

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**Notes to Financial Statements**

**June 30, 2025 and 2024**

**12. Other Post-Employment Health Insurance Benefit Plan and Trust (Continued)**

Changes in the net OPEB asset for the years ended June 30, 2025 and 2024 are as follows:

	Increases (Decreases)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Asset
Balance as of June 30, 2023	\$ <u>36,817,732</u>	\$ <u>52,013,368</u>	\$ <u>(15,195,636)</u>
Change for the year:			
Service cost	1,268,026	-	1,268,026
Interest	2,267,267	-	2,267,267
Changes in assumptions	1,116,799	-	1,116,799
Differences between expected and actual experience	(11,731,547)	-	(11,731,547)
Benefit payments	(1,489,439)	(1,489,439)	-
Employer contributions	-	1,897,396	(1,897,396)
Net investment income	-	7,981,067	(7,981,067)
Administrative expenses	-	(55,000)	55,000
Net changes	<u>(8,568,894)</u>	<u>8,334,024</u>	<u>(16,902,918)</u>
Balance as of June 30, 2024	<u>28,248,838</u>	<u>60,347,392</u>	<u>(32,098,554)</u>
Change for the year:			
Service cost	1,023,065	-	1,023,065
Interest	1,684,651	-	1,684,651
Changes in assumptions	1,318,834	-	1,318,834
Differences between expected and actual experience	475,336	-	475,336
Benefit payments	(1,274,404)	(1,274,404)	-
Employer contributions	-	1,971,440	(1,971,440)
Net investment income	-	6,873,244	(6,873,244)
Administrative expenses	-	(55,000)	55,000
Net changes	<u>3,227,482</u>	<u>7,515,280</u>	<u>(4,287,798)</u>
Balance as of June 30, 2025	<u>\$ 31,476,320</u>	<u>\$ 67,862,672</u>	<u>\$ (36,386,352)</u>

At June 30, 2025 and 2024, the plan fiduciary net position as a percentage of the total OPEB liability was 215.6% and 213.6%, respectively.

**MAINE COMMUNITY COLLEGE SYSTEM  
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**Notes to Financial Statements**

**June 30, 2025 and 2024**

**12. Other Post-Employment Health Insurance Benefit Plan and Trust (Continued)**

The net OPEB asset of the System, as well as what the System's net OPEB asset would be if it were calculated using a discount rate that is 1% point lower or 1% point higher, follows:

	<b>1% Decrease (4.73%)</b>	<b>Current Discount Rate (5.73%)</b>	<b>1% Increase (6.73%)</b>
<b><u>2025</u></b>			
Net OPEB asset	\$ <u>(32,005,675)</u>	\$ <u>(36,386,352)</u>	\$ <u>(39,996,028)</u>
	<b>1% Decrease (4.88%)</b>	<b>Current Discount Rate (5.88%)</b>	<b>1% Increase (6.88%)</b>
<b><u>2024</u></b>			
Net OPEB asset	\$ <u>(28,343,416)</u>	\$ <u>(32,098,554)</u>	\$ <u>(35,211,035)</u>

The net OPEB asset of the System, as well as what the System's net OPEB asset would be if it were calculated using healthcare cost trend rates that are 1% point lower or 1% point higher than current healthcare cost trend rates, follows:

	<b>1% Decrease (7.00% Decreasing to 3.50%)</b>	<b>Trend Rate (8.00% Decreasing to 4.50%)</b>	<b>1% Increase (9.00% Decreasing to 5.50%)</b>
<b><u>2025</u></b>			
Net OPEB asset	\$ <u>(39,705,053)</u>	\$ <u>(36,386,352)</u>	\$ <u>(32,248,688)</u>
	<b>1% Decrease (7.00% Decreasing to 3.50%)</b>	<b>Trend Rate (8.00% Decreasing to 4.50%)</b>	<b>1% Increase (9.00% Decreasing to 5.50%)</b>
<b><u>2024</u></b>			
Net OPEB asset	\$ <u>(35,194,305)</u>	\$ <u>(32,098,554)</u>	\$ <u>(28,251,486)</u>

**Post-Employment Benefit Trust**

The System established the Post-Employment Benefit Trust as an irrevocable trust for the sole purpose of accumulating assets to provide funding for certain of the System's post-employment benefits. The System was named Trustee of the Trust. The effective date of the establishment of the Trust was June 30, 2009.

Plan assets include amounts in the Post-Employment Benefit Trust relating to current year annual required contributions.

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**Notes to Financial Statements**

**June 30, 2025 and 2024**

**12. Other Post-Employment Health Insurance Benefit Plan and Trust (Continued)**

The significant accounting policies followed by the Trust are set forth below:

***Basis of Accounting***

The Trust follows the accrual basis of accounting as set forth by GASB.

***Cash***

Cash held by the trust in a financial institution at June 30, 2025 was fully covered by federal depository insurance. Bank balances were \$503,819 and \$149,094 at June 30, 2025 and 2024, respectively.

***Investments***

The fair value of investments in the Trust at June 30, 2025 and 2024 is as follows:

	<u>2025</u>	<u>2024</u>
Investments measured at NAV		
Fixed-income	\$ 19,999,825	\$ 14,969,765
Equity	<u>46,717,384</u>	<u>44,875,573</u>
	<u>\$ 66,717,209</u>	<u>\$ 59,845,338</u>

***Revenue Recognition***

Contributions are recognized as additions in the period when they become due, pursuant to formal commitments or statutory or contractual requirements; supplemental contributions are recognized when received. Investment and interest income and loss are recognized on the accrual basis when earned or incurred.

***Net Position***

Net position at June 30, 2025 and 2024 was for funding certain post-employment benefits.

***Administrative Expenses***

Substantially all administrative expenses of the Trust are paid by the Trust.

**MAINE COMMUNITY COLLEGE SYSTEM  
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**Notes to Financial Statements**

**June 30, 2025 and 2024**

**12. Other Post-Employment Health Insurance Benefit Plan and Trust (Continued)**

***Interest Rate Risk***

The Trust manages interest rate risk according to its investment policy by maintaining investments that are both liquid, as determined by a readily available market, and highly diversified, using institutional class mutual funds and exchange-traded funds.

***Credit Risk***

The Trust limits its exposure to credit risk in its investment policy by investing in highly diversified fixed-income funds. Collectively taken, the majority of the underlying holdings in these funds in which the Trust may invest are investment grade as rated by an NRSRO. The Trust further reduces potential credit risk by not investing directly in individual fixed-income securities. Management periodically reviews the exposure to securities that are unrated or below investment grade in its portfolio to ensure the Trust limits its credit risk.

A summary of fixed-income investments and their related interest rate and credit risks follows:

<u>Rating</u>	<u>2025</u>		<u>2024</u>	
	<u>Amount</u>	<u>Maturity</u>	<u>Amount</u>	<u>Maturity</u>
A	<u>\$19,999,825</u>	7.37 years	<u>\$14,969,765</u>	8.47 years

The ratings are, and maturities are the weighted averages of, the debt securities in which the funds invest.

***Concentration of Credit Risk***

The Trust has not defined a limit in its investment policies regarding the amount that can be placed in one issuer. However, the investment policy states that the portfolio should be well-diversified as to limit exposure to one issuer or security.

***Custodial Credit Risk***

All of the Trust's investments are held with a third-party custodian in the Trust's name.

***Fair Value Measurement***

At June 30, 2025, all investments were measured at NAV, which is fair value estimated by management using values provided by the investment managers. Management does not anticipate that these funds will be liquidated, although relative positions are rebalanced periodically.

**MAINE COMMUNITY COLLEGE SYSTEM  
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**Notes to Financial Statements**

**June 30, 2025 and 2024**

**12. Other Post-Employment Health Insurance Benefit Plan and Trust (Concluded)**

Assets measured at NAV are as follows at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Cash	\$ 503,819	\$ 149,094
Fixed-income:		
CTF Credit Total Return	6,675,269	-
CTF Core Bond Plus	-	7,460,798
CTF Intermediate Bond	13,324,556	7,508,967
Equity:		
CTF Enduring Assets	1,820,759	2,629,496
CTF Global Quality Growth	10,447,774	10,012,197
CTF Global Opportunities	13,662,303	13,693,646
CTF Quality Value	3,310,617	2,807,340
CTF Research Equity	9,873,555	8,675,751
CTF Emerging Markets Research Equity	1,821,502	1,249,344
CTF Small Cap Opportunities	<u>5,780,874</u>	<u>5,807,799</u>
	<u>\$67,221,028</u>	<u>\$59,994,432</u>

See Note 3 for additional disclosures.

***Rate of Return***

All of the Trust's investments are held with a third-party custodian in the Trust's name. For the year ended June 30, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 12.16%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**13. Commitments and Contingencies**

The System owns property with a book value of approximately \$14.9 million in Brunswick, Maine for the use of the Southern Maine Community College. This property must be used solely and continuously for educational programs until November 2041 under the terms by which the property was donated.

From time-to-time, the System is named as a defendant in legal actions and other claims incident to the normal conduct of its operations. Management does not expect to suffer any material liability by reason of such actions, nor does it expect that such actions will have a material effect on the financial position of the System.

**MAINE COMMUNITY COLLEGE SYSTEM  
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**Notes to Financial Statements**

**June 30, 2025 and 2024**

**13. Commitments and Contingencies (Concluded)**

The System has entered into various construction and renovation contracts. The System has outstanding commitments under these contracts of approximately \$3.9 million at June 30, 2025.

The System participates in various federally-funded programs. These programs are subject to financial and compliance audits and resolution of identified questioned costs. The amount, if any, of expenditures which may be disallowed by the granting agency cannot be determined at this time.

The System entered into a three-year contract on July 1, 2019 to receive net energy billing credits. This contract is to be completed no later than June 30, 2022, with two one-year extensions. Both of the one-year extensions were executed for fiscal year 2023 and 2024. A one-year extension was signed for fiscal year 2025 and an additional one-year extension was signed for fiscal year 2026.

**14. Proceeds from State for Grants and Capital Asset Acquisition**

In November 2017, a State of Maine general-purpose bond issue was authorized; the System's portion of the bond is \$15,000,000 and is to be used for facility repairs, improvements, information technology infrastructure upgrades, and capital equipment. The System is not required by the State of Maine to assume the bond liability when activities are complete. Through June 30, 2025, the System has spent \$14,595,346 on these projects. There were no revenues recognized from the State in fiscal year 2025. Revenues recognized from the State in fiscal year 2024 amounted to \$280,730 and are included as other revenues in the statements of revenues, expenses, and changes in net position.

**15. State Appropriations**

During the years ended 2025 and 2024, the System's State appropriations revenue was unrestricted. These appropriations include general appropriations as well as special appropriations.

**16. Maine Community College Educational Foundations**

The significant accounting policies followed by the Maine Community College Educational Foundations (the Foundations), as set forth below, are governed by the Financial Accounting Standards Board (FASB). As such, certain revenue and expense recognition criteria and presentation requirements differ from GASB. No modifications have been made to the Foundations' financial information included here for these differences.

**Basis of Accounting**

The Foundations follow the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when incurred.

**MAINE COMMUNITY COLLEGE SYSTEM  
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**Notes to Financial Statements**

**June 30, 2025 and 2024**

**16. Maine Community College Educational Foundations (Continued)**

**Cash and Cash Equivalents**

For the purpose of reporting cash flows, cash and cash equivalents include cash on hand and all liquid investments with an original maturity of three months or less, except for cash to be invested in funds of perpetual duration. The Foundations maintain cash accounts with various financial institutions. At times, amounts held exceed federally insured limits.

**Restatement of Previously Issued Financial Statements**

The financial statements for the Foundations for the year ended June 30, 2024 have been restated to reclassify amounts in beginning net assets. Accordingly, an adjustment was made of \$614,964 to decrease net assets without donor restrictions, \$647,327 to increase net assets with donor restrictions and the net impact of \$32,363 to decrease accounts payable at June 30, 2024.

**Subsequent Events**

For the purposes of recognition and disclosure in these financial statements, management of the Foundations has evaluated subsequent events through October 29, 2025, which is the date these financial statements were available to be issued.

**Pledges**

Pledges receivable are recorded at their net present value and net of allowance for uncollectible amounts. Pledges receivable at June 30, 2025 and 2024 are substantially all due within five years. Pledges receivable are comprised of the following at June 30:

	<u>2025</u>	<u>2024</u>
Due within one year	\$ 1,084,725	\$ 1,994,938
Due after one year and within five years	<u>79,800</u>	<u>821,795</u>
	<b>1,164,525</b>	2,816,733
Less allowance for uncollectible pledges	<b>(3,235)</b>	(4,923)
Less discount to reflect present value	<u><b>(58,301)</b></u>	<u>(134,097)</u>
Net pledges receivable	<u><b>\$ 1,102,989</b></u>	<u><b>\$ 2,677,713</b></u>

**Appreciation on Endowments**

The Boards of Directors have interpreted State of Maine law as requiring the preservation of the fair value of the original gift of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. The expendable portion of income on such assets is reported in the statement of activities as investment income with donor restrictions and reclassified to net assets without donor restrictions when the stipulated donor restriction is accomplished.

**MAINE COMMUNITY COLLEGE SYSTEM  
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**Notes to Financial Statements**

**June 30, 2025 and 2024**

**16. Maine Community College Educational Foundations (Continued)**

**Investments**

Investments held by the Foundations at June 30, 2025 and 2024, which are carried at fair value, consisted of the following:

	<u>2025</u>	<u>2024</u>
U.S. government securities	\$ <b>2,527,636</b>	\$ 1,976,294
Corporate bonds	<b>5,203,864</b>	4,574,924
Common stock	<b>7,428,834</b>	7,180,063
Mutual funds	<b>2,703,479</b>	2,863,963
Investments measured at NAV		
Fixed-income	<b>551,293</b>	494,489
Equity	<b>1,287,814</b>	1,152,931
Money market funds and certificates of deposit	<u><b>4,732,386</b></u>	<u>10,515,658</u>
	<u><b>\$ 24,435,306</b></u>	<u>\$ 28,758,322</u>

The fair value of investments is primarily based on quoted prices in active markets; certificates of deposit are carried at cost which approximates fair value.

The Foundations each have their own investment policies that allow for a range of investment options.

Endowment investments by class of net assets at June 30 were as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>
<b><u>2025</u></b>		
Donor-restricted	\$ -	\$ 18,889,038
Board designated	<u>2,350,824</u>	<u>-</u>
	<u><b>\$ 2,350,824</b></u>	<u><b>\$ 18,889,038</b></u>
<b><u>2024</u></b>		
Donor-restricted	\$ -	\$ 21,067,565
Board designated	<u>2,603,903</u>	<u>-</u>
	<u><b>\$ 2,603,903</b></u>	<u><b>\$ 21,067,565</b></u>

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**Notes to Financial Statements**

**June 30, 2025 and 2024**

**16. Maine Community College Educational Foundations (Continued)**

Changes in endowment net assets and a summary of investment return for the years ended June 30 were as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Investments</u>
Endowment net assets, June 30, 2024	\$ 2,603,903	\$ 21,067,565	\$ 23,671,468
Investment income, net	105,998	1,745,357	1,851,355
Deposits	24,153	763,503	787,656
Appropriated withdrawals	<u>(383,230)</u>	<u>(4,687,387)</u>	<u>(5,070,617)</u>
Endowment net assets, June 30, 2025	<u>\$ 2,350,824</u>	<u>\$ 18,889,038</u>	<u>\$ 21,239,862</u>
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Investments</u>
Endowment net assets, June 30, 2023	\$ 1,081,141	\$ 15,784,796	\$ 16,865,937
Investment income, net	265,892	1,783,605	2,049,497
Deposits	22,045	5,789,715	5,811,760
Other	1,064,454	101,832	1,166,286
Appropriated withdrawals	(34,449)	(2,187,563)	(2,222,012)
Change in donor intent	<u>204,820</u>	<u>(204,820)</u>	<u>-</u>
Endowment net assets, June 30, 2024	<u>\$ 2,603,903</u>	<u>\$ 21,067,565</u>	<u>\$ 23,671,468</u>

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**Notes to Financial Statements**

**June 30, 2025 and 2024**

**16. Maine Community College Educational Foundations (Continued)**

**Fair Value Measurement**

FASB Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurement*, defines fair value, establishes a framework for measuring fair value in accordance with U.S. GAAP, and expands disclosures about fair value measurements.

FASB ASC Subtopic 820-10-20 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. FASB ASC Subtopic 820-10-20 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1:** Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.
- Level 2:** Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.
- Level 3:** Significant unobservable inputs that reflect an entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

Assets measured at fair value on a recurring basis are summarized below.

	<u>Fair Value Measurements at June 30, 2025</u>			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Beneficial interest in assets held by others	\$ <u>1,499,419</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,499,419</u>
Money market funds and certificates of deposit	\$ 4,732,386	\$ 4,732,386	\$ -	\$ -
Common stock	7,428,834	7,428,834	-	-
Fixed income				
Corporate bonds	5,203,864	3,329,293	1,874,571	-
U.S. government securities	2,527,636	1,312,673	1,214,963	-
Mutual funds	<u>2,703,479</u>	<u>2,703,479</u>	-	-
	22,596,199	\$ <u>19,506,665</u>	\$ <u>3,089,534</u>	\$ <u>-</u>
Pooled investments at NAV as a practical expedient	<u>1,839,107</u>			
Total investments measured at fair value on a recurring basis	<u>\$ 24,435,306</u>			

**MAINE COMMUNITY COLLEGE SYSTEM  
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**Notes to Financial Statements**

**June 30, 2025 and 2024**

**16. Maine Community College Educational Foundations (Continued)**

	Fair Value Measurements at June 30, 2024			
	Total	Level 1	Level 2	Level 3
Beneficial interest in assets held by others	\$ <u>1,369,224</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,369,224</u>
Money market funds and certificates of deposit	\$ 10,515,658	\$ 10,515,658	\$ -	\$ -
Common stock	7,180,063	7,180,063	-	-
Fixed income				
Corporate bonds	4,574,924	3,131,570	1,443,354	-
U.S. government securities	1,976,294	734,857	1,241,437	-
Mutual funds	<u>2,863,963</u>	<u>2,863,963</u>	<u>-</u>	<u>-</u>
	27,110,902	\$ <u>24,426,111</u>	\$ <u>2,684,791</u>	\$ <u>-</u>
Pooled investments at NAV as a practical expedient	<u>1,647,420</u>			
Total investments measured at fair value on a recurring basis	\$ <u>28,758,322</u>			

Assets measured at fair value on a recurring basis consist of investments which are valued using Level 1 inputs with the exception of corporate bonds which are valued using Level 2 inputs and the market approach, investments measured at NAV and beneficial interest in assets held by others. Beneficial interest in assets held by others is valued based on the fair value of underlying assets reported by the trustee. Investments measured at NAV represent the Foundation for Maine's Community College Educational Foundations' allocable portion of the System's portfolio (generally 5.5%). Assets measured at NAV are as follows at June 30:

	<b>2025</b>	<b>2024</b>
Fixed-income:		
CTF Core Bond Plus	\$ -	\$ 246,892
CTF Intermediate Bond	<b>367,293</b>	247,597
CTF Credit Total Return	<b>184,000</b>	-
Equity:		
CTF Enduring Assets	<b>50,005</b>	81,540
CTF Global Quality Growth	<b>288,172</b>	247,325
CTF Global Opportunities	<b>376,879</b>	328,914
CTF Quality Value	<b>91,221</b>	82,553
CTF Research Equity	<b>272,304</b>	207,035
CTF Emerging Markets Research Equity	<b>50,220</b>	41,520
CTF Small Cap Opportunities	<u><b>159,013</b></u>	<u>164,044</u>
	<u><b>\$ 1,839,107</b></u>	<u>\$ 1,647,420</u>

See Note 3 for additional disclosures.

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**Notes to Financial Statements**

**June 30, 2025 and 2024**

**16. Maine Community College Educational Foundations (Continued)**

Investments in general are exposed to various risks, such as interest rates, credit, and overall market volatility. As such, it is reasonably possible that changes could materially affect the amounts reported in the balance sheets.

**Net Assets**

The net assets of the Foundations are reported as follows:

*Net Assets without Donor Restrictions*—Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundations. These net assets may be used at the discretion of the Foundations' management and the Boards of Directors.

*Net Assets with Donor Restrictions*—Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by the actions of the Foundations or by the passage of time, at which time they are reclassified to net assets without donor restrictions. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

**Gifts and Contributions**

Gifts and contributions are recorded when an unconditional promise to give is received, or when assets are received in a contribution, whichever comes first. Contributed assets are recorded at fair value.

**Related Party Transactions**

Support consists of amounts paid to the System in support of the System's various programs. At June 30, 2025 and 2024, substantially all accounts payable and accruals are payable to the System for such support. The System also provides funding and in-kind support to the Foundations. This support totaled approximately \$128,000 and \$368,000 in 2025 and 2024, respectively, which is included in gifts and contributions revenue on the statement of activities.

**Net Assets with Donor Restrictions**

Net assets with donor restrictions consisted of the following as of June 30:

	<u>2025</u>	<u>2024</u>
Subject to expenditure for specific purpose:		
Scholarships	\$ 6,819,057	\$ 9,681,108
Programs	1,325,445	4,948,134
Appreciation on funds of perpetual duration without purpose restrictions	2,578,618	1,902,986
Contributions receivable for endowment	13,000	-
Funds of perpetual duration	<u>13,494,187</u>	<u>12,851,563</u>
	<u>\$24,230,307</u>	<u>\$29,383,791</u>

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**Notes to Financial Statements**

**June 30, 2025 and 2024**

**16. Maine Community College Educational Foundations (Concluded)**

**Liquidity and Availability of Financial Assets**

The Foundations regularly monitor the availability of resources required to meet operating needs, while also striving to maximize the investment of its available funds. The Foundations have various sources of liquidity at their disposal, including cash and cash equivalents, investments, and pledges receivable.

The following financial assets could readily be made available within one year of the date of the balance sheets to meet general expenditures, which includes grants to the System:

	<u>2025</u>	2024
Cash and cash equivalents	\$ 3,255,431	\$ 3,537,397
Investments	24,435,306	28,758,322
Pledges receivable	1,102,989	2,677,713
Grants receivable	269,662	-
Beneficial interest in assets held by others	<u>1,499,419</u>	<u>1,369,224</u>
	<b>30,562,807</b>	36,342,656
Less net assets with donor restrictions	<u>(24,230,307)</u>	<u>(29,383,791)</u>
Financial assets available to meet cash needs for general expenditures in one year	<u>\$ 6,332,500</u>	<u>\$ 6,958,865</u>

**Contributed Nonfinancial Assets**

For the years ended June 30, 2025 and 2024, contributed nonfinancial assets recognized within the statements of activities included:

	<u>2025</u>	<u>2024</u>
Salaries and benefits	\$ 98,625	\$ 111,928
Rent	49,967	46,194
Software support	<u>13,097</u>	<u>13,097</u>
	<u>\$ 161,689</u>	<u>\$ 171,219</u>

The Foundations recognized contributed nonfinancial assets within revenue and are substantially utilized within the same fiscal year the contribution occurred. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Contributed services from salaries and benefits consist primarily of services provided from the System and are valued based on an estimate of fair value of current rates for similar services. The Foundations utilize space in South Portland, which is rent free, and is valued based on similar property in South Portland. Finally, software support is support paid for by the System, which is valued based on the estimated cost of the software.

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**Required Supplementary Information**

**Schedule of the System's Proportionate  
Share of the Net Pension Liability**

**State Employee and Teacher Plan—State Employee Portion**

**Last 10 Fiscal Years**

**Measurement Date as of June 30  
(UNAUDITED)**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
The System's proportion of the net pension liability	4.81 %	4.51 %	4.21 %	4.09 %	4.30 %	4.61 %	4.70 %	4.61 %	4.97 %	6.64 %
The System's proportionate share of the net pension liability	\$ 41,776,712	\$ 41,980,020	\$ 39,038,376	\$ 26,390,375	\$ 51,040,842	\$ 48,215,367	\$ 49,279,510	\$ 52,462,480	\$ 66,740,128	\$ 68,006,887
The System's covered employee payroll	\$ 43,743,907	\$ 38,211,222	\$ 33,294,996	\$ 32,075,165	\$ 31,982,861	\$ 31,133,842	\$ 30,421,527	\$ 29,200,966	\$ 30,244,628	\$ 32,008,027
The System's proportionate share of the net pension liability as a percentage of its covered employee payroll	95.5 %	109.9 %	117.3 %	82.3 %	160.2 %	154.9 %	162.0 %	179.7 %	220.7 %	212.5 %
Plan fiduciary net position as a percentage of the total pension liability	86.0 %	84.5 %	84.1 %	88.6 %	77.0 %	79.4 %	78.7 %	76.1 %	76.2 %	81.2 %

See accompanying independent auditor's report.

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**Required Supplementary Information**

**Schedule of the System's Pension Contributions**

**State Employee and Teachers Plan**

**Last 10 Fiscal Years**

**Year Ended June 30  
(UNAUDITED)**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually-required contribution	<b>\$ 9,679,341</b>	\$ 9,050,342	\$ 8,466,766	\$ 7,386,034	\$ 7,035,912	\$ 7,029,833	\$ 7,414,754	\$ 7,347,216	\$ 6,862,506	\$ 7,367,698
Contributions in relation to the contractually-required contribution	<u>(9,679,341)</u>	<u>(9,050,342)</u>	<u>(8,466,766)</u>	<u>(7,386,034)</u>	<u>(7,035,912)</u>	<u>(7,029,833)</u>	<u>(7,414,754)</u>	<u>(7,347,216)</u>	<u>(6,862,506)</u>	<u>(7,367,698)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
The System's covered employee payroll	<b>\$45,786,856</b>	\$43,743,907	\$ 38,211,222	\$33,294,996	\$32,075,165	\$31,982,861	\$31,133,842	\$30,421,527	\$29,200,966	\$30,244,628
Contributions as a percentage of covered employee payroll	<b>21.14 %</b>	20.69 %	22.16 %	22.18 %	21.94 %	21.98 %	23.82 %	24.15 %	23.50 %	24.36 %

See accompanying independent auditor's report.

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**Required Supplementary Information**

**Schedule of the System's Proportionate Share of the Net OPEB Liability**

**Retired State Employees and Teachers Plan**

**Last 10 Fiscal Years\***

**Measurement Date as of June 30  
(UNAUDITED)**

	2024	2023	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Plan total OPEB liability	\$ 124,861,647	\$ 124,426,546	\$ 119,403,083	\$ 115,123,392	\$ 106,398,135	\$ 102,240,873	\$ 98,707,399
Less: Plan net fiduciary position	<u>(64,490,414)</u>	<u>(53,277,904)</u>	<u>(46,031,286)</u>	<u>(51,849,291)</u>	<u>(38,587,121)</u>	<u>(36,961,097)</u>	<u>(34,638,335)</u>
Plan net OPEB liability	<u>\$ 60,371,233</u>	<u>\$ 71,148,642</u>	<u>\$ 73,371,797</u>	<u>\$ 63,274,101</u>	<u>\$ 67,811,014</u>	<u>\$ 65,279,776</u>	<u>\$ 64,069,064</u>
The System's proportionate share of the net OPEB liability	\$ 2,900,397	\$ 3,112,099	\$ 3,109,401	\$ 2,591,142	\$ 2,992,572	\$ 2,998,031	\$ 2,849,172
The System's proportion of the net OPEB liability	4.80 %	4.37 %	4.24 %	4.10 %	4.41 %	4.59 %	4.45 %
The System's covered employee payroll	\$ 38,832,290	\$ 32,808,064	\$ 30,935,681	\$ 28,824,906	\$ 30,231,881	\$ 28,188,961	\$ 26,565,023
The System's proportionate share of the net OPEB liability as a percentage of its covered employee payroll	7.5 %	9.5 %	10.1 %	9.0 %	9.9 %	10.6 %	10.7 %
Plan fiduciary net position as a percentage of the total OPEB liability	51.7 %	42.8 %	38.6 %	45.0 %	36.3 %	36.2 %	35.1 %

\* The amounts presented for each fiscal year were determined as of the beginning of the fiscal year. Schedule is intended to show 10 years. Data has been provided for fiscal years in which the data is available.

See accompanying independent auditor's report.

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**Required Supplementary Information**

**Schedule of Changes in the Net OPEB Liability and Related Ratios  
Post-Employment Health Insurance Plan**

Last 10 Fiscal Years\*

**June 30, 2025  
(UNAUDITED)**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability									
Service cost	\$ 1,023,065	\$ 1,268,026	\$ 1,217,391	\$ 1,421,779	\$ 1,233,815	\$ 1,221,424	\$ 1,624,172	\$ 1,607,490	\$ 1,431,234
Interest	1,684,651	2,267,267	2,595,134	2,956,037	3,082,496	2,993,988	3,498,015	3,484,152	3,315,490
Differences between expected and actual experience	475,336	(11,731,547)	(9,065,806)	(8,669,051)	(4,348,283)	(1,157,551)	(5,346,242)	(3,243,432)	(3,617,568)
Changes of assumptions	1,318,834	1,116,799	2,063,826	(423,017)	5,986,128	-	(4,852,463)	-	5,915,472
Benefit payments	<u>(1,274,404)</u>	<u>(1,489,439)</u>	<u>(1,513,083)</u>	<u>(1,583,221)</u>	<u>(1,845,275)</u>	<u>(1,767,775)</u>	<u>(1,675,995)</u>	<u>(1,658,023)</u>	<u>(1,647,873)</u>
Net change in total OPEB liability	3,227,482	(8,568,894)	(4,702,538)	(6,297,473)	4,108,881	1,290,086	(6,752,513)	190,187	5,396,755
Total OPEB liability, beginning of year	<u>28,248,838</u>	<u>36,817,732</u>	<u>41,520,270</u>	<u>47,817,743</u>	<u>43,708,862</u>	<u>42,418,776</u>	<u>49,171,289</u>	<u>48,981,102</u>	<u>43,584,347</u>
Total OPEB liability, end of year	<u>31,476,320</u>	<u>28,248,838</u>	<u>36,817,732</u>	<u>41,520,270</u>	<u>47,817,743</u>	<u>43,708,862</u>	<u>42,418,776</u>	<u>49,171,289</u>	<u>48,981,102</u>
Plan fiduciary net position									
Contributions—System	1,971,440	1,897,396	1,713,730	1,541,526	1,493,107	1,525,122	2,142,140	2,096,898	2,090,345
Net investment income (loss)	6,873,244	7,981,067	4,846,968	(9,015,815)	12,201,762	2,458,551	1,873,651	2,836,346	4,769,443
Benefit payments	(1,274,404)	(1,489,439)	(1,513,083)	(1,583,221)	(1,845,275)	(1,767,775)	(1,675,995)	(1,658,023)	(1,647,873)
Administrative expense	<u>(55,000)</u>	<u>(55,000)</u>	<u>(55,000)</u>	<u>(55,000)</u>	<u>(55,015)</u>	<u>(55,040)</u>	<u>(55,000)</u>	<u>(55,000)</u>	<u>(55,150)</u>
Net change in plan fiduciary net position	7,515,280	8,334,024	4,992,615	(9,112,510)	11,794,579	2,160,858	2,284,796	3,220,221	5,156,765
Plan fiduciary net position, beginning of year	<u>60,347,392</u>	<u>52,013,368</u>	<u>47,020,753</u>	<u>56,133,263</u>	<u>44,338,684</u>	<u>42,177,826</u>	<u>39,893,030</u>	<u>36,672,809</u>	<u>31,516,044</u>
Plan fiduciary net position, end of year	<u>67,862,672</u>	<u>60,347,392</u>	<u>52,013,368</u>	<u>47,020,753</u>	<u>56,133,263</u>	<u>44,338,684</u>	<u>42,177,826</u>	<u>39,893,030</u>	<u>36,672,809</u>
Net OPEB (asset) liability—end of year	<u>\$ (36,386,352)</u>	<u>\$ (32,098,554)</u>	<u>\$ (15,195,636)</u>	<u>\$ (5,500,483)</u>	<u>\$ (8,315,520)</u>	<u>\$ (629,822)</u>	<u>\$ 240,950</u>	<u>\$ 9,278,259</u>	<u>\$ 12,308,293</u>
Plan fiduciary net position as a percentage of the total OPEB liability	215.6 %	213.6 %	141.3 %	113.2 %	117.4 %	101.4 %	99.4 %	81.1 %	74.9 %
Covered employee payroll	\$ 62,383,926	\$ 63,471,471	\$ 55,376,047	\$ 49,593,349	\$ 48,762,264	\$ 47,919,193	\$ 46,733,530	\$ 47,627,297	\$ 46,240,094
Net OPEB (asset) liability as a percentage of covered employee payroll	(58.3)%	(50.6)%	(27.4)%	(11.1)%	(17.1)%	(1.3)%	0.5 %	19.5 %	26.6 %

\* Schedule is intended to show 10 years. Data has been provided for fiscal years in which the data is available.

See accompanying independent auditor's report.

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**Required Supplementary Information**

**Schedule of Contributions  
Post-Employment Health Insurance Plan**

**June 30, 2025  
(UNAUDITED)**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ -	\$ 435,438	\$ 954,936	\$ 1,016,104	\$ 1,280,107	\$ 1,413,409	\$ 2,303,706	\$ 2,456,206	\$ 2,289,969	\$ 1,814,116
Contributions in relation to the actuarially determined contribution	<u>1,971,440</u>	<u>1,897,396</u>	<u>1,713,730</u>	<u>1,541,526</u>	<u>1,493,107</u>	<u>1,525,122</u>	<u>2,142,140</u>	<u>2,096,898</u>	<u>2,096,898</u>	<u>2,187,091</u>
Contribution (excess) deficiency	<u>\$ (1,971,440)</u>	<u>\$ (1,461,958)</u>	<u>\$ (758,794)</u>	<u>\$ (525,422)</u>	<u>\$ (213,000)</u>	<u>\$ (111,713)</u>	<u>\$ 161,566</u>	<u>\$ 359,308</u>	<u>\$ 193,071</u>	<u>\$ (372,975)</u>
Covered employee payroll	\$ 62,383,926	\$ 63,471,471	\$ 55,376,047	\$ 49,593,349	\$ 48,762,264	\$ 47,919,193	\$ 46,733,530	\$ 47,627,297	\$ 47,627,297	\$ 46,887,000
Contributions as a percentage of covered employee payroll	3.2 %	3.0 %	3.1 %	3.1 %	3.1 %	3.2 %	4.6 %	4.4 %	4.4 %	4.7 %

See accompanying independent auditor's report.

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**Required Supplementary Information**

**Schedule of Investment Returns  
Post-Employment Health Insurance Plan**

**Last 10 Fiscal Years\***

**June 30, 2025  
(UNAUDITED)**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return (loss), net of investment expense	<b>12.16 %</b>	16.01 %	10.97 %	(15.45)%	29.78 %	5.45 %	4.70 %	7.73 %	15.15 %

\* Schedule is intended to show 10 years. Data has been provided for fiscal years in which the data is available.

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**Notes to Required Supplementary Information**

**June 30, 2025  
(UNAUDITED)**

Factors that significantly affect the identification of trends in the amounts reported in the schedules are:

*Schedule of System's Proportionate Share of the Net Pension Liability and Schedule of the System's Pension Contributions*

The discount rate decreased to 6.50% in 2021, down from 6.75% in 2020 through 2018, 7.5% in 2017 and 7.125% in both 2016 and 2015.

*Schedules of Funding Progress and Employer's Contributions—Post-Employment Health Insurance Plan*

The Plan was established in 2009.

In 2025, the per capita costs were calculated using current enrollment and aging factors and the mortality table was SOA RPH-2006 Total Dataset Mortality Table fully generational using Scale MP-2021. Actuarially determined contributions were determined using a discount rate of 5.73%, a payroll growth factor of 3.00% and entry age normal as the actuarial cost method.

In 2023, the per capita costs were calculated using current enrollment and aging factors and the mortality table was changed from SOA RPH-2006 Total Dataset Mortality Table fully generational using Scale MP-2021. Actuarially determined contributions were determined using a discount rate of 6.07%, a payroll growth factor of 3.00% and entry age normal as the actuarial cost method.

In 2021, the per capita costs were calculated using current enrollment and aging factors and the mortality table was changed from SOA RPH-2018 Total Dataset Mortality Table fully generational using Scale MP-2018 to SOA RPH-2018 Total Dataset Mortality Table fully generational using Scale MP-2020. This change caused a decrease in liabilities. Actuarially determined contributions were determined using a discount rate of 6.10%, a payroll growth factor of 3.00% and entry age normal as the actuarial cost method.

In 2019, the per capita costs were increased using current enrollment and aging factors and the mortality table was changed from RPH-2015 Total Dataset Mortality Table Fully Generational using Scale MP-2015 to RPH-2018 Total Dataset Mortality Table Fully Generational using Scale MP-2018. Actuarially determined contributions were determined using a discount rate of 7.00%, a payroll growth factor of 3.00% and entry age normal as the actuarial cost method.

In 2017, the per capita costs were increased using current enrollment and aging factors and the mortality table was changed from RPH-2014 Total Dataset Mortality Table Fully Generational using Scale MP-2014 to RPH-2015 Total Dataset Mortality Table Fully Generational using Scale MP-2015. Actuarially determined contributions were determined using a discount rate of 7.00% as of July 1, 2021 and 6.10% as of June 30, 2020, a payroll growth factor of 3.00% and entry age normal as the actuarial cost method.

In 2015, the per capita costs were increased using current enrollment and aging factors and the mortality table was changed from RP-2000 Combined Mortality Table Fully Generational using Scale AA to RPH-2014 Total Dataset Mortality Table Fully Generational using Scale MP-2014. There were no changes in 2016.

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See accompanying independent auditor's report.

**MAINE COMMUNITY COLLEGE SYSTEM  
(A Component Unit of the State of Maine)**

**Schedule of Activities**

**Year Ended June 30, 2025**

**(Dollars in Thousands)**

<u>Functions/Programs</u>	Program Revenues					Net Revenue (Expense) and Changes in Net Assets			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Investment Income</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Primary Government Business- Type Activities</u>	<u>Total</u>	<u>Component Units Total</u>
Primary government									
Business-type activities									
Education	\$ 189,896	\$ 15,479	\$ -	\$ 95,343	\$ 34	\$ -	\$ (79,040)	\$ (79,040)	\$ -
Total primary government	<u>\$ 189,896</u>	<u>\$ 15,479</u>	<u>\$ -</u>	<u>\$ 95,343</u>	<u>\$ 34</u>	<u>-</u>	<u>(79,040)</u>	<u>(79,040)</u>	<u>-</u>
Component units	<u>\$ 9,837</u>	<u>\$ -</u>	<u>\$ 2,393</u>	<u>\$ 2,891</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,553)</u>
			General revenues						
			Unrestricted interest and investment gains			-	9,515	9,515	-
			Non-program specific grants, contributions, and appropriations			-	88,302	88,302	-
			Miscellaneous income			-	<u>3,264</u>	<u>3,264</u>	-
			Total general revenues and extraordinary items			<u>-</u>	<u>101,081</u>	<u>101,081</u>	<u>-</u>
			Change in net position			-	22,041	22,041	(4,553)
			Net position, beginning of year			<u>-</u>	<u>256,672</u>	<u>256,672</u>	<u>33,426</u>
			Net position, end of year			<u>\$ -</u>	<u>\$ 278,713</u>	<u>\$ 278,713</u>	<u>\$ 28,873</u>

See accompanying independent auditor's report.

# Appendix C

## Maine Community College System Operations Budget Fiscal 2026

Line		FY25 Budget	FY25 Projections	FY26 Budget
	<b>REVENUES</b>			
1	Students	49,480,357	52,097,077	52,226,620
2	Appropriations	102,152,591	102,983,904	102,246,676
3	Gov't Grants & Contracts	65,842,145	73,888,572	71,962,354
4	Private Grants & Contracts	20,612,112	13,892,590	25,491,555
5	Investments	4,900,086	5,326,488	5,287,626
6	Sales and Services	17,230,191	17,054,198	18,352,076
7	Other Revenue	1,797,117	9,835,260	9,949,231
8	Non-Revenue Receipts	1,661,691	(1,947,224)	(8,701,312)
9	<b>TOTAL REVENUES</b>	<b>263,676,290</b>	<b>273,130,866</b>	<b>276,814,824</b>
	<b>EXPENDITURES</b>			
10	<b>Personal Services</b>			
11	Salary & Wages	89,959,671	87,781,535	91,969,323
12	Other Compensation	1,373,176	3,182,619	1,579,892
13	Payroll Tax	2,203,014	2,561,830	2,814,401
14	Fringe Benefits	31,694,529	30,589,823	32,923,226
15	<b>TOTAL PERS. SERVICES</b>	<b>125,230,390</b>	<b>124,115,807</b>	<b>129,286,842</b>
	<b>All Other Expenses</b>			
16	Professional Services	30,925,360	30,219,067	33,146,623
17	Travel Expenses	1,781,452	1,446,808	1,686,267
18	Vehicle Operations	321,385	308,812	337,025
19	Utilities	3,401,091	3,769,532	3,837,887
20	Rents	3,423,147	3,516,813	3,574,614
21	Repairs	3,400,578	4,939,916	4,494,923
22	Insurance	1,325,626	1,454,420	1,463,679
23	OPEGA General Operating	1,519,661	1,047,273	1,584,306
24	Other General Operating	4,475,021	3,031,122	4,225,986
25	Food	467,725	242,246	623,405
26	Fuel	1,862,529	1,541,414	1,791,938
27	Supplies	6,202,760	6,962,549	7,269,653
28	Education Grants / Other	70,388,517	78,214,319	72,629,744
29	<b>TOTAL ALL OTHER</b>	<b>129,494,852</b>	<b>136,694,291</b>	<b>136,666,050</b>
30	Equipment	3,506,212	3,570,628	6,038,087
31	Land, Bldg & Improvements	5,193,288	6,592,907	5,419,735
32	<b>TOTAL CAPITAL</b>	<b>8,699,500</b>	<b>10,163,535</b>	<b>11,457,822</b>
33	<b>Total Expenditures</b>	<b>263,424,742</b>	<b>270,973,633</b>	<b>277,410,509</b>
34	<b>USE OF RESERVES</b>	<b>736,446</b>	<b>1,002,126</b>	<b>1,388,928</b>
35	<b>NET CHANGE</b>	<b>987,992</b>	<b>3,159,358</b>	<b>793,243</b>

**Maine Community College System  
Operational Budget by Division  
Fiscal 2026**

Line		CMCC	EMCC	KVCC	NMCC	SMCC	WCCC	YCCC	Total Colleges	SO/ITS/WFD	MCSW	TOTAL
<b>REVENUES</b>												
1	Students	9,947,953	6,488,911	6,179,161	2,554,897	21,515,564	1,897,647	3,642,487	52,226,620	-	-	52,226,620
2	Appropriations	14,223,548	13,725,174	10,376,091	11,538,686	26,238,163	7,727,668	7,795,700	91,625,030	9,628,233	993,413	102,246,676
3	Gov't Grants & Contracts	22,015,502	5,141,119	6,374,667	4,396,449	20,050,775	2,513,827	7,441,681	67,934,020	607,938	3,420,396	71,962,354
4	Private Grants & Contracts	1,241,785	396,000	112,859	1,287,512	1,986,803	1,720,568	2,871,138	9,616,665	15,874,890	-	25,491,555
5	Investments	142,491	-	-	29,215	10,408	18,114	18,000	218,228	-	5,069,398	5,287,626
6	Sales and Services	4,593,000	2,467,266	605,000	946,553	8,401,131	826,356	512,770	18,352,076	-	-	18,352,076
7	Other Revenue	768,000	84,071	194,904	85,000	210,000	62,884	119,042	1,523,901	7,925,330	500,000	9,949,231
8	Non-Revenue Receipts	590,702	259,268	44,000	83,235	(185,600)	197,119	489,004	1,477,728	(7,899,889)	(2,279,151)	(8,701,312)
9	<b>TOTAL REVENUES</b>	<b>53,522,981</b>	<b>28,561,809</b>	<b>23,886,682</b>	<b>20,921,547</b>	<b>78,227,244</b>	<b>14,964,183</b>	<b>22,889,821</b>	<b>242,974,267</b>	<b>26,136,501</b>	<b>7,704,056</b>	<b>276,814,824</b>
<b>EXPENDITURES</b>												
10	<b>Personal Services</b>											
11	Salary & Wages	13,648,673	10,960,274	8,624,647	8,197,212	28,327,231	5,640,030	6,951,270	82,349,337	9,619,986	-	91,969,323
12	Other Compensation	498,549	160,436	155,892	191,277	402,929	52,000	118,809	1,579,892	-	-	1,579,892
13	Payroll Tax	606,482	282,348	220,264	163,391	951,537	138,740	266,192	2,628,954	185,446	-	2,814,401
14	Fringe Benefits	4,184,299	4,046,201	3,205,750	3,434,490	9,562,669	2,462,342	1,972,984	28,868,735	4,054,491	-	32,923,226
15	<b>TOTAL PERS. SERVICES</b>	<b>18,938,003</b>	<b>15,449,259</b>	<b>12,206,553</b>	<b>11,986,370</b>	<b>39,244,366</b>	<b>8,293,112</b>	<b>9,309,255</b>	<b>115,426,918</b>	<b>13,859,924</b>	<b>-</b>	<b>129,286,842</b>
<b>All Other Expenses</b>												
16	Professional Services	3,923,434	3,145,227	2,020,821	1,775,400	6,175,583	904,304	1,502,580	19,447,349	8,563,468	5,135,805	33,146,623
17	Travel Expenses	296,730	64,369	112,087	113,467	442,831	137,504	152,195	1,319,183	367,084	-	1,686,267
18	Vehicle Operations	41,783	17,880	31,420	20,100	147,600	58,154	20,088	337,025	-	-	337,025
19	Utilities	603,210	848,476	332,376	454,873	1,056,500	154,833	291,135	3,741,403	96,484	-	3,837,887
20	Rents	1,056,950	31,925	392,780	48,000	1,429,425	44,700	393,979	3,397,759	176,855	-	3,574,614
21	Repairs	507,005	343,244	532,825	442,577	562,791	340,970	67,015	2,796,427	1,698,496	-	4,494,923
22	Insurance	181,992	189,954	126,093	175,720	494,700	134,372	111,348	1,414,179	49,500	-	1,463,679
23	OPEGA General Operating	249,338	151,781	124,839	103,903	395,007	218,928	155,958	1,399,754	184,552	-	1,584,306
24	Other General Operating	710,915	473,728	266,793	304,692	770,700	305,287	585,159	3,417,274	808,712	-	4,225,986
25	Food	625	40,000	203,400	79,100	52,150	248,130	-	623,405	-	-	623,405
26	Fuel	264,469	197,920	199,000	312,224	531,000	182,325	105,000	1,791,938	-	-	1,791,938
27	Supplies	1,091,375	603,395	1,163,047	484,101	2,088,749	719,476	764,329	6,914,472	355,181	-	7,269,653
28	Education Grants / Other	22,090,142	6,407,984	6,158,218	3,577,570	24,619,468	2,170,841	4,709,075	69,733,298	328,196	2,568,251	72,629,744
29	<b>TOTAL ALL OTHER</b>	<b>31,017,968</b>	<b>12,515,883</b>	<b>11,663,699</b>	<b>7,891,727</b>	<b>38,766,504</b>	<b>5,619,824</b>	<b>8,857,861</b>	<b>116,333,466</b>	<b>12,628,324</b>	<b>7,704,056</b>	<b>136,666,050</b>
30	Equipment	3,467,010	268,000	-	43,450	440,572	1,051,247	731,638	6,001,917	36,170	-	6,038,087
31	Land, Bldg & Improvements	100,000	328,667	-	1,000,000	-	-	3,991,068	5,419,735	-	-	5,419,735
32	<b>TOTAL CAPITAL</b>	<b>3,567,010</b>	<b>596,667</b>	<b>-</b>	<b>1,043,450</b>	<b>440,572</b>	<b>1,051,247</b>	<b>4,722,706</b>	<b>11,421,652</b>	<b>36,170</b>	<b>-</b>	<b>11,457,822</b>
33	<b>Total Expenditures</b>	<b>53,522,981</b>	<b>28,561,809</b>	<b>23,870,252</b>	<b>20,921,547</b>	<b>78,451,442</b>	<b>14,964,183</b>	<b>22,889,821</b>	<b>243,182,035</b>	<b>26,524,418</b>	<b>7,704,056</b>	<b>277,410,509</b>
34	<b>USE OF RESERVES</b>					224,198		-	224,198	1,164,730		1,388,928
35	<b>NET CHANGE</b>	<b>-</b>	<b>-</b>	<b>16,430</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,430</b>	<b>776,813</b>	<b>-</b>	<b>793,243</b>

**Subdivisions of System Office: System Office, IT Shared Services and Workforce Development  
Operations Budget  
Fiscal 2026**

Line		System Office	IT Shared Services	Workforce Development	Total
<b>REVENUES</b>					
1	Students	-	-	-	-
2	Appropriations	7,656,155	-	1,972,078	9,628,233
3	Gov't Grants & Contracts	220,813	-	387,125	607,938
4	Private Grants & Contracts	103,260	-	15,771,630	15,874,890
5	Investments	-	-	-	-
6	Sales and Services	-	-	-	-
7	Other Revenue	197,450	7,727,880	-	7,925,330
8	Non-Revenue Receipts	(95,365)	-	(7,804,524)	(7,899,889)
9	<b>TOTAL REVENUES</b>	<b>8,082,312</b>	<b>7,727,880</b>	<b>10,326,309</b>	<b>26,136,501</b>
<b>EXPENDITURES</b>					
10	<b>Personal Services</b>				
11	Salary & Wages	3,860,595	3,665,343	2,094,048	9,619,986
12	Other Compensation	-	-	-	-
13	Payroll Tax	79,306	70,400	35,740	185,446
14	Fringe Benefits	1,568,720	1,686,477	799,295	4,054,491
15	<b>TOTAL PERS. SERVICES</b>	<b>5,508,621</b>	<b>5,422,220</b>	<b>2,929,083</b>	<b>13,859,924</b>
<b>All Other Expenses</b>					
16	Professional Services	2,379,103	837,454	5,346,911	8,563,468
17	Travel Expenses	170,740	36,488	159,856	367,084
18	Vehicle Operations	-	-	-	-
19	Utilities	15,280	77,604	3,600	96,484
20	Rents	176,855	-	-	176,855
21	Repairs	94,263	988,710	615,523	1,698,496
22	Insurance	49,500	-	-	49,500
23	OPEGA General Operating	110,122	6,585	67,845	184,552
24	Other General Operating	432,844	35,286	340,582	808,712
25	Food	-	-	-	-
26	Fuel	-	-	-	-
27	Supplies	42,990	285,891	26,300	355,181
28	Education Grants / Other	266,724	1,472	60,000	328,196
29	<b>TOTAL ALL OTHER</b>	<b>3,738,421</b>	<b>2,269,490</b>	<b>6,620,617</b>	<b>12,628,528</b>
30	Equipment	-	36,170	-	36,170
31	Land, Bldg & Improvements	-	-	-	-
32	<b>TOTAL CAPITAL</b>	<b>-</b>	<b>36,170</b>	<b>-</b>	<b>36,170</b>
33	<b>Total Expenditures</b>	<b>9,247,042</b>	<b>7,727,880</b>	<b>9,549,700</b>	<b>26,524,622</b>
34	<b>USE OF RESERVES</b>	<b>1,164,730</b>			<b>1,164,730</b>
35	<b>NET CHANGE</b>	<b>(0)</b>	<b>0</b>	<b>776,609</b>	<b>776,609</b>

**Maine Community College System**  
**Operational Budget by College**  
**Fiscal Year 2026**

**OPEGA Expense Analysis Account Level Detail**

**OPEGA Travel Detail**

<b>Travel</b>	<b>CMCC</b>	<b>EMCC</b>	<b>KVCC</b>	<b>NMCC</b>	<b>SMCC</b>	<b>WCCC</b>	<b>YCCC</b>	<b>Total Colleges</b>	<b>MSCO</b>	<b>MCSW</b>	<b>TOTAL</b>
6210 LODGING	97,150	26,970	40,366	46,590	141,293	62,920	46,850	462,139	116,499	0	578,638
6220 MEALS	77,210	8,972	13,194	15,277	61,761	33,890	38,850	249,154	30,930	0	280,084
6230 TRANSPORTATION	55,425	12,250	21,811	22,770	112,777	12,655	41,100	278,788	59,979	0	338,767
6270 AUTOMILEAGE REIMBURSEMENT	59,210	13,082	23,471	23,185	118,535	24,369	22,845	284,697	151,940	0	436,637
6280 MISC TRAVEL EXPENSE	7,735	3,095	13,245	5,645	8,465	3,670	2,550	39,992	7,736	0	47,728
<b>Total Travel Expenses</b>	<b>296,730</b>	<b>64,369</b>	<b>112,087</b>	<b>113,467</b>	<b>442,831</b>	<b>137,504</b>	<b>152,195</b>	<b>1,314,770</b>	<b>367,084</b>	<b>0</b>	<b>1,681,854</b>

**OPEGA General Operating Detail**

**Meeting Expense**

6825 REGISTRATION FEES	61,861	31700	32909	20520	63874	51335	56301.9	318,501	57,639	0	376,140
6880 MEETING EXPENSE	93,740	49480	24790	38948	136250	71094	22874.8	437,177	36,012	0	473,189
<b>Total Meeting Expenses</b>	<b>155,601</b>	<b>81,180</b>	<b>57,699</b>	<b>59,468</b>	<b>200,124</b>	<b>122,429</b>	<b>79,177</b>	<b>755,678</b>	<b>93,651</b>	<b>0</b>	<b>849,329</b>

**Entertainment Expense**

6855 ENTERTAINMENT EXPENSE	22,700	0	10,500	2,000	6,050	16,700	0	57,950	0	0	57,950
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**"Contributions" Expense**

6840 SPONSORSHIPS	2,500	0	0	4,000	8,050	6,052	11,660	32,262	65,650	0	97,912
6865 GIFTS	0	3,908	0	1,875	35,500	26,161	4,346	71,790	0	0	71,790
6870 PROFESSIONAL DUES	5,172	7,057	2,513	4,750	8,460	1,560	0	29,512	900	0	30,412
6875 MEMBERSHIPS	63,365	59,636	54,127	28,810	136,823	46,026	60,775	449,562	24,351	0	473,913
6885 DONATIONS	0	0	0	3,000	0	0	0	3,000	0	0	3,000
<b>Total "Contributions"</b>	<b>71,037</b>	<b>70,601</b>	<b>56,640</b>	<b>42,435</b>	<b>188,833</b>	<b>79,799</b>	<b>76,781</b>	<b>586,126</b>	<b>90,901</b>	<b>0</b>	<b>677,027</b>

Meeting Expenses	155,601	81,180	57,699	59,468	200,124	122,429	79,177	755,678	162,070	0	917,748
Entertainment Expenses	22,700	0	10,500	2,000	6,050	16,700	0	57,950	0	0	57,950
"Contributions" Expenses	71,037	70,601	56,640	42,435	188,833	79,799	76,781	586,126	81,041	0	667,167
<b>Total OPEGA General Op. Exp.</b>	<b>249,338</b>	<b>151,781</b>	<b>124,839</b>	<b>103,903</b>	<b>395,007</b>	<b>218,928</b>	<b>155,958</b>	<b>1,399,754</b>	<b>243,111</b>	<b>0</b>	<b>1,642,865</b>

# OPEGA Category Descriptions

## Account descriptions:

### Travel

<i>General considerations</i>	<i>In general "travel" means a trip by employees, students (including sports team), trustees or other persons for whom MCCC will pay the costs, except that the travel expenses of visiting accreditors or professional service contractors who are not MCCC employees and for whom travel reimbursements are required by virtue of their activity or contract, shall be accounted for as professional services consistent with standard accounting practices.</i>
<i>Acct 6210: Lodging</i>	<i>The actual cost of hotel, motel or inn accommodations (Financial Procedure 204.7).</i>
<i>Acct 6220: Travel Meals</i>	<i>The actual cost, including customary and reasonable gratuities, of necessary meals incurred by an employee while on authorized travel (Financial Procedure 204.6).</i>
<i>Acct 6230: Transportation</i>	<i>The actual costs of plane, bus, train and ferry tickets when incurred to conduct MCCC business (Financial Procedure 204.10 &amp; 11).</i>
<i>Acct 6270: Mileage</i>	<i>Reimbursement for the cost mileage at standard rates established by the IRS for use of a personal vehicle while traveling on college or system business (Financial Procedure 204.9A).</i>
<i>Acct 6280: Miscellaneous</i>	<i>The actual cost of tolls, parking and other sundry costs incurred while traveling on college or system business (Financial Procedure 204.9B).</i>
<i>Acct 6825: Registration Fees</i>	<i>The actual cost of conference and/or meeting fees paid for attendance and participation.</i>
<i>Acct 6880: Business Meals</i>	<i>The actual cost of food or beverage service provided at the expense of the College for its employees or others when those meals help to advance the College's work schedule, business interests or mission; Business Meals do not include: Student board meals, cafeteria or snack bar services for which students, employees, others pay individually for their food and beverages; the colleges' customary catering services paid for by third parties; meals to the extent paid for by a source other than MCCC, such as a foundation; and "Travel Meals" as defined in MCCC Financial Procedure 204 which are governed by that procedure.</i>

### Other Travel accounts not reported here:

<i>Acct: 6130: Food Services</i>	<i>Costs of third party contracts associated with the delivery of food services for college cafeterias, <u>but</u> not the cost of catered "business meals".</i>
<i>Acct 6145: Accreditation Services</i>	<i>The costs associated with the college's accreditation - <u>including</u> annual participation fees for accreditation.</i>
<i>Acct 6850: Employee Tuition</i>	<i>The reimbursed cost of employee tuition, fees, books and other related costs as described in the collective bargaining agreements.</i>

### Entertainment

<i>Acct 6855: Entertainment</i>	<i>Entertainment includes but is not limited to payments for movie, theater and concert tickets; athletic events, clowns, jugglers and magicians; and comedians, storytellers and the like. Entertainment does not include guest lecturers, invited speakers, training and academic programs. Entertainment does not include meals which are governed separately under MCCC Financial Procedures 214 and 215.</i>
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### "Contributions"

<i>Acct 6840: Sponsorships</i>	<i>Payments in support of a cause, event or service in exchange for name recognition and/or good will.</i>
<i>Acct 6865: Gifts</i>	<i>Payments directly or indirectly through the purchase of goods or services that are not in exchange for a tangible return at fair market value.</i>
<i>Acct 6870: Professional Licensure</i>	<i>Payments directly to, or reimbursements for the cost of professional licensure required for the administration of duties. Professional licensure is not reportable under the OPEGA Law.</i>
<i>Acct 6875: Memberships</i>	<i>Payments for individual or institutional affiliation with another organization for which dues are paid and from which certain services are received in exchange for those dues.</i>
<i>Acct 6885: Donations</i>	<i>Payments in support of a particular cause.</i>

*Note: Accreditation costs are recorded separately and the dues associated with accreditation will be accounted for as part of accreditation.*

	<b>Categories</b>	<b>Notes</b>
<b>Travel -----</b>	<p>T01; Professional Development T02; MCCS/College meetings</p> <p>T03; Academic program meetings and department T04; Student events</p> <p>T05; Student recruitment and outreach T06; Business &amp; industry outreach T07; Faculty and staff events T08; Academic delivery (Clinical, externships, remote programs) T09; Human resources outreach &amp; recruiting activities T10; Chambers/Community and Professional groups T11; Athletic team travel T12; Grant meetings and travel T99; Other</p>	<p>Includes faculty and staff training and conferences Student of Year, Academic Deans, Deans of Students, Deans of Finance, President's cabinet, Board, campus to campus, All Maine Academic Team, Library Directors, IT, etc meetings</p> <p>Advisory committee and departmental meetings Student orientation, admitted student day, test &amp; tour days</p> <p>Student recruitment and outreach/admissions Business &amp; industry outreach Employee appreciation, etc Clinical travel and field placement, externships and offsite delivery.</p> <p>Applicant travel Chambers, community and professional groups Athletic team travel Travel relating to and funded by a grant</p>
<b>Entertainment ---</b>	<p>E01; Student functions E02; Residence hall activities E03; Grant education activities E04; Staff functions E99; Other</p>	<p>Student functions such as awards day, graduation, etc. Residence hall activities Grant education activities (TRiO trips) Staff functions</p>
<b>Contributions ---</b>	<p>C01; Professional associations, memberships &amp; dues C02; Professional licensure C03; Community associations &amp; memberships C04; Grants associated memberships C05; ASCAP C06; Purchasing memberships C07; Library memberships C08; Student service associations C09; Higher education memberships C10; Athletic conference participation C11; Student recognition C12; Employee and community recognition C13; Community outreach and public awareness C99; Other</p>	<p>Professional associations, memberships &amp; dues Professional licensure Community associations &amp; memberships Grants associated memberships (TRiO) ASCAP Purchasing memberships Library memberships Student Service associations Higher Education memberships (NEASC, AACC) Athletic conference participation Student recognition events Employee and community recognition</p>

**College: CMCC**

Period: 07/01/2025 - 06/30/2026

**Travel Reimbursement Summary****Event/Purpose:**

<i>T01; Professional Development</i>
<i>T02; MCCS/College meetings</i>
<i>T03; Academic program meetings and department</i>
<i>T04; Student events</i>
<i>T05; Student recruitment and outreach</i>
<i>T06; Business &amp; industry outreach</i>
<i>T07; Faculty and staff events</i>
<i>T08; Academic delivery (Clinical, externships, remote programs)</i>
<i>T09; Human resources outreach &amp; recruiting activities</i>
<i>T10; Chambers/Community and Professional groups</i>
<i>T11; Athletic team travel</i>
<i>T12; Grant meetings and travel</i>
<i>T99; Other</i>

**Business Travel**

Budget	Forecast	Variance
70,625	-	70,625
35,790	-	35,790
5,395	-	5,395
160	-	160
36,475	-	36,475
4,470	-	4,470
-	-	-
6,425	-	6,425
800	-	800
6,090	-	6,090
116,400	-	116,400
13,250	-	13,250
850	-	850
<u>296,730</u>	<u>-</u>	<u>296,730</u>

**Meeting Expense**

Budget	Forecast	Variance
44,661	-	44,661
28,200	-	28,200
2,750	-	2,750
10,690	-	10,690
35,550	-	35,550
10,450	-	10,450
2,400	-	2,400
-	-	-
-	-	-
1,900	-	1,900
17,000	-	17,000
-	-	-
4,665	-	4,665
<u>158,266</u>	<u>-</u>	<u>158,266</u>

**Entertainment Summary****Event/Purpose:**

<i>E01; Student functions</i>
<i>E02; Residence hall activities</i>
<i>E03; Grant education activities</i>
<i>E04; Staff functions</i>
<i>E99; Other</i>

Budget	Forecast	Variance
1,000	-	1,000
15,000	-	15,000
6,700	-	6,700
-	-	-
-	-	-
<u>22,700</u>	<u>-</u>	<u>22,700</u>

**Contributions Summary****Event/Purpose:**

<i>C01; Professional associations, memberships &amp; dues</i>
<i>C02; Professional licensure</i>
<i>C03; Community associations &amp; memberships</i>
<i>C04; Grants associated memberships</i>
<i>C05; ASCAP</i>
<i>C06; Purchasing memberships</i>
<i>C07; Library memberships</i>
<i>C08; Student service associations</i>
<i>C09; Higher education memberships</i>
<i>C10; Athletic conference participation</i>
<i>C11; Student recognition</i>
<i>C12; Employee and community recognition</i>
<i>C13; Community outreach and public awareness</i>
<i>C99; Other</i>

Budget	Forecast	Variance
19,943	-	20,043
4,372	-	4,555
15,600	-	15,600
655	-	655
1,500	-	1,300
3,950	-	3,700
-	-	-
1,000	-	1,000
7,617	-	8,219
16,400	-	13,300
-	-	-
-	-	-
-	-	-
-	-	-
<u>68,372</u>	<u>-</u>	<u>68,372</u>

College: KVCC

Period: 07/01/2025 - 06/30/2026

**Travel Reimbursement Summary**

Event/Purpose:	Business Travel			Meeting Expense		
	Budget	Forecast	Variance	Budget	Forecast	Variance
T01; Professional Development	46,423	-	46,423	9,429	-	9,429
T02; MCCS/College meetings	-	-	-	5,000	-	5,000
T03; Academic program meetings and department	500	-	500	2,550	-	2,550
T04; Student events	-	-	-	5,860	-	5,860
T05; Student recruitment and outreach	3,200	-	3,200	1,500	-	1,500
T06; Business & industry outreach	2,016	-	2,016	-	-	-
T07; Faculty and staff events	-	-	-	9,500	-	9,500
T08; Academic delivery (Clinical, externships, remote programs)	3,500	-	3,500	140	-	140
T09; Human resources outreach & recruiting activities	-	-	-	-	-	-
T10; Chambers/Community and Professional groups	-	-	-	-	-	-
T11; Athletic team travel	3,880	-	3,880	-	-	-
T12; Grant meetings and travel	31,061	-	31,061	13,604	-	13,604
T99; Other	21,507	-	21,507	10,116	-	10,116
	<u>112,087</u>	<u>-</u>	<u>112,087</u>	<u>57,699</u>	<u>-</u>	<u>57,699</u>

**Entertainment Summary**

Event/Purpose:	Budget	Forecast	Variance
E01; Student functions	500	-	-
E02; Residence hall activities	10,000	-	-
E03; Grant education activities	-	-	-
E04; Staff functions	-	-	-
E99; Other	-	-	-
	<u>10,500</u>	<u>-</u>	<u>-</u>

**Contributions Summary**

Event/Purpose:	Budget	Forecast	Variance
C01; Professional associations, memberships & dues	54,127	-	54,127
C02; Professional licensure	2,513	-	2,513
C03; Community associations & memberships	-	-	-
C04; Grants associated memberships	-	-	-
C05; ASCAP	-	-	-
C06; Purchasing memberships	-	-	-
C07; Library memberships	-	-	-
C08; Student service associations	-	-	-
C09; Higher education memberships	-	-	-
C10; Athletic conference participation	-	-	-
C11; Student recognition	-	-	-
C12; Employee and community recognition	-	-	-
C13; Community outreach and public awareness	-	-	-
C99; Other	-	-	-
	<u>56,640</u>	<u>-</u>	<u>56,640</u>

**College: EMCC**

**Period: 07/01/2025 - 06/30/2026**

**Travel Reimbursement Summary**

**Event/Purpose:**

<b>T01; Professional Development</b>
<i>T02; MCCS/College meetings</i>
<i>T03; Academic program meetings and department</i>
<i>T04; Student events</i>
<i>T05; Student recruitment and outreach</i>
<i>T06; Business &amp; industry outreach</i>
<i>T07; Faculty and staff events</i>
<i>T08; Academic delivery (Clinical, externships, remote programs)</i>
<i>T09; Human resources outreach &amp; recruiting activities</i>
<i>T10; Chambers/Community and Professional groups</i>
<i>T11; Athletic team travel</i>
<i>T12; Grant meetings and travel</i>
<i>T99; Other</i>

**Business Travel**

<b>Budget</b>	<b>Forecast</b>	<b>Variance</b>
36,940	-	36,940
5,652	-	5,652
1,200	-	1,200
3,300	-	3,300
11,400	-	11,400
550	-	550
-	-	-
1,100	-	1,100
-	-	-
300	-	300
-	-	-
-	-	-
3,927	-	3,927
<b>64,369</b>	<b>-</b>	<b>64,369</b>

**Meeting Expense**

<b>Budget</b>	<b>Forecast</b>	<b>Variance</b>
26,225	-	26,225
4,000	-	4,000
15,040	-	15,040
10,700	-	10,700
15,175	-	15,175
-	-	-
2,850	-	2,850
300	-	300
-	-	-
2,850	-	2,850
-	-	-
-	-	-
3,040	-	3,040
<b>80,180</b>	<b>-</b>	<b>80,180</b>

**Entertainment Summary**

**Event/Purpose:**

<i>E01; Student functions</i>
<i>E02; Residence hall activities</i>
<i>E03; Grant education activities</i>
<i>E04; Staff functions</i>
<i>E99; Other</i>

<b>Budget</b>	<b>Forecast</b>	<b>Variance</b>
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
<b>-</b>	<b>-</b>	<b>-</b>

**Contributions Summary**

**Event/Purpose:**

<i>C01; Professional associations, memberships &amp; dues</i>
<i>C02; Professional licensure</i>
<i>C03; Community associations &amp; memberships</i>
<i>C04; Grants associated memberships</i>
<i>C05; ASCAP</i>
<i>C06; Purchasing memberships</i>
<i>C07; Library memberships</i>
<i>C08; Student service associations</i>
<i>C09; Higher education memberships</i>
<i>C10; Athletic conference participation</i>
<i>C11; Student recognition</i>
<i>C12; Employee and community recognition</i>
<i>C13; Community outreach and public awareness</i>
<i>C99; Other</i>

<b>Budget</b>	<b>Forecast</b>	<b>Variance</b>
27,985	-	27,985
6,527	-	6,527
3,657	-	3,657
732	-	732
750	-	750
829	-	829
-	-	-
1,000	-	1,000
24,828	-	24,828
-	-	-
-	-	-
286	-	286
3,622	-	3,622
1,385	-	1,385
<b>71,601</b>	<b>-</b>	<b>71,601</b>

College: NMCC

Period: 07/01/2025 - 06/30/2026

**Travel Reimbursement Summary**

Event/Purpose:	Business Travel			Meeting Expense		
	Budget	Forecast	Variance	Budget	Forecast	Variance
T01; Professional Development	55,179	-	55,179	21,785	-	21,785
T02; MCCS/College meetings	27,730	-	27,730	11,260	-	11,260
T03; Academic program meetings and department	3,203	-	3,203	4,400	-	4,400
T04; Student events	3,050	-	3,050	5,008	-	5,008
T05; Student recruitment and outreach	12,200	-	12,200	8,000	-	8,000
T06; Business & industry outreach	2,450	-	2,450	2,300	-	2,300
T07; Faculty and staff events	200	-	200	3,800	-	3,800
T08; Academic delivery (Clinical, externships, remote programs)	750	-	750	-	-	-
T09; Human resources outreach & recruiting activities	-	-	-	-	-	-
T10; Chambers/Community and Professional groups	-	-	-	600	-	600
T11; Athletic team travel	-	-	-	-	-	-
T12; Grant meetings and travel	8,705	-	8,705	2,000	-	2,000
T99; Other	-	-	-	315	-	315
	<u>113,467</u>	<u>-</u>	<u>113,467</u>	<u>59,468</u>	<u>-</u>	<u>59,468</u>

**Entertainment Summary**

Event/Purpose:	Budget	Forecast	Variance
E01; Student functions	1,500	-	-
E02; Residence hall activities	-	-	-
E03; Grant education activities	-	-	-
E04; Staff functions	500	-	-
E99; Other	-	-	-
	<u>2,000</u>	<u>-</u>	<u>-</u>

**Contributions Summary**

Event/Purpose:	Budget	Forecast	Variance
C01; Professional associations, memberships & dues	17,947	-	17,947
C02; Professional licensure	3,778	-	3,778
C03; Community associations & memberships	2,325	-	2,325
C04; Grants associated memberships	4,200	-	4,200
C05; ASCAP	-	-	-
C06; Purchasing memberships	-	-	-
C07; Library memberships	75	-	75
C08; Student service associations	1,735	-	1,735
C09; Higher education memberships	2,000	-	2,000
C10; Athletic conference participation	1,500	-	1,500
C11; Student recognition	200	-	200
C12; Employee and community recognition	8,675	-	8,675
C13; Community outreach and public awareness	-	-	-
C99; Other	-	-	-
	<u>42,435</u>	<u>-</u>	<u>42,435</u>

**College: SMCC**

Period: 07/01/2025 - 06/30/2026

**Travel Reimbursement Summary****Event/Purpose:**

<i>T01; Professional Development</i>
<i>T02; MCCS/College meetings</i>
<i>T03; Academic program meetings and department</i>
<i>T04; Student events</i>
<i>T05; Student recruitment and outreach</i>
<i>T06; Business &amp; industry outreach</i>
<i>T07; Faculty and staff events</i>
<i>T08; Academic delivery (Clinical, externships, remote programs)</i>
<i>T09; Human resources outreach &amp; recruiting activities</i>
<i>T10; Chambers/Community and Professional groups</i>
<i>T11; Athletic team travel</i>
<i>T12; Grant meetings and travel</i>
<i>T99; Other</i>

**Business Travel**

Budget	Forecast	Variance
56,993	-	56,993
15,200	-	15,200
2,750	-	2,750
123,500	-	123,500
18,083	-	18,083
8,250	-	8,250
-	-	-
130,450	-	130,450
1,500	-	1,500
-	-	-
84,750	-	84,750
1,355	-	1,355
-	-	-
442,831	-	442,831

**Meeting Expense**

Budget	Forecast	Variance
43,749	-	43,749
5,075	-	5,075
25,200	-	25,200
21,250	-	21,250
21,500	-	21,500
4,500	-	4,500
30,000	-	30,000
45,500	-	45,500
500	-	500
2,700	-	2,700
-	-	-
150	-	150
-	-	-
200,124	-	200,124

**Entertainment Summary****Event/Purpose:**

<i>E01; Student functions</i>
<i>E02; Residence hall activities</i>
<i>E03; Grant education activities</i>
<i>E04; Staff functions</i>
<i>E99; Other</i>

Budget	Forecast	Variance
4,800	-	-
1,250	-	-
-	-	-
-	-	-
-	-	-
6,050	-	-

**Contributions Summary****Event/Purpose:**

<i>C01; Professional associations, memberships &amp; dues</i>
<i>C02; Professional licensure</i>
<i>C03; Community associations &amp; memberships</i>
<i>C04; Grants associated memberships</i>
<i>C05; ASCAP</i>
<i>C06; Purchasing memberships</i>
<i>C07; Library memberships</i>
<i>C08; Student service associations</i>
<i>C09; Higher education memberships</i>
<i>C10; Athletic conference participation</i>
<i>C11; Student recognition</i>
<i>C12; Employee and community recognition</i>
<i>C13; Community outreach and public awareness</i>
<i>C99; Other</i>

Budget	Forecast	Variance
50,648	-	50,648
8,120	-	8,120
7,990	-	7,990
-	-	-
2,100	-	2,100
-	-	-
700	-	700
-	-	-
63,625	-	63,625
11,500	-	11,500
1,600	-	1,600
4,400	-	4,400
37,550	-	37,550
600	-	600
188,833	-	188,833

**College: WCCC**

Period: 07/01/2025 - 06/30/2026

**Travel Reimbursement Summary****Event/Purpose:**

<i>T01; Professional Development</i>
<i>T02; MCCS/College meetings</i>
<i>T03; Academic program meetings and department</i>
<i>T04; Student events</i>
<i>T05; Student recruitment and outreach</i>
<i>T06; Business &amp; industry outreach</i>
<i>T07; Faculty and staff events</i>
<i>T08; Academic delivery (Clinical, externships, remote programs)</i>
<i>T09; Human resources outreach &amp; recruiting activities</i>
<i>T10; Chambers/Community and Professional groups</i>
<i>T11; Athletic team travel</i>
<i>T12; Grant meetings and travel</i>
<i>T99; Other</i>

**Business Travel**

Budget	Forecast	Variance
10,302	-	10,302
28,645	-	28,645
1,450	-	1,450
2,500	-	2,500
22,250	-	22,250
14,590	-	14,590
-	-	-
15,812	-	15,812
-	-	-
50	-	50
28,175	-	28,175
12,730	-	12,730
1,000	-	1,000
<u>137,504</u>	<u>-</u>	<u>137,504</u>

**Meeting Expense**

Budget	Forecast	Variance
44,425	-	44,425
3,500	-	3,500
3,400	-	3,400
26,950	-	26,950
4,150	-	4,150
5,075	-	5,075
10,350	-	10,350
6,744	-	6,744
250	-	250
300	-	300
750	-	750
5,835	-	5,835
10,700	-	10,700
<u>122,429</u>	<u>-</u>	<u>122,429</u>

**Entertainment Summary****Event/Purpose:**

<i>E01; Student functions</i>
<i>E02; Residence hall activities</i>
<i>E03; Grant education activities</i>
<i>E04; Staff functions</i>
<i>E99; Other</i>

Budget	Forecast	Variance
16,700	-	-
-	-	-
-	-	-
-	-	-
-	-	-
<u>16,700</u>	<u>-</u>	<u>-</u>

**Contributions Summary****Event/Purpose:**

<i>C01; Professional associations, memberships &amp; dues</i>
<i>C02; Professional licensure</i>
<i>C03; Community associations &amp; memberships</i>
<i>C04; Grants associated memberships</i>
<i>C05; ASCAP</i>
<i>C06; Purchasing memberships</i>
<i>C07; Library memberships</i>
<i>C08; Student service associations</i>
<i>C09; Higher education memberships</i>
<i>C10; Athletic conference participation</i>
<i>C11; Student recognition</i>
<i>C12; Employee and community recognition</i>
<i>C13; Community outreach and public awareness</i>
<i>C99; Other</i>

Budget	Forecast	Variance
8,136	-	8,136
4,350	-	4,350
3,950	-	3,950
3,350	-	3,350
1,000	-	1,000
850	-	850
4,900	-	4,900
-	-	-
13,350	-	13,350
10,600	-	10,600
7,351	-	7,351
5,760	-	5,760
15,402	-	15,402
800	-	800
<u>79,799</u>	<u>-</u>	<u>79,799</u>

College: YCCC

Period: 07/01/2025 - 06/30/2026

**Travel Reimbursement Summary**

**Event/Purpose:**

T01; Professional Development
T02; MCCS/College meetings
T03; Academic program meetings and department
T04; Student events
T05; Student recruitment and outreach
T06; Business & industry outreach
T07; Faculty and staff events
T08; Academic delivery (Clinical, externships, remote programs)
T09; Human resources outreach & recruiting activities
T10; Chambers/Community and Professional groups
T11; Athletic team travel
T12; Grant meetings and travel
T99; Other

**Business Travel**

Budget	Forecast	Variance
77,350	-	77,350
9,295	-	9,295
100	-	100
-	-	-
17,950	-	17,950
4,700	-	4,700
-	-	-
100	-	100
-	-	-
5,500	-	5,500
37,000	-	37,000
-	-	-
200	-	200
<u>152,195</u>	<u>-</u>	<u>152,195</u>

**Meeting Expense**

Budget	Forecast	Variance
43,749	-	43,749
5,075	-	5,075
25,200	-	25,200
21,250	-	21,250
21,500	-	21,500
4,500	-	4,500
30,000	-	30,000
45,500	-	45,500
500	-	500
2,700	-	2,700
-	-	-
150	-	150
-	-	-
<u>200,124</u>	<u>-</u>	<u>200,124</u>

**Entertainment Summary**

**Event/Purpose:**

E01; Student functions
E02; Residence hall activities
E03; Grant education activities
E04; Staff functions
E99; Other

Budget	Forecast	Variance
4,800	-	-
1,250	-	-
-	-	-
-	-	-
-	-	-
<u>6,050</u>	<u>-</u>	<u>-</u>

**Contributions Summary**

**Event/Purpose:**

C01; Professional associations, memberships & dues
C02; Professional licensure
C03; Community associations & memberships
C04; Grants associated memberships
C05; ASCAP
C06; Purchasing memberships
C07; Library memberships
C08; Student service associations
C09; Higher education memberships
C10; Athletic conference participation
C11; Student recognition
C12; Employee and community recognition
C13; Community outreach and public awareness
C99; Other

Budget	Forecast	Variance
50,648	-	50,648
8,120	-	8,120
7,990	-	7,990
-	-	-
2,100	-	2,100
-	-	-
700	-	700
-	-	-
63,625	-	63,625
11,500	-	11,500
1,600	-	1,600
4,400	-	4,400
37,550	-	37,550
600	-	600
<u>188,833</u>	<u>-</u>	<u>188,833</u>

**College: System Office (w/o ITS and WFD)**

**Period: 07/01/2025 - 06/30/2026**

**Travel Reimbursement Summary**

**Event/Purpose:**

	Business Travel			Meeting Expense		
	Budget	Forecast	Variance	Budget	Forecast	Variance
T01; Professional Development	61,897	-	61,897	28,361	-	28,361
T02; MCCS/College meetings	75,921	-	75,921	18,620	-	18,620
T03; Academic program meetings and department	170	-	170	3,400	-	3,400
T04; Student events	-	-	-	1,500	-	1,500
T05; Student recruitment and outreach	20,855	-	20,855	5,500	-	5,500
T06; Business & industry outreach	300	-	300	400	-	400
T07; Faculty and staff events	10,280	-	10,280	800	-	800
T08; Academic delivery (Clinical, externships, remote programs)	-	-	-	-	-	-
T09; Human resources outreach & recruiting activities	-	-	-	-	-	-
T10; Chambers/Community and Professional groups	-	-	-	-	-	-
T11; Athletic team travel	-	-	-	-	-	-
T12; Grant meetings and travel	1,317	-	1,317	-	-	-
T99; Other	-	-	-	-	-	-
	<u>170,740</u>	<u>-</u>	<u>170,740</u>	<u>1,185</u>	<u>-</u>	<u>1,185</u>
	<u>170,740</u>	<u>-</u>	<u>170,740</u>	<u>59,766</u>	<u>-</u>	<u>59,766</u>

**Entertainment Summary**

**Event/Purpose:**

	Budget	Forecast	Variance
E01; Student functions	4,800	-	-
E02; Residence hall activities	1,250	-	-
E03; Grant education activities	-	-	-
E04; Staff functions	-	-	-
E99; Other	-	-	-
	<u>6,050</u>	<u>-</u>	<u>-</u>
	<u>6,050</u>	<u>-</u>	<u>-</u>

**Contributions Summary**

**Event/Purpose:**

	Budget	Forecast	Variance
C01; Professional associations, memberships & dues	8,129	-	8,129
C02; Professional licensure	1,668	-	1,668
C03; Community associations & memberships	3,750	-	3,750
C04; Grants associated memberships	-	-	-
C05; ASCAP	-	-	-
C06; Purchasing memberships	90	-	90
C07; Library memberships	300	-	300
C08; Student service associations	-	-	-
C09; Higher education memberships	3,569	-	3,569
C10; Athletic conference participation	-	-	-
C11; Student recognition	-	-	-
C12; Employee and community recognition	-	-	-
C13; Community outreach and public awareness	32,850	-	32,850
C99; Other	-	-	-
	<u>50,356</u>	<u>-</u>	<u>50,356</u>
	<u>50,356</u>	<u>-</u>	<u>50,356</u>

**College: System office, ITS**  
**Period: 07/01/2025 - 06/30/2026**

**Travel Reimbursement Summary**

Event/Purpose:	Business Travel			Meeting Expense		
	Budget	Forecast	Variance	Budget	Forecast	Variance
T01; Professional Development	8,299	-	8,299	22,200	-	22,200
T02; MCCS/College meetings	8,100	-	8,100	13,288	-	13,288
T03; Academic program meetings and department		-	-		-	-
T04; Student events		-	-		-	-
T05; Student recruitment and outreach		-	-		-	-
T06; Business & industry outreach		-	-		-	-
T07; Faculty and staff events	5,600	-	5,600	1,000	-	1,000
T08; Academic delivery (Clinical, externships, remote programs)		-	-		-	-
T09; Human resources outreach & recruiting activities		-	-		-	-
T10; Chambers/Community and Professional groups		-	-		-	-
T11; Athletic team travel		-	-		-	-
T12; Grant meetings and travel		-	-		-	-
T99; Other		-	-		-	-
	<u>21,999</u>	<u>-</u>	<u>21,999</u>	<u>36,488</u>	<u>-</u>	<u>36,488</u>

**Entertainment Summary**

Event/Purpose:	Budget	Forecast	Variance
E01; Student functions	4,800	-	-
E02; Residence hall activities	1,250	-	-
E03; Grant education activities	-	-	-
E04; Staff functions	-	-	-
E99; Other	-	-	-
	<u>6,050</u>	<u>-</u>	<u>-</u>

**Contributions Summary**

Event/Purpose:	Budget	Forecast	Variance
C01; Professional associations, memberships & dues	4000	-	4,000
C02; Professional licensure		-	-
C03; Community associations & memberships		-	-
C04; Grants associated memberships		-	-
C05; ASCAP		-	-
C06; Purchasing memberships		-	-
C07; Library memberships		-	-
C08; Student service associations		-	-
C09; Higher education memberships		-	-
C10; Athletic conference participation		-	-
C11; Student recognition		-	-
C12; Employee and community recognition		-	-
C13; Community outreach and public awareness		-	-
C99; Other		-	-
	<u>4,000</u>	<u>-</u>	<u>4,000</u>

**College: System office, Workforce Development**

**Period: 07/01/2025 - 06/30/2026**

**Travel Reimbursement Summary**

**Event/Purpose:**

	Business Travel			Meeting Expense		
	Budget	Forecast	Variance	Budget	Forecast	Variance
T01; Professional Development	41,765	-	41,765	15,000	-	15,000
T02; MCCS/College meetings	86,541	-	86,541	2,000	-	2,000
T03; Academic program meetings and department		-	-		-	-
T04; Student events		-	-		-	-
T05; Student recruitment and outreach	5,600	-	5,600	-	-	-
T06; Business & industry outreach	25,950	-	25,950	10,300	-	10,300
T07; Faculty and staff events		-	-		-	-
T08; Academic delivery (Clinical, externships, remote programs)		-	-		-	-
T09; Human resources outreach & recruiting activities		-	-		-	-
T10; Chambers/Community and Professional groups		-	-		-	-
T11; Athletic team travel		-	-		-	-
T12; Grant meetings and travel		-	-		-	-
T99; Other		-	-		-	-
	<u>159,856</u>	<u>-</u>	<u>159,856</u>	<u>27,300</u>	<u>-</u>	<u>27,300</u>

**67,845**

**Entertainment Summary**

**Event/Purpose:**

	Budget	Forecast	Variance
E01; Student functions		-	-
E02; Residence hall activities		-	-
E03; Grant education activities		-	-
E04; Staff functions		-	-
E99; Other		-	-
	<u>-</u>	<u>-</u>	<u>-</u>

**Contributions Summary**

**Event/Purpose:**

	Budget	Forecast	Variance
C01; Professional associations, memberships & dues		-	-
C02; Professional licensure		-	-
C03; Community associations & memberships		-	-
C04; Grants associated memberships		-	-
C05; ASCAP		-	-
C06; Purchasing memberships		-	-
C07; Library memberships		-	-
C08; Student service associations		-	-
C09; Higher education memberships		-	-
C10; Athletic conference participation		-	-
C11; Student recognition		-	-
C12; Employee and community recognition		-	-
C13; Community outreach and public awareness	40,545	-	40,545
C99; Other		-	-
	<u>40,545</u>	<u>-</u>	<u>40,545</u>

## Appendix D

	A	B	C	D	E	F	G	H
1	<b>MCCS Headcount by program - Fall 2025</b>							
2	<i>A = Associate degree; C= Certificate program; D = Diploma</i>							
3								
4	<b>ARTS, HUMANITIES, DIGITAL MEDIA, AND COMMUNICATION</b>	<b>CMCC</b>	<b>EMCC</b>	<b>KVCC</b>	<b>NMCC</b>	<b>SMCC</b>	<b>WCCC</b>	<b>YCCC</b>
5	Animation, Interactive Technology, Video Graphics, and Special Effects	A-6				A-249		A-83
6	General Studies	A-457		A-28				
7	Graphic Communications, General	A-91						
8	Liberal Arts and Sciences, General Studies and Humanities, Other					A-2		
9	Liberal Arts and Sciences/Liberal Studies	A-88/C-1	A-187	A-130	A-49 / C-6	A-1026	A-50	A-158
10	<b>BUSINESS AND HOSPITALITY</b>	<b>CMCC</b>	<b>EMCC</b>	<b>KVCC</b>	<b>NMCC</b>	<b>SMCC</b>	<b>WCCC</b>	<b>YCCC</b>
11	Accounting	A-108		A-53	A-26			A-37
12	Arts, Entertainment, and Media Management, General	A-1						
13	Business Administration and Management, General	A-429/ C-21	A-182		A-64	A-808	A-48/C-8	A-155/C-19
14	Business/Corporate Communications, General							C-3
15	Culinary Arts/Chef Training	A-28/C-5	44/C-4	A-29		A-116		
16	Entrepreneurship/Entrepreneurial Studies				C-6		C-1	
17	General Office Occupations and Clerical				C-1			
18	Hospitality Administration/Management, General					A-34		
19	Marketing/Marketing Management, General			A-133/C-7				
20	Organizational Leadership							C-6
21	Parks, Recreation, and Leisure Studies						A-7	
22	Restaurant, Culinary, and Catering Management/Manager	A-5	A-9					
23	Small Business Administration/Management		C-21					
24	<b>COMPUTER SCIENCE AND INFORMATION TECHNOLOGY</b>	<b>CMCC</b>	<b>EMCC</b>	<b>KVCC</b>	<b>NMCC</b>	<b>SMCC</b>	<b>WCCC</b>	<b>YCCC</b>
25	Computer and Information Systems Security/Auditing/Information Assurance	A-56				A-128		
26	Computer Graphics		A-53/C-3					
27	Computer Science					A-153		

	A	B	C	D	E	F	G	H
28	Data Science, General	A-3						
29	Network and System Administration/Administrator	A-87	A-62/C-14		A-18/C-2	A-67	A-1	A-40/C-5
30	EDUCATION, HUMAN SERVICES, AND SOCIAL AND BEHAVIORAL SCIENCES	CMCC	EMCC	KVCC	NMCC	SMCC	WCCC	YCCC
31	Criminology	A-20						
32	Early Childhood Education and Teaching	A-66	A-40	A-157	A-18/C-3	A-155	A-17	
33	Education, General	A-73	A-100/C-6			A-98	A-23	53
34	Forensic Social Work							A-35
35	Human Services, General	A-118/ C-12	A-79/C-11			A-79/ C-21	A-28	A-77/C-4
36	Psychology, General	A-197		A-68				
37	HEALTH SCIENCES	CMCC	EMCC	KVCC	NMCC	SMCC	WCCC	YCCC
38	Agricultural and Domestic Animal Services, Other							A-46
39	Allied Health and Medical Assisting Services, Other					A-66		
40	Cardiovascular Technology/Technologist					A-30		
41	Dietetic Technician					A-44		
42	Emergency Medical Technology/Technician (EMT Paramedic)		A-17/C-11	A-2/C-48	A-11/C-12	A-22		
43	Health Information/Medical Records Technology/Technician			A-32				
44	Health Services/Allied Health/Health Sciences, General	C-136		C-272	C-3	A-1309	C-28	A-140/C-11
45	Health Unit Coordinator/Ward Clerk		C-10					
46	Licensed Practical Nursing				C-1			
47	Medical Administrative/Executive Assistant and Medical Secretary						C-8	
48	Medical Insurance Coding Specialist/Coder	A-92/C-24		C-23	C-11			
49	Medical/Clinical Assistant		A-28/C-10	A-1/C17	A-13/C-6		A-12	
50	Mental and Social Health Services and Allied Professions, Other			A-74/C-12				
51	Occupational Therapist Assistant			A-20				
52	Phlebotomy Technician/Phlebotomist						C-4	
53	Physical Fitness Technician	A-11						
54	Physical Therapy Assistant			A-28				
55	Radiologic Technology/Science - Radiographer		A-51	A-36		A-41		
56	Registered Nursing/Registered Nurse	A-140	A-101	A-101	A-58	A-222	A-19	A-60

	A	B	C	D	E	F	G	H
57	Respiratory Care Therapy/Therapist			A-39		A-34		
58	Substance Abuse/Addiction Counseling						C-23	C-35
59	Surgical Technology/Technologist		A-20			A-1		
60	Therapeutic Recreation/Recreational Therapy						A-1	
61	Veterinary/Animal Health Technology/Technician and Veterinary Assistant							A-43/C-7
62	<b>INDUSTRIAL TECHNOLOGY AND TRANSPORTATION</b>	<b>CMCC</b>	<b>EMCC</b>	<b>KVCC</b>	<b>NMCC</b>	<b>SMCC</b>	<b>WCCC</b>	<b>YCCC</b>
63	Agroecology and Sustainable Agriculture					A-56		
64	Aquaculture						A-6/C-1	
65	Autobody/Collision and Repair Technology/Technician				A-10/C-2			
66	Automobile/Automotive Mechanics Technology/Technician	A-116	A-37/C-5		A-18/ C-1	A-114/ C-10	A-2/ C-9	
67	Building Construction Technology/Technician	A-62/C-5	A-32/ C-2	A-5/ C-12	A-3/C-10	A-35/ C-16		
68	Building/Property Maintenance	A-7						
69	Cabinetmaking and Millwork		A-24/ C-4					
70	Civil Engineering Technologies/Technicians	A-3						
71	Computer Numerically Controlled (CNC) Machinist Technology/CNC Machinist					C-6		
72	Construction Trades, Other							A-35
73	Construction/Heavy Equipment/Earthmoving Equipment Operation						C-7	
74	Diesel Mechanics Technology/Technician				A-24/C-3		C-5	
75	Electrical, Electronic, and Communications Engineering Technology/Technician					A-151		
76	Electrician		C-140	A-37/ C-20	A-49/ C-3	C-122	D-18	C-18
77	Heating, Air Conditioning, Ventilation, and Refrigeration Maintenance Technology/Technician	A-66/ C-10	A-24/ C-1	A-16/ C-9		A-55/ C-7	A-9	
78	Heavy Equipment Maintenance Technology/Technician		A-30/C-1				C-3	
79	Lineworker			C-28				
80	Machine Tool Technology/Machinist	A-30/ C-3		C-11		A-31/C-1		
81	Mechanic and Repair Technologies/Technicians, Other						A-3	



# 2025 ANNUAL REPORT



**A comprehensive report on Maine Quality Centers  
and Maine Jobs and Recovery Plan funding**

**MAINE  
QUALITY  
CENTERS**

SUPPORT FOR WORKFORCE TRAINING  
A PROGRAM OF MAINE'S COMMUNITY COLLEGES





OFFICE OF THE PRESIDENT  
 323 State Street, Augusta, ME 04330-7131  
 (207) 629-4000 | Fax (207) 629-4048 | mccs.me.edu

October 1, 2025

Senator Chip Curry, Chair  
 Representative Traci Gere, Chair  
 Joint Standing Committee on Housing and Economic Development

Ms. Suzanne Gresser  
 Executive Director, Legislative Council

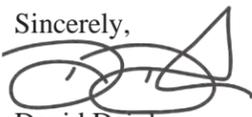
Commissioner Michael Duguay  
 Maine Department of Economic and Community Development

I am pleased to submit the annual report from the Harold Alfond Center for the Advancement of Maine’s Workforce to fulfill our statutory requirement in statute [20-A MRSA §12729](#). This report includes information on projects active during FY25 (July 1, 2024 to June 30, 2025).

The Maine Quality Centers, created by statute in 1994, is a program of the Maine Community College System. The program’s mission is “...to meet the workforce education and training needs of new and expanding businesses in the State and provide new employment and career advancement opportunities for Maine people.” The FY 25 funding provided by the state and expended by the Maine Quality Center program was \$356,596. This funding was matched by the businesses served with \$515,176 private sector investment for a total of \$871,772.

We have also included a summary of the additional workforce projects funded through Maine Jobs & Recovery Plan and Harold Alfond Center for the Advancement of Maine’s Workforce. This inclusion also fulfills our requirements under [5 MRSA § 13070-J](#) to report to the Maine Legislature and the Department of Economic and Community Development “on the amount of public funds spent on job training programs directly benefiting businesses in the State.”

If you have any questions or comments regarding this report or any of our work through the Harold Alfond Center for the Advancement of Maine’s Workforce, please do not hesitate to contact me at [DDaigler@Maineccc.edu](mailto:DDaigler@Maineccc.edu) or (207)629-4000.

Sincerely,  
  
 David Daigler  
 President

- Central Maine  
Community College  
Auburn  
[cmcc.edu](http://cmcc.edu)
- Eastern Maine  
Community College  
Bangor  
[emcc.edu](http://emcc.edu)
- Kennebec Valley  
Community College  
Fairfield/Hinckley  
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## WORKFORCE TRAINING SUPPORT

■ **Maine Quality Centers provides Maine businesses with funding and support to design and deliver high-quality workforce training that meets evolving industry needs. As employers face rapid technological change and tight labor markets, access to these resources is essential to upskill workers, attract new talent, and stay competitive.**

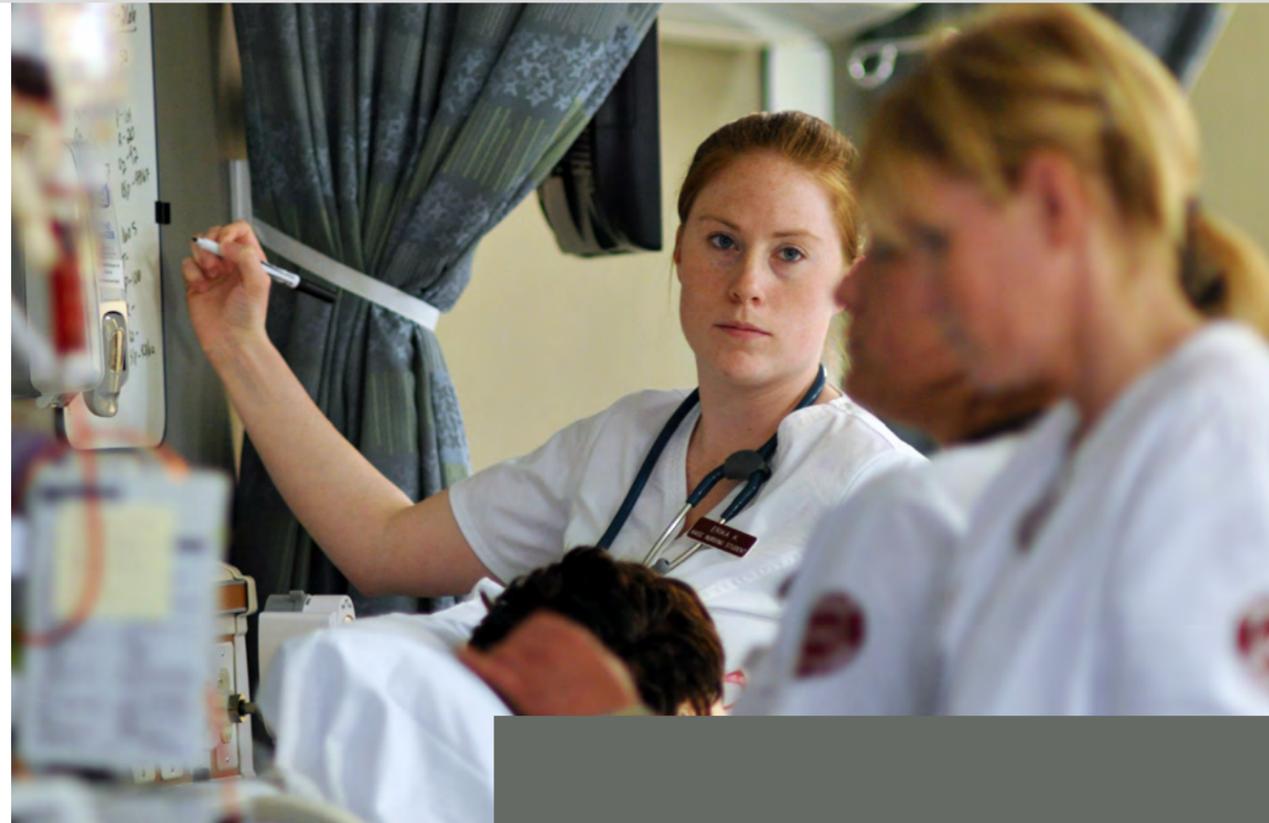
The Maine Quality Centers (MQC), a program of the Maine Community College System (MCCS), was created in 1994 by the Maine Legislature to meet the workforce education and training needs of new and expanding businesses in the state and provide new employment and career advancement opportunities for Maine people. The program provides grants to Maine employers to fund customized new-hire or incumbent worker training delivered by Maine's community colleges.

These efforts have significantly expanded training opportunities in a three-stage continuum of training for pre-hire, entry-level occupational training (Stage 1), incumbent worker and professional development training (Stage 2), and scholarships for individuals to continue on in a one-year certificate or two-year degree program.

MQC's statutory mission is "to meet the workforce education and training needs of new and expanding businesses in

the State and provide new employment and career advancement opportunities for Maine people." The statute defines three primary purposes for the program: job creation, workforce preparation, and creating partnerships. The program's public benefit is to serve the employer's need for additional skilled workers, give trainees portable work skills to compete in today's job market, and establish and maintain relationships that support regional economic growth.

The MQC program is managed and coordinated by MCCS Chief Workforce Development Officer Dan Belyea, with individual project services delivered by employees at the Harold Alfond Center for the Advancement of Maine's Workforce and the system's seven colleges. Project funding supports customized training activities, as well as applicant recruitment and screening when appropriate. Most services are provided directly by a community college, although the statute provides for coordination with other education and training providers if necessary.



**The continued success of our workforce initiatives highlights the strength of collaboration across Maine. By partnering with employers, educators, and public agencies, we are creating training opportunities and talent pipelines that meet real workforce demands and build a stronger economic future for all Mainers.**

**Dan Belyea**

CHIEF WORKFORCE DEVELOPMENT OFFICER,  
HAROLD ALFOND CENTER FOR THE ADVANCEMENT OF MAINE'S WORKFORCE

Maine Quality Centers has been bolstering Maine's workforce efforts since 1994. With a commitment to the prosperity of Maine's employers, incumbent workers, and new hires, MQC provided support through projects which were active between July 1, 2024 and June 30, 2025.



### FY25 MQC Project Activity

MQC's FY25 initiatives totaled **\$356,596** supporting the implementation of **252** training programs that met Maine's regional needs and diverse industrial sectors. These projects ranged from upskilling incumbent workers to industry-designed pre-hire training, ensuring that both employers and employees have access to high-impact workforce development.

MQC's project budget varies year to year. Each initiative is carefully selected for its potential impact, relevance to Maine's job market, and return on investment, ensuring cost-effective outcomes.

A key result of FY25 efforts is the creation of **42** new jobs across multiple sectors and regions of Maine, each role tailored to meet the evolving demands of the state's economy.

In FY25, unemployment rates remained historically low. In response, MQC focused on career advancement opportunities, as articulated in MSRS Title 20-A, Sec. 12724, emphasizing training to further develop incumbent workers. By the close of FY25, **2,191** Mainers participated in training programs designed to strengthen their skills and help their employers remain competitive.

Since its inception, MQC has served over **400** new or expanding Maine businesses and trained **33,782** Maine residents. In FY25 alone, MQC invested **\$356,596**, while businesses contributed **\$515,176**, for a combined overall training investment of **\$871,772**.

# 33,782

Mainers trained for new and advanced positions through MQC since 1994

# 94%

**OF EMPLOYEES WOULD STAY WITH A COMPANY LONGER IF THEY OFFERED LEARNING AND DEVELOPMENT OPPORTUNITIES**

LinkedIn Workplace Learning Report



**88% of organizations are concerned about employee retention.**

Providing learning opportunities is the number one retention strategy among businesses.

## THE MQC APPROACH

- Training through Maine Quality Centers utilizes four focus areas to meet the training needs of Maine's workforce

### NEW-HIRE TRAINING

Maine Quality Centers (MQC) continues to provide grants to Maine employers to support customized training for new and prospective hires. Projects are selected for funding based on the number of net new jobs created, the skill level of the positions, wage and benefit levels, training required, and projected return on public investment.

During FY25, MQC worked with employers of all sizes—ranging from Maine's largest manufacturers to small family-owned businesses—delivering training across a broad spectrum of industries and skill areas. Programs addressed both "hard" and "soft" skills, including supervisory and leadership development, communication, customer service, lean manufacturing, welding, healthcare, food service (ServSafe), safety, financial management, and specialized technical fields such as electricity, weatherization, and heat-pump installation.

### INCUMBENT WORKER TRAINING

Based on the need for greater incumbent worker training options, as identified by the 126th Maine Legislature's Joint Select Committee on Maine's Workforce and Economic Future, MQC began a pilot program in FY14 to provide training to employers' incumbent workers. Employers with over 100 employees pay 50% of the project costs, while employers with between 51 and 100 employees pay 25% of costs. No match is required of employers with 50 or fewer employees. Over the past ten years, this offering has served 182 Maine businesses, updating the skills of their employees.

The demand for incumbent-worker training has increased and this option will continue to be a part of the MQC grant portfolio. It has also been the catalyst for the Harold Alfond Center for the Advancement of Maine's Workforce.

### COLLEGE INITIATED PROJECTS

Community colleges that have identified areas of in-demand training for unemployed or underemployed Maine residents in their communities may also submit applications directly to MQC. Current examples of this type of project are Central Maine Community College's Educator Pathway program and Kennebec Valley Community College's Respiratory Therapy program.

### PUT ME TO WORK

The Put ME to Work program is designed to address demonstrated training needs for occupations that offer competitive wages and benefits. Projects need to include strong partnerships between business, industry and the community colleges and require a 50% cash and/or in-kind match by the employer or industry applicant.



**In FY25, Maine Quality Centers and employers invested \$871,772 in customized workforce training statewide.**

# MAINE JOBS AND RECOVERY PLAN

- Free short-term training that provides Mainers with industry recognized credentials and certifications, providing career gateways that can transform lives.



The MCCS Maine Jobs and Recovery Plan (MJRP) efforts provide short-term training opportunities for Mainers, leading to industry-recognized credentials of higher value. The Jobs Plan was approved by the Legislature in July 2021 and took effect October 18, 2021.

The program became active at MCCS in December of 2021. The goal of the MCCS program is to train 8,500 Maine residents from January 1, 2022 through December 30, 2026.

Maine's community colleges have implemented **343**

programs and provided training to **6,484** individuals, or 76% of the training goal. As the fiscal year came to an end, the total programs approved (past, present, and future) provide training to more than 8,500 individuals, which is 100% of MCCS's goal.

# 343

Short-term training programs implemented since 2021

Free short-term training that provides Mainers with industry-recognized credentials and certifications, providing career gateways that can transform lives.



Maine's community colleges are leveraging Maine Jobs & Recovery Plan (MJRP) funds to offer free pre-hire training that will change the trajectory of 8,500 Mainers and their families. These programs remove the barrier of tuition costs while delivering in-demand skills that prepare participants for stable, well-paying careers. By aligning training with the needs of Maine employers, the initiative creates direct pathways to employment in fields such as healthcare, manufacturing, technology, and the skilled trades. For participants, this means immediate opportunities to secure meaningful work, increase earning potential, and build a stronger financial future for themselves and their loved ones.

The impact of this investment reaches far beyond individual graduates. Employers across the state gain access to a pipeline of job-ready talent, helping them grow and remain competitive in a changing economy. Communities benefit as more residents achieve economic stability, strengthening local businesses and contributing to Maine's overall prosperity. By combining public investment with responsive education and training, MJRP funding ensures that workforce development is not only accessible and free, but also transformative - elevating Mainers, their families, and the state's economy for year's to come.

# 6,484

Mainers took part in MJRP pre-hire training through June 2025

 **INDUSTRY SECTOR TRAINING**

**2,587**  
Healthcare

**557**  
Green Economy

**1,338**  
Manufacturing

**417**  
Hospitality

**529**  
Education

**131**  
Computer Technology

**925**  
Trades

# HAROLD ALFOND CENTER FOR THE ADVANCEMENT OF MAINE'S WORKFORCE

■ The Harold Alfond Center for the Advancement of Maine's Workforce coordinates all short-term workforce training programs, including Maine Quality Centers, Put ME to Work, and the Maine Jobs and Recovery Plan for Maine's community colleges, working closely with business and industry leaders statewide. Launched in 2021, the Alfond Center has served 45,000 Mainers. A June 2024 gift from the Harold Alfond Foundation will enable the Center to train 70,505 Mainers over the next five and a half years, strengthening Maine's workforce and economy through strategic private-public partnerships.

## STACKABLE SHORT-TERM TRAINING

### Stage 1:

#### Pre-Hire Short-Term Training

Designed to equip underemployed people with the skills and knowledge needed to secure employment. Designed to meet the needs of regional employers and developed in collaboration with business and industry leaders. Short-term pre-hire training programs offer pathways into certificate and degree programs at Maine's community colleges and provide industry recognized credentials.

As of June 30th, **3,593** Mainers were served, exceeding the goal of **1,896**. The completion rate of programs was 72% (goal of 70%).

### Stage 2:

#### Incumbent Worker Professional Development

Maine employers can sometimes double their training budget for their frontline workforce. By joining the Maine Workforce Development Compact, employers can access up to a \$1,200 match per employee per year to

provide additional skills and knowledge to enhance their performance, advance their careers, and adapt to changing job requirements.

As of June 30th, **1,941** employers had joined the Compact, representing **392,229** employees. **10,657** individuals received incumbent worker training - 180% of the 5,923 goal. The completion rate was 94% (goal: 70%).

### Stage 3:

#### Scholarships for Continued Education

Enabling more Mainers to access opportunities to advance their education, Alfond Center Scholarships provide 50% off two community college courses each semester for working Mainers starting or pursuing a certificate or degree program. Students can access 4,000 courses statewide to customize their career pathway and help meet Maine's goal of 60% of Mainers having a credential of value.

As of June 30th, **1,491** students enrolled in academic courses through Maine's community colleges. The completion rate was 84% (goal: 50%).

# THE MAINE WORKFORCE DEVELOPMENT COMPACT



**1,941** member organizations

who are employers, trade associations, and municipalities.



The Center provides training through a network of **974** trainers, including Maine's community colleges, local employers, trade associations, and industry experts.



Compact members represent **392,229** employees, 55% of Maine's workforce



**10,657** Mainers received incumbent worker training, 180% of the 5,923 goal.



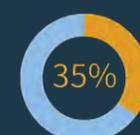
The Center is committed to providing tailored professional development and training programs that help small businesses build skills, strengthen their workforce, and stay competitive without straining limited resources.



of Compact members have fewer than **100** employees



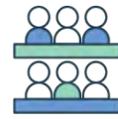
of Compact members have fewer than **50** employees



of Compact members have fewer than **10** employees

# STATEWIDE IMPACT

In FY25, the Harold Alfond Center for the Advancement of Maine's Workforce achieved outstanding results that lay a strong foundation for meeting its 2030 goal of training **70,505** Mainers. Between July 1, 2024, and June 30, 2025, the Center—together with the Maine Jobs and Recovery Plan (MJRP) and Maine Quality Centers (MQC)—served nearly **18,000** Mainers across all training stages, surpassing both enrollment and completion targets. These results highlight the Center's ability to rapidly scale high-quality workforce training while sustaining strong completion rates, building the momentum needed to reach its long-term training goal.



## The Center employs 21 STAFF

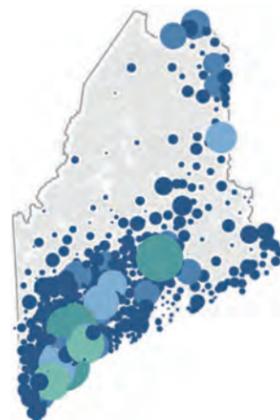
The workforce departments across colleges includes 60+ dedicated to this work.



34% of Stage One students reported continuing education post-training. 94% were continuing at MCCS.

## 95%

Maine communities that have been supported through Center training programs



# STUDENT SUCCESS IS SUCCESS FOR MAINE

Training at the Center isn't just about skills - it's about transformation. Each program empowers students to rewrite their future, fueling Maine's businesses and strengthening the state's economy.

## A Perfect Score for the Summer Academy CNA Program at SMCC

Southern Maine Community College's Summer Academy Certified Nursing Assistant (CNA) program achieved a remarkable milestone this year, with all 30 students completing the training and passing the state certification exam on their first attempt - a rare 100% success rate. Supported by three dedicated clinical partners, the program combined expert instruction with hands-on experience and wraparound support services. This collective model not only launched 30 new CNAs into Maine's healthcare workforce but also showcased how strong partnerships can meet critical staffing needs while creating clear, rewarding career pathways for students.



## First Job with Benefits at 36

Jessica's transformative experience at Kennebec Valley Community College's eight-week CDL truck driving program marked a significant milestone in her career. Previously, Jessica had bounced from job to job, seeking stable and fulfilling work. Completing this intensive certified training, she was immediately hired for her first-ever job with benefits at the age of 36. This opportunity provided not just financial stability but also a sense of security and pride in her professional life, showcasing the profound impact targeted vocational training can have on individuals.



## A Healthcare Pivot

Shamus discovered his passion for respiratory therapy after exploring various healthcare roles at MaineHealth. Initially drawn to physical therapy, he soon realized it wasn't his calling. His proactive approach led him to shadow different departments and respiratory therapy stood out. He quickly enrolled in a free short-term workforce training program. Now an apprentice at MaineHealth, Shamus appreciates the program's practical training aligned with major trauma center needs. The financial support from the program allowed him to focus solely on his studies, enhancing his education without the usual financial strain, and building his career trajectory.



## Finding a Future in Fiber Optics

Wilmarys came to Maine ready to make a change. After years of working entry-level jobs, she enrolled in the fiber optics training program at Central Maine Community College with one goal in mind - building a more secure future. "I was tired of doing work that didn't go anywhere," she said. "This program gave me hands-on experience, real skills, and confidence that I can turn this into a career." She connected immediately with the course content and the instructor, finding unexpected overlap between her background as a fiber artist and the technical skills required for splicing. "Everything just felt natural. I see myself making a whole life out of what I'm learning."

## Training Numbers

# 17,932

Mainers received training

Stage One Pre-Hire	Stage Two Incumbent Worker	Stage Three Scholarships
3,635	12,806	1,491
Completion: 72% Comp. Goal: 70%	Completion: 94% Comp. Goal: 70%	Completion: 84% Comp. Goal: 50%

## Student Demographics

across all three stages



**52%**  
are men\*

**82.6%**  
are over the age of 25

**51%**  
have less than a two-year degree



# 4,839

Training programs offered



# 544

Industry recognized certifications supported through trainings



# 1,699

Programs that stack to additional credentials or credit bearing pathways



# 5

Micro credentials offered through the Center



## SECTOR PARTNERSHIPS

■ The Center's statewide industry sector partnerships collaborate with the colleges to bring employers, trade associations, state agencies and workforce partners together to design targeted training pipelines in Maine's highest-demand fields. Guided by labor-market data and employer input, the first partnership launched this year with the construction industry - engaging more than 50 stakeholders including 25 residential, commercial, industrial and specialty trade contractors, unions and trade associations, the community colleges, and statewide education and workforce partners. The partnership is industry led and expanding construction, carpentry, HVAC, and equipment operator training programs across the state. Healthcare and manufacturing partnerships will follow, each with steering committees and action teams that co-create short-term, skills-focused programs aligned to real hiring needs. This model ensures training is industry-led, scalable, and directly connected to good-paying career pathways for Maine workers.

### CONSTRUCTION AND TRADES



### HEALTHCARE



### MANUFACTURING



## TRAINING PARTNERSHIPS



### DEPARTMENT OF CORRECTIONS

The Center collaborates with the Maine Department of Corrections (MDOC) to create training and employment pathways for justice-involved individuals. Through initiatives like the Education Equity and Advancement Coordinator and the Remote Work Essentials for Professionals course, incarcerated learners gain marketable skills and can earn wages while serving their sentences. Programs such as the Trades Day at Long Creek introduce participants to careers in skilled trades, culinary arts, and healthcare, helping them prepare for stable employment upon release and supporting second-chance hiring across Maine.

SUPPORTING SECOND CHANCE  
EMPLOYMENT



### JOBS FOR MAINE'S GRADUATES

The Center works closely with Jobs for Maine's Graduates (JMG) to expand career pathways for students and recent graduates who are not pursuing postsecondary education. Summer Academy helps young Mainers gain in-demand skills, build confidence, and transition directly into employment or further education after a three- to six-week short-term workforce training. It offers housing, meals, and JMG's Career Exploration Badge with a stipend of \$500. Offerings include healthcare, cybersecurity, trades, and online options like project management and marketing and social media management.

SUPPORTING STUDENTS WITH BARRIERS  
TO EDUCATION



### DEPARTMENT OF LABOR

The Center partners with the Maine Department of Labor to expand registered apprenticeships and deliver the Healthcare Training for ME initiative. Together they connect employers with funding, design high-demand healthcare programs, and streamline pathways from short-term training into apprenticeship and employment, strengthening Maine's healthcare workforce and supporting long-term career growth for residents. This collaboration provides students with paid, on-the-job learning experiences while earning industry credentials, ensuring they gain both practical skills and academic credit, building a skilled pipeline across Maine.

SUPPORTING STUDENTS THROUGH PAID  
OPPORTUNITIES

# LOOKING AHEAD TO 2030



## 1994 - Current

1994  
Maine Quality Centers

2015  
Put ME to Work

Annual appropriation

**Total trained:**  
**33,782**

MQC was created in 1994 by the Maine Legislature to meet the workforce education and training needs of new and expanding businesses in Maine and provide new employment and career advancement opportunities for Maine people. The program provides grants to Maine employers to fund customized new hire or incumbent worker training delivered by the Maine Community College System.

**Pre-Hire  
Incumbent Worker**

## 2018 - 2021

Harold Alfond Foundation  
Grant I  
\$3.6 million

**Total trained:**  
**401**

The first grant from the Harold Alfond Foundation provided funding to expand MQC programs. It created new short-term training programs in healthcare, information technology, construction, manufacturing, and the trades.

**Pre-Hire**

## 2022 - 2024

Harold Alfond Foundation  
Grant II  
\$15.5 million

Maine Jobs & Recovery  
Plan  
\$35.5 million

**Total trained:**  
**26,755**

The second grant from the Harold Alfond Foundation vastly expanded the roster and reach of short-term workforce training programs and established the Harold Alfond Center for the Advancement of Maine's Workforce, which coordinates all short-term workforce training for the Maine's community colleges, including MQC projects. With the additional one-time funding from the Maine Jobs and Recovery Plan, the Alfond Center was able to set a goal of training 24,000 Mainers by 2025.

**Pre-Hire  
Incumbent Worker  
Scholarships**

## 2025 - 2030

Harold Alfond Foundation  
Grant III  
\$75.5 million

**Training goal:**  
**70,505**

The third grant from the Harold Alfond Foundation continues the work and momentum from Grant II and provides funding for all three stages of training the Center offers: pre-hire training, incumbent worker training, and scholarships for working individuals to earn a degree. This grant aims to deepen relationships with industry sectors and the 1,941 employers that are part of the Center's Maine Workforce Development Compact.

**Pre-Hire  
Incumbent Worker  
Scholarships**

# CENTER TRAINING GOALS

With a \$163 million operational budget, the Harold Alfond Center will provide no- or reduced-cost training to 70,505 people in Maine's workforce. This training is made possible by industry investments, student and employer matched funds, Maine Quality Centers and Put ME to Work, the Maine Jobs and Recovery Plan, and a historic \$75.5 million grant from the Harold Alfond Foundation.

Unduplicated Headcount	Pre-Hire Short-Term Training	Incumbent Worker Professional Development	Scholarships for continued education
<b>Year Zero</b> January 1, 2025 - June 30, 2025	1,897	5,923	260
<b>Year One</b> July 1, 2025 - June 30, 2026	3,323	7,199	1,368
<b>Year Two</b> July 1, 2026 - June 30, 2027	3,422	7,415	1,409
<b>Year Three</b> July 1, 2027 - June 30, 2028	3,508	7,601	1,444
<b>Year Four</b> July 1, 2028 - June 30, 2029	3,578	7,753	1,473
<b>Year Five</b> July 1, 2029 - June 30, 2030	3,614	7,830	1,488
<b>70,505</b> Mainers by 2030	<b>19,342</b>	<b>43,721</b>	<b>7,442</b>



# APPENDIX

## MQC FY25 PROJECT AND TRAINEES

Business Location	Business Served	Number of Trainees	MQC Only	Match	Total Project Cost
Arundel	Jenny Ingwersen Counseling	1	\$475.00	\$475.00	\$950.00
Auburn	Auburn Manufacturing - Manufacturing Tech (*1)	15	\$0.00	\$0.00	\$0.00
Auburn	Bath Iron Works - Manufacturing Tech (*2)	0	\$6,875.81	\$0.00	\$6,875.81
Auburn	John F Murphy Homes Inc	12	\$6,124.70	\$7,711.70	\$13,836.40
Auburn	Multiple - Educator Pathway Program	27	\$15,531.55	\$0.00	\$15,531.55
Auburn	Multiple - Real Estate	17	\$16,250.00	\$0.00	\$16,250.00
Auburn	Multiple - Summer Academy	2	\$1,847.28	\$0.00	\$1,847.28
Augusta	Employment Specialists of Maine Inc	26	\$1,983.00	\$1,983.00	\$3,966.00
Augusta	Maine Municipal Association	30	\$2,749.80	\$2,750.20	\$5,500.00
Augusta	Maine Municipal Bond Bank	2	\$1,200.00	\$2,311.00	\$3,511.00
Augusta	Maine State Credit Union	3	\$2,537.50	\$11,532.50	\$14,070.00
Augusta	Motivational Services	7	\$455.00	\$455.00	\$910.00
Augusta	Multiple - Remote Worker Essentials Badge (*3)	70	\$0.00	\$0.00	\$0.00
Augusta	Professional Logging Contractors of the Northeast	6	\$615.00	\$615.00	\$1,230.00
Baileyville	St Croix Tissue	12	\$2,700.00	\$2,700.00	\$5,400.00
Bangor	First National Bank	1	\$39.50	\$39.50	\$79.00
Bangor	Husson University	6	\$2,818.50	\$3,901.50	\$6,720.00
Bangor	Northern Light Eastern Maine Medical Center	51	\$2,591.04	\$2,591.27	\$5,182.31
Bangor	OHI	31	\$6,625.00	\$6,625.00	\$13,250.00
Bangor	R and K Construction Inc.	1	\$727.00	\$727.00	\$1,454.00
Bangor	Seven Islands Land Company	3	\$2,933.00	\$3,713.00	\$6,646.00
Bangor	Penquis	2	\$215.00	\$215.00	\$430.00
Bar Harbor	Bar Harbor Bank and Trust	2	\$369.70	\$368.45	\$738.15
Bar Harbor	Mount Desert Island Hospital	1	\$347.50	\$347.50	\$695.00
Bath	Five County Credit Union	6	\$3,083.50	\$4,278.50	\$7,362.00
Belfast	AthenaHealth	28	\$6,296.94	\$6,296.96	\$12,593.90
Belfast	County of Waldo	1	\$397.50	\$397.50	\$795.00
Bethel	Maine Passive House	1	\$900.00	\$900.00	\$1,800.00
Biddeford	Biddeford School Department	2	\$1,688.88	\$2,782.37	\$4,471.25
Brewer	Ellen M Leach Memorial Home	1	\$1,200.00	\$1,350.00	\$2,550.00
Brewer	Nyle Systems LLC	21	\$262.50	\$262.50	\$525.00
Brunswick	Basham and Scott	1	\$1,200.00	\$1,255.00	\$2,455.00
Brunswick	Harbor Digital Systems	4	\$4,800.00	\$5,200.00	\$10,000.00
Brunswick	Independence Association	8	\$794.00	\$794.00	\$1,588.00
Brunswick	Project Flagging Inc	150	\$45,000.00	\$45,000.00	\$90,000.00
Bucksport	Osborne Plumbing and Heating Inc	1	\$375.00	\$1,079.00	\$1,454.00
Bucksport	Town of Bucksport	4	\$135.00	\$135.00	\$270.00

Business Location	Business Served	Number of Trainees	MQC Only	Match	Total Project Cost
Calais	Multiple - Electro-Mechanical Instrumentation (*4)	13	\$0.00	\$0.00	\$0.00
Camden	Camden National Bank	7	\$534.00	\$534.00	\$1,068.00
Canaan	The Good Crust LLC	3	\$607.50	\$607.50	\$1,215.00
Cape Elizabeth	Two Lights Dental	1	\$1,200.00	\$3,050.00	\$4,250.00
Cumberland	Cumberland Police Department	2	\$772.00	\$772.00	\$1,544.00
Cumberland	Gritty McDuff's	43	\$322.50	\$322.50	\$645.00
Cumberland	Mandy Levine Consulting LLC	1	\$355.00	\$444.00	\$799.00
Ellsworth	City of Ellsworth	10	\$964.00	\$964.00	\$1,928.00
Ellsworth	Ellsworth School Department	10	\$6,457.43	\$6,457.44	\$12,914.87
Ellsworth	Families First Community Center	1	\$65.00	\$65.00	\$130.00
Ellsworth	Hancock County	4	\$1,162.50	\$1,162.50	\$2,325.00
Fairfield	JMPB Inc	14	\$971.39	\$971.45	\$1,942.84
Fairfield	Multiple - Customer Service Communication (*5)	93	\$0.00	\$0.00	\$0.00
Fairfield	Multiple - Respiratory Therapy	14	\$24,144.57	\$0.00	\$24,144.57
Falmouth	Alpren Consulting Associates, LLC	1	\$1,197.50	\$1,197.50	\$2,395.00
Farmington	LEAP Inc	35	\$1,652.50	\$1,652.50	\$3,305.00
Farmington	Regional School Unit No 9	4	\$1,925.00	\$2,225.00	\$4,150.00
Farmington	Town of Farmington	2	\$467.50	\$467.50	\$935.00
Fort Fairfield	Fort Fairfield Police Department	2	\$645.00	\$645.00	\$1,290.00
Fort Kent	Town of Fort Kent	1	\$397.50	\$397.50	\$795.00
Gorham	Gorham Savings Bank	1	\$39.50	\$39.50	\$79.00
Gorham	Town of Gorham	2	\$522.00	\$522.00	\$1,044.00
Houlton	Community Living Association	3	\$3,600.00	\$15,213.00	\$18,813.00
Kennebunk	Kennebunk Police Department	1	\$499.50	\$500.49	\$999.99
Kennebunkport	Nonantum Resort	5	\$1,502.50	\$1,502.50	\$3,005.00
Levant	Innovative Welding Service LLC	1	\$375.00	\$1,079.00	\$1,454.00
Lewiston	City of Lewiston Police Department	1	\$367.50	\$367.50	\$735.00
Lewiston	City of Lewiston Public Works Department	2	\$399.00	\$399.00	\$798.00
Lewiston	Hebert Construction	47	\$7,474.65	\$9,425.35	\$16,900.00
Lewiston	Recovery Connections of Maine	26	\$1,170.00	\$1,170.00	\$2,340.00
Lisbon	Town of Lisbon	2	\$620.00	\$620.00	\$1,240.00
Machias	Washington County Sheriffs Office	4	\$1,543.50	\$1,543.50	\$3,087.00
Madawaska	Twin Rivers Paper Company	32	\$38,400.00	\$125,725.14	\$164,125.14
Madison	Bob's Cash Fuel	1	\$600.00	\$600.00	\$1,200.00
Mars Hill	Maine School Administrative District #42	1	\$717.00	\$717.00	\$1,434.00
Milford	Pet Care by Lindsay	21	\$1,679.37	\$1,679.58	\$3,358.95
North Berwick	MSAD 60	5	\$2,800.00	\$3,058.00	\$5,858.00
Norway	Lewiston Public Schools	1	\$955.50	\$955.50	\$1,911.00
Old Town	City of Old Town	1	\$247.50	\$247.50	\$495.00
Orono	University of Maine System	12	\$3,226.30	\$5,200.30	\$8,426.60
Pittsfield	Cianbro	6	\$7,185.00	\$7,185.00	\$14,370.00
Poland	Camp North Star	85	\$1,750.15	\$1,749.85	\$3,500.00
Portland	City of Portland Maine	6	\$2,359.50	\$2,359.50	\$4,719.00
Portland	Journey Enterprises - Recovery Basics (*6)	112	\$16,212.00	\$16,212.00	\$32,424.00
Portland	Junior Achievement of Maine	2	\$675.00	\$675.00	\$1,350.00
Portland	Kaplan Thompson Architects	2	\$2,195.00	\$2,195.00	\$4,390.00
Portland	Maine Health	3	\$3,000.00	\$3,000.00	\$6,000.00
Portland	Portland Regency Hotel and Spa	12	\$300.00	\$300.00	\$600.00
Portland	Seabreeze Property Management, LLC	2	\$720.00	\$800.00	\$1,520.00
Portland	Stone Coast Fund Services	146	\$8,849.06	\$8,850.44	\$17,699.50
Portland	Pack Edge Inc	1	\$1,197.50	\$1,197.50	\$2,395.00

Business Location	Business Served	Number of Trainees	MQC Only	Match	Total Project Cost
Presque Isle	Aroostook County Action Program	2	\$2,300.00	\$5,690.00	\$7,990.00
Presque Isle	Presque Isle Police Department	5	\$2,130.00	\$2,130.00	\$4,260.00
Presque Isle	The Northern Lighthouse Inc	5	\$255.28	\$255.31	\$510.59
Rockland	Knox County	3	\$622.50	\$622.50	\$1,245.00
Rumford	ND Paper	426	\$14,755.26	\$108,337.70	\$123,092.96
Saco	CBC Inc	4	\$4,790.00	\$4,790.00	\$9,580.00
Saco	Shed Happens Inc	2	\$2,400.00	\$2,400.00	\$4,800.00
Saco	Thornton Academy	2	\$627.93	\$2,808.57	\$3,436.50
Sanford	Great Bay Services	1	\$410.50	\$1,168.50	\$1,579.00
Sanford	Sanford Police Department	5	\$1,747.50	\$1,747.50	\$3,495.00
Scarborough	Johnson and Jordan	13	\$1,037.50	\$1,037.50	\$2,075.00
South Portland	City of South Portland	8	\$164.88	\$164.89	\$329.77
South Portland	Multiple - Welcome ME Hospitality Badge (*7)	217	\$0.00	\$0.00	\$0.00
South Portland	Port Resources	33	\$2,237.50	\$2,237.50	\$4,475.00
Thomaston	Town of Thomaston	2	\$255.50	\$274.50	\$530.00
Waterville	Kennebec Behavioral Health	17	\$1,105.00	\$1,105.00	\$2,210.00
Waterville	Waterville Police Department	4	\$627.50	\$627.50	\$1,255.00
Wells	Multiple - Foundations of Hospitality Mgmt (*8)	19	\$16,748.00	\$16,748.00	\$33,496.00
Westbrook	Benchmark	17	\$211.99	\$212.16	\$424.15
Westbrook	Creative Works	10	\$1,540.00	\$1,540.00	\$3,080.00
Westbrook	Maine Community Bank	9	\$1,039.50	\$1,039.50	\$2,079.00
Westbrook	New Communities Inc	4	\$702.50	\$702.50	\$1,405.00
Windham	AllMed Staffing Of New England	10	\$1,500.00	\$1,500.00	\$3,000.00
Windham	Town of Windham	8	\$1,221.00	\$1,221.00	\$2,442.00
York	York Maine Police Department	2	\$999.00	\$999.00	\$1,998.00

<b>Total FY25 MQC and Put ME to Work</b>	<b>2191</b>	<b>\$356,595.96</b>	<b>\$515,176.12</b>	<b>\$871,772.08</b>
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If additional information is needed, please contact David Daigler via email at [ddaigler@maineccc.edu](mailto:ddaigler@maineccc.edu)

- \*1 Auburn Manufacturing - Manufacturing Tech was paid for in a previous fiscal year. Students completed the program in FY25.
- \*2 Bath Iron Works - Manufacturing Tech training was canceled.
- \*3 Remote Worker Essentials Badge was paid for in a previous fiscal year.
- \*4 Electro-Mechanical Instrumentation was paid for in a previous fiscal year. Students completed the program in FY25.
- \*5 Customer Service Communication was paid for in a previous fiscal year.
- \*6 Journey Enterprises - Recovery Basics was paid for in this fiscal year. Launching in April, it had 112 completers and will continue throughout FY26.
- \*7 Welcome ME Hospitality Badge was paid for in a previous fiscal year.
- \*8 Foundations of Hospitality Management was paid for in this fiscal year. It had 19 completers and will continue throughout FY26.

# Short-term Workforce Training Programs

## Arts, Humanities, Digital Media, and Communication

	CM	EM	KV	NM	SM	WC	YC
Google UX Design	•	•	•	•	•	•	•
Google Digital Marketing & E-Commerce	•	•	•	•	•	•	•

## Business and Hospitality

	CM	EM	KV	NM	SM	WC	YC
Amazon Web Services					•		
Certified Bookkeeper & MOUS Certificate				•			
Certified Social Media Manager				•			
Creating Exceptional Customer Experience							•
Culinary / New Cook Boot Camp		•	•				•
Entrepreneurship Training			•				
Excel Associate Microsoft Certification		•					
Google Project Management	•	•	•	•	•	•	•
Google Business Intelligence	•	•	•	•	•	•	•
Hospitality Badges							•
Intermediate Supervisor Training							•
Leadership Development					•		
Logistics and SCM							•
Maine Guide Skills		•					
Metrix Professional Development					•		
Microsoft Sharepoint Training				•			
MOUS Certification for Excel				•			
Paralegal							•
Peer to Supervisor							•
Quickbooks				•			
Raft Guide							•
Real Estate Agent	•						
Remote Work							•
ServSafe		•					•
Virtual Assistant			•				

## Computer Science and Information Technology

	CM	EM	KV	NM	SM	WC	YC
Amazon Web Services					•		
CompTIA Security+	•						
Computer/Data Analyst Foundations			•				
Google Cybersecurity	•	•	•	•	•	•	•
Google Data Analytics	•	•	•	•	•	•	•
Google UX Design	•	•	•	•	•	•	•
Google IT Support	•	•	•	•	•	•	•
Google Pathways in IT							•
IBM Pathways in IT							•

## Education, Human Services, and Social and Behavioral Sciences

	CM	EM	KV	NM	SM	WC	YC
Alternative Pathways to Teaching							•
Digital Literacy Badge							•
Drug and Alcohol Supervisor				•			
Early Childhood Conference				•			
Early Childhood Education			•		•	•	
Ed Tech				•			•
Education Technician II Apprenticeship							•
Educational Trip Leader		•					
Educator Apprenticeship					•		
Educator Pathway	•						
Employment and Disability Badge							•
Intro to Substance Use Disorders							•
Learning Facilitator		•					
Mental Health Career Academy							•
Mental Health and Rehabilitation: MHRT/C							•
Substance Use Recovery CADC Apprenticeship							•
Wellness and Compassion Fatigue							•

## Health Sciences

	CM	EM	KV	NM	SM	WC	YC
Adv. Cardiac Life /Pediatric Adv. Life Support				•			
Advanced Cardiac Life Support							•
Advanced Emergency Medical Technician				•			•
Basic Life Support	•					•	
Certified Nursing Assistant	•	•			•		
Clinical Assisting		•					
CPR First Aid							•
Dental Assisting							•
Emergency Medical Technician		•		•	•	•	•
Expanded Function Dental Aux							•
Medical Assisting					•		•
Medical Billing and Coding							•
Medical Coding		•					
Medical Interpreting							•
Mobile Technology Lab 2526 (Health Science Skills)							•
Nursing TEAS Prep							•
Pediatric Advanced Life Support							•
Patient Services Rep							•
Pharmacy Technician	•	•			•		•
Phlebotomy	•	•	•		•		•
Radiation Health & Safety Exam Review							•

# Short-term Workforce Training Programs

## Industrial Technology and Transportation

	CM	EM	KV	NM	SM	WC	YC
608 Certification (Heat Pump/HVAC)				•			
Aboriculture							•
Advanced Construction Institute							•
Advanced Manufacturing							•
Automotive Technology			•				
Broadband Technician	•						
CNC Machining							•
Commercial Driving License	•	•	•	•		•	
Commercial Driving Academy					•		•
Construction			•				
Construction Institute							•
Dent Repair Certification				•			
Electric Boat Motor							•
Electrical Technology	•	•	•				•
Entry Level Machine Operation			•				
Fiber Optic Technician	•						
Gas and Propane Large Equipment							•
Gas and Propane Construction							•
Heat Pump Installer	•			•			•
Heavy Equipment Operator Training			•				
High Pressure Boiler	•						•
Home Inspection	•						
Industrial Instrumentation							•
Mechatronics							•
National Code Update			•				
National Electrical Code Course							•
Oil Burner Technician			•				•
Plasma Table							•
Propane Technician			•				
St. Croix Tissue – Electro-Mechanical Instrumentation							•
Water Treatment Certificates							•
Welding	•		•	•	•		•
Yamaha Boat Motor Repair							•

Short-term workforce training programs are offered at our colleges on a rolling basis throughout the year, for different lengths of time depending on the subject. Some classes are offered multiple times a year.

For more information, contact the community college directly or go to [alfondcenter.mccs.me.edu/short-term-training](http://alfondcenter.mccs.me.edu/short-term-training)

## Public Safety

	CM	EM	KV	NM	SM	WC	YC
Adv. Cardiac Life /Pediatric Adv. Life Support				•			
Advanced Cardiac Life Support							•
Advanced EMT				•			•
Basic Life Support	•			•			
CPR First Aid							•
Emergency First Responder			•				
Emergency Telecommunications			•				
Emergency Medical Technician			•		•	•	•
Emergency Vehicle Operator Course							•
Fire Officer I, II, and III			•				
Heavy Vehicle Extrication			•				
HYEV Safety for Forest Responders							•
Pediatric Advanced Life Support							•
Prehospital Trauma Life Support							•
Radiation Health & Safety Exam Review							•
Water Treatment Certificates				•			
Wilderness First Responder			•				

## Sciences, Engineering, and Mathematics

	CM	EM	KV	NM	SM	WC	YC
Advanced Construction Institute							•
AutoCAD							•
Construction Academy							•
Electrician Technology	•	•	•				•
Land Surveying	•						
Welding	•		•	•	•		•

- CM** Central Maine Community College
- EM** Eastern Maine Community College
- KV** Kennebec Valley Community College
- NM** Northern Maine Community College
- SM** Southern Maine Community College
- WC** Washington County Community College
- YC** York County Community College

Contact us at 207-629-4013; [mccsalfondtraining@mainecc.edu](mailto:mccsalfondtraining@mainecc.edu); [MCCSworks.com](http://MCCSworks.com)

# You want a good job, right now

Fast track your future with low- or no-cost short-term training programs offered through our Harold Alfond Center for the Advancement of Maine's Workforce. Most of our 200+ programs are grant funded, so there's no cost to you!

We partner with more than 2,000 businesses to create customized training so you learn the exact skills you need for jobs in today's marketplace. Programs take just weeks and months to complete, and some offer weekly stipends, housing opportunities, and guaranteed job interviews with local businesses that have open positions.

Take advantage of hybrid, night, and on-demand schedules; stackable badges and certificates; and scholarships for future degree and certificate programs.

### Pre-Hire Training

Start a new career in a matter of months! These programs fill high-demand positions, take less than one year to complete, and are offered at low- or no-cost for students. Graduates have the skills needed to go directly into the workforce while earning credit for a future degree.

### Incumbent Worker Training

Already have a job, but want to keep growing in your position? Employers who join the Maine Workforce Development Compact can get up to \$1,200 in matching funds for employees to get professional development! Gain skills that lead to career advancement, job security, and retainment.

### Scholarships

Want to keep going? We have scholarships available to help you complete a certificate or degree program. Students who have received pre-hire or Compact training are eligible for 50% off two courses each semester.

# BUILD YOUR FUTURE

Prepare for your first, next, and **BEST** career moves.



Short-term training to get you into a career fast



One-year certificates to hone your skills in a specialized career field



Two-year degrees to start your career or prepare for transfer



Professional development to advance your career



Affordable, flexible, and close to home to help you balance your priorities

## Free for many. Affordable for all.

Maine's community colleges offer the lowest tuition and fees in New England. For nearly half our degree-seeking students, Pell Grants and Maine State Grants cover the full cost of tuition and fees.

No-cost short-term training and professional development grants through the Maine Workforce Development Compact are proudly supported by The Harold Alfond Center for the Advancement of Maine's Workforce.



Short-term workforce training through Maine's community colleges



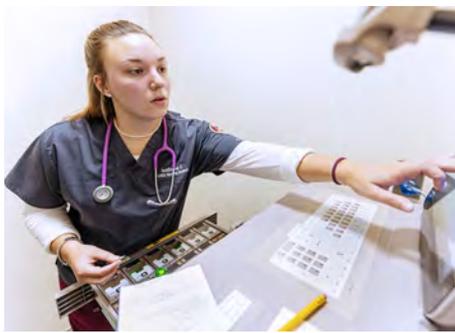
MAINE'S COMMUNITY COLLEGES

**LET'S GO**

**BEYOND**

STRATEGIC PLAN

MARCH 2025



# LET'S GO BEYOND, TOGETHER

Maine's community colleges are critical to Maine's economic health, with strong ties to Maine's industry leaders and offering an affordable, relevant, high-quality education to those looking for a better life.

**Our seven colleges serve more than 33,000 students a year.** We offer early college, short-term workforce training, certificate, degree and transfer options, and focus on the unique success of each student.

That takes strategic thinking, deep connections, shared accountability, and an evolving strategic vision focused on our students, our employer partners, and most importantly, our people.

This strategic plan is ambitious and bold. We anchor our work in three critical pillars, inviting us all, in bright and challenging times, to engage deeper, to see beyond. Our students will continue to pursue their dreams across an array of affordable educational opportunities. Our colleges and our people will continue transformational work aligning academic and short-term instruction with industry demands, framed by clear, efficient pathways.

This document is a roadmap to get us there.

**Our students** remain at the heart of our work. We must offer meaningful, transparent, and relevant paths to achieve their own version of success while supporting their strong sense of belonging at our colleges.

**Our relationship with employers** is critical to ensure we're fulfilling our mission of creating the skilled and adaptable workforce that our state so desperately needs. Addressing Maine's talent attraction and retention requires all of us to lean in.

**Our people** make all this possible. The talented employees who make up the MCCS community are the drivers of our purpose. We must actively support each other, provide opportunities to ensure everyone reaches their optimal lifegoals and supports our interests and contributions to each of our communities.

This is an organic, ongoing journey. I encourage you to engage in the work with us and take advantage of the regular opportunities to check our progress and collaborate on meeting our mission, together.

David Daigler  
President of the Maine Community College System





# OUR MISSION

To create an educated, skilled and adaptable labor force that is responsive to the changing needs of the economy.

MSRS Title 20-A, §12703

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# OUR VISION

Maine's community colleges will continue to be recognized as essential to the economic mobility and social and civic resilience of the state. The colleges will offer Maine people opportunities for lifelong learning that propels and enriches their lives and communities by providing innovative and relevant educational opportunities. Maine's employers will consistently turn to their community colleges to develop the full potential of their workforce through agile and responsive programming.



# OUR VALUES

Maine's community college **students** deserve the opportunity to learn, grow, and advance their careers in a safe, supportive, and connected environment; where they feel a strong sense of belonging.

Maine **employers** need the skilled, educated, and adaptable talent we develop for an ever-evolving workplace.

The employees of the Maine Community College System, our **people**, are our most valuable resource. We support diverse, equitable, and inclusive work environments that provide employees with a sense of belonging, leading to opportunities to engage in meaningful work, lead balanced and productive lives, and advance their careers.

Our students, employers, and people need the support of a set of foundational elements that strengthen the overall system. Through a spirit of innovation and collaboration, we will build partnerships that ensure each student's success and meet the specific needs of employers and the distinct communities we serve. To fulfill our vision, we will need innovative delivery methods, robust information systems, and business models that sustain growth and expansion.



# HOW WE'RE GOING BEYOND NOW

## Our Reach



**33,000+**

Students we serve each year



**27,454**

Short-term training students since 2022



**4,500+**

Early college credit students each year

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## Our Affordability



**78%**

Of our students get grant aid each year



**\$101 MILLION+**

Grant aid we award each year



**17,151**

Free college students enrolled since 2022



## Our Opportunities



**300+**

Associate degree  
and certificate  
programs we offer



**1,783**

Maine employers  
who have joined the  
MCCS workforce  
training compact



**180+**

Degree-level  
transfer agreements  
between MCCS and  
public universities

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## Our Impact



**50,468**

Degrees and  
certificates we  
have awarded  
since 2003



**84%**

Of short-term training  
students planned to take  
more training in the future

# BUILD YOUR FUTURE

**Start a 4-year degree**  
2 years +

**Transfer**

**College degree**  
2 years +

**Start your career**

**Skilled certificate**  
Months to 1 year

**Enter high-skill / high-wage fields**

**Short-term training**  
Weeks to months

**Retrain, learn skills for entry-level positions**

**Early college**  
By semester

**Explore interests and earn free college credits**

**Earn a badge**  
Hours to days

**Be work ready and explore options**

# DISCOVER YOUR PATHWAY



Arts, Humanities,  
Digital Media, and  
Communication



Education, Human  
Services, and Social  
and Behavioral  
Sciences



Public Safety



Business and  
Hospitality



Health Sciences



Sciences,  
Engineering, and  
Mathematics



Computer Science  
and Information  
Technology



Industrial  
Technology and  
Transportation

**“I THINK BACK TO THE DECISION TO TAKE PART IN THE THREE-WEEK INTRODUCTION TO DESIGN COURSE WITH GRATITUDE. THAT REALLY WAS THE MOST LIFE-ALTERING THREE WEEKS OF MY LIFE.”**

**—Adrianna Bedolla, workforce training student**



GOING BEYOND FOR...

**OUR  
STUDENTS**

## **Our vision for engaging and supporting students:**

Maine's community colleges will develop relevant, high-quality, affordable, and accessible life-long learning opportunities. The system and colleges will strive to help students achieve their goals by:

- Eliminating barriers to access.
- Promoting student success while supporting social and emotional well-being of our entire community that ensures a strong sense of belonging.
- Building a coordinated system of credentialing options.

## LONG-TERM GOALS



Meet the full financial need for all students.



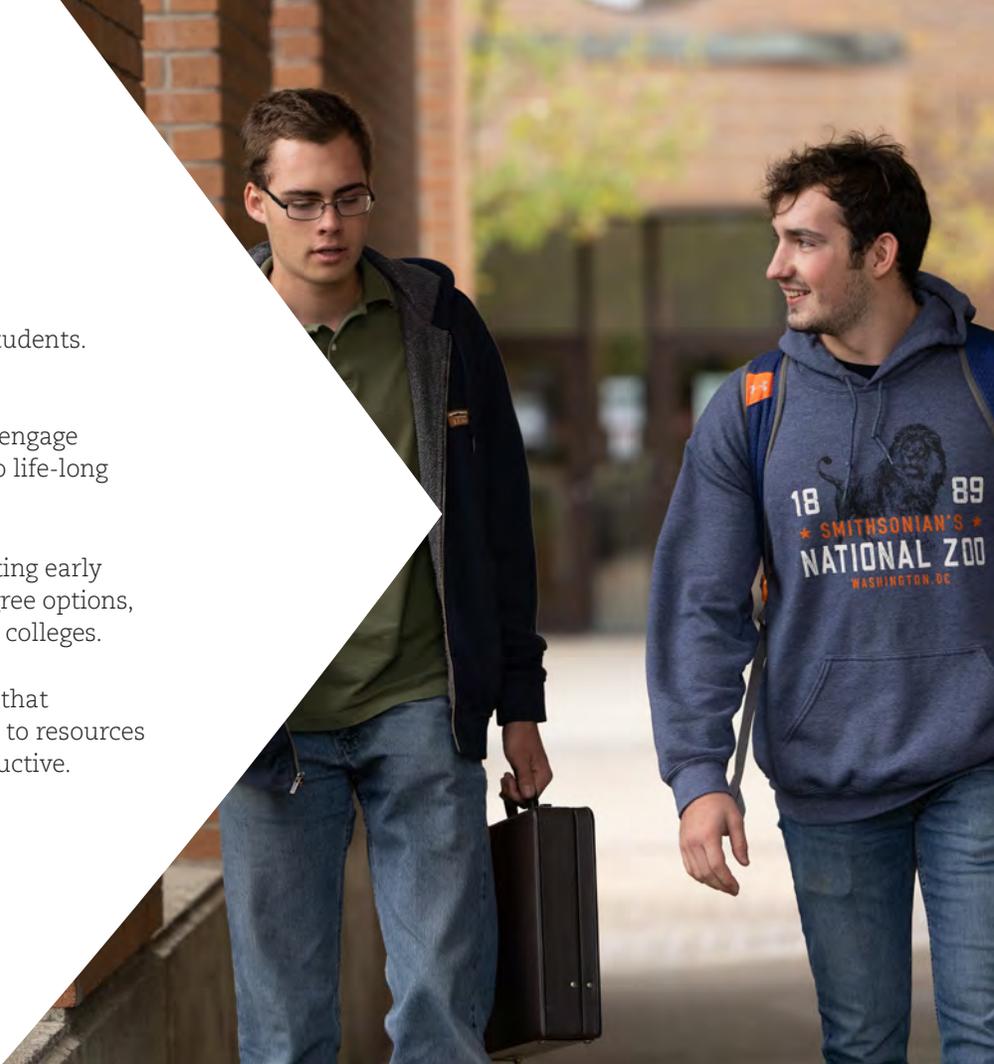
Meet students “where they are” and engage them in learning options that lead to life-long engagement with our colleges.



Build pathways for students connecting early college, short-term training, and degree options, including transfers to baccalaureate colleges.



Build in-person and on-line support that welcomes and connects all students to resources needed to become healthy and productive.



### 2025 Strategies:

- Gain legislative support for funding the Free College Scholarship as a permanent program.
- Attract financial resources to sustain Maine Jobs and Recovery Plan (MJRP) and Harold Alfond Foundation (HAF) grant-funded programs.
- Implement Pathways at all seven colleges, tangibly connecting early college and short-term programming to degree options.
- Establish a support structure that promotes and advances physical wellness, mental health, and campus safety programming at all colleges.
- Pilot program options that integrate civic engagement into daily learning.

### 2026 Strategies:

- Expand financial support from governmental and philanthropy sources to help meet the full financial need for all students:
  - Support legislation that expands Federal Pell Grants to include more support, expanded income qualifications, and short-term Pell.
  - Expand stipends for students in short-term training programs.
- Expand Pathways to incorporate early college to community colleges and community colleges to four-year programs.
- Engage in leadership roles in our broader communities to participate in dialogues relevant to improving student mental health, campus safety, and civic engagement.



GOING BEYOND WITH...

**OUR  
EMPLOYERS**

**Our vision for engaging and supporting employers:**

Maine's community colleges will build deep, lasting partnerships directly with businesses and industry groups to support the delivery of relevant, high-quality, high-demand workforce development options across the state.

From pre-hire training and advanced skill development to credential attainment, our employers will turn to their community colleges to develop a fully educated workforce for an ever-evolving workplace.

## LONG-TERM GOALS



Serve as the highest quality, integrated partner for workforce development programs, building incentive-based programs for workforce attraction, retention, and advancement.



Continue to build long-term, value-added relationships with employers that connect industry need with workforce development and training with supportive funding opportunities that sustain skill-based employee attraction, development, and career advancement.



Share the knowledge gained we have acquired from our experiences, and our consulting partners.



### 2025 Strategies:

- Implement the information systems necessary to track training and education acquired through all providers in a single student record that aggregates an employer's entire frontline workforce.
- Increase engagement with existing, or help create, industry-based collaborations that are relevant to the state's highest needs (housing/construction, education, healthcare).
- Complete ideation and requirement definitions for an AI platform that supports matching employer workforce development needs with industry-based training options at scale.
- Further identify employer partners thought leaders to build exemplary programming strategies that inform and catalyze our program efforts.

### 2026 Strategies:

- Transition to a matrix model in the Harold Alfond Center for the Advancement of Maine's Workforce, aligning industry specific specialists to support regional coordinators to deepen employer-, industry- and sector-based partnerships.
- Build and test an AI platform that supports matching employer workforce development needs with industry-based training options at scale.



GOING BEYOND FOR...

**OUR  
PEOPLE**

**Our vision for engaging and supporting people:**

The system and the colleges will attract and develop a diverse and passionate team committed to finding new ways to build an educated, skilled, and adaptable labor force. To do so, we will offer a combination of competitive compensation, professional development, and flexible work environments—respecting every voice in our community.

## LONG-TERM GOALS

Build a diverse workforce, reflective of our communities with:



Compensation commensurate with peers in the Northeast.



Passion for student success and workforce development



The flexibility needed to succeed in all aspects of life



Access to nationally recognized professional development



Clear and transparent opportunity for professional growth.



### 2025 Strategies:

- Objectively assess the competitiveness of MCCS current compensation, using a total compensation assessment.
- Negotiate collective bargaining agreements that more fully reflect the changing circumstances of our work and employment conditions.
- Complete an employee engagement survey.
- Expand leadership and professional development funding, incentives and other opportunities to build participation in professional growth.
- Modernize a classification system that supports clear, transparent, and equitable job classifications and earning categories.

### 2026 Strategies:

- Transform the business model and secure funding that provides essential resources to assure objective and sustainably competitive compensation for all classifications of employees.
- Examine systems and opportunities that objectively reward superior performance.
- Execute a plan for enhanced engagement built on the results of the employee engagement survey.
- Continue to expand leadership and professional development funding and incentives that build participation in professional growth.
- Implement a classification system that supports clear, transparent, and equitable job classifications and earning categories.

# OUR VISION FOR CREATING FOUNDATIONAL ELEMENTS

There are three foundational elements that support the success of our students, employers, and people: facilities, partners, and approaches to business operations. By investing in these foundational elements, we will strengthen the foundation by which our students, employers, and people can succeed.



**Facilities:**

Maintain modern, high-quality learning and administrative facilities. To that end, the system and colleges will strive to provide the resources needed to continuously renew learning facilities with innovative program delivery options, consistently maintain and renovate our buildings, and steward environmentally responsible campuses.

**Partners:**

Embrace partnerships with other education institutions, student support organizations, and government agencies that advance our mission and vision. Through these partnerships, we will be more effective and efficient in delivering an “educated, skilled and adaptable labor force that is responsive to the changing needs of the economy.”

**Approach:**

Adopt a business model responsive to the realities of today’s economy. To that end, the system and colleges will build a portfolio of funding sources that support a predictable financial base and embrace information management as a critical link to student success and the development of a fully educated workforce for our employers.

# LONG-TERM GOALS



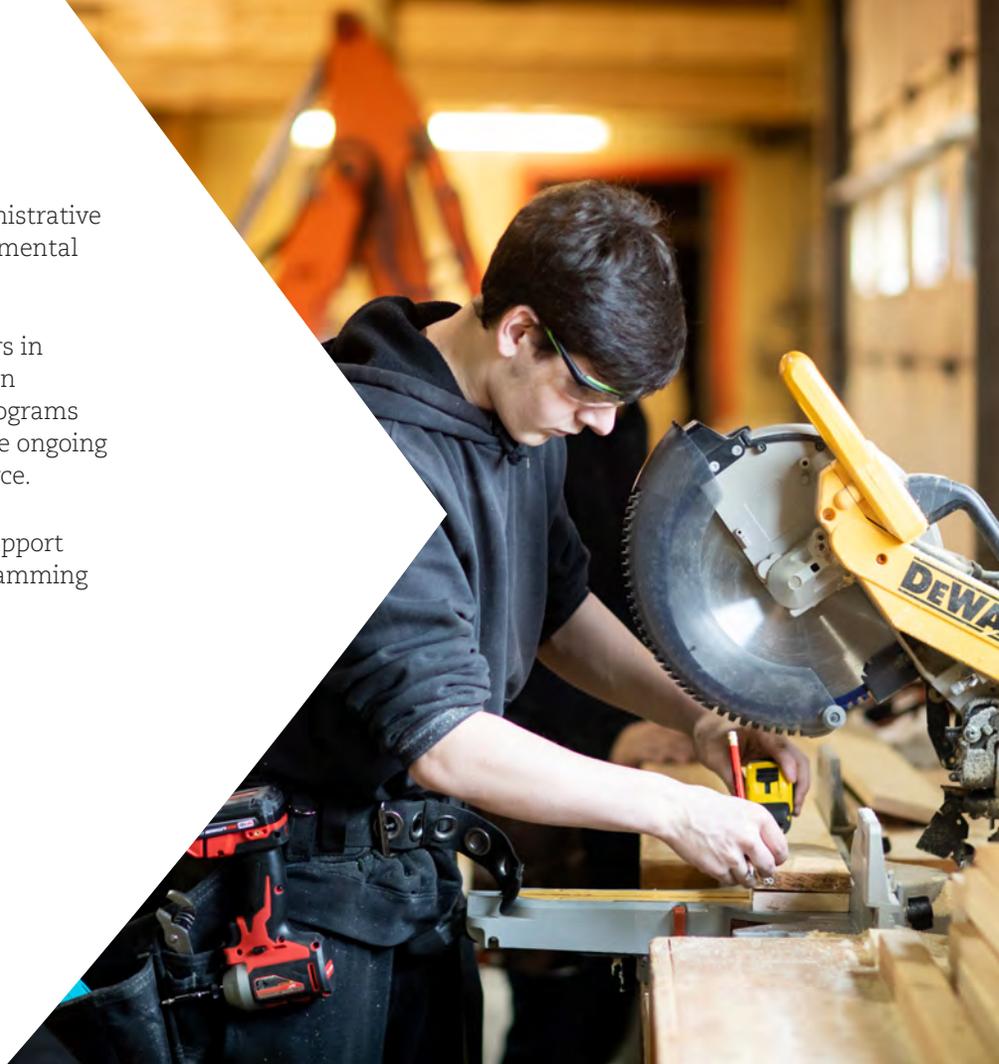
Sustain modern teaching and administrative facilities with zero negative environmental impact.



Lead the engagement of our partners in workforce development to sustain an integrated and effective series of programs and support systems that enable the ongoing development of world-class workforce.



Transform the business model to support sustained growth and quality programming across all offerings.



### **2025 Strategies:**

- Evolve a higher education capital planning funding model in collaboration with Maine's other public institutions of higher education.
- Assess the environmental impact of MCCS and develop potential strategies for reducing our negative impact on our environment.
- Partner with recognized co-leaders in workforce development with the shared goal of expanding funding opportunities. Implement the Anthology SIS suite of applications.
- Explore business models that provide long-term funding for growth and high-quality programming.

### **2026 Strategies:**

- Expand partnerships with recognized co-leaders in workforce development with the shared goal of increasing funding opportunities.
- Evolve and build support with state leadership, the federal delegation and business leaders to fund with public and private partners a sustainable capital investment program for Maine's public institutions of higher education.
- Implement a business model that provides funding for growth and high-quality programming.

# FROM HOMELESS VET TO DESIGNING DESTROYERS

When Thomas Bailey returned to Maine, he was homeless, staying at a VA shelter in Lewiston. He learned about a Marine Design skilled certificate program at SMCC in partnership with Bath Iron Works. SMCC set him up with dormitory housing, enabling him to attend classes. After the program, Thomas was hired as an electrical designer for BIW, allowing him to get his own apartment and launch a new chapter in his life.

**“THIS PROGRAM REALLY LAYS OUT THE BRIDGE  
IN ORDER TO COME FROM A PLACE OF NON-  
EXPERIENCE. IT’S A LIFE CHANGING PROGRAM.”**

—Thomas Bailey, skilled certificate student





# LET'S GO BEYOND, TOGETHER.



Maine's  
Community Colleges



**Central Maine**  
COMMUNITY COLLEGE



**Eastern Maine**  
Community College



**KENNEBEC VALLEY**  
COMMUNITY COLLEGE



**NORTHERN**  
**MAINE**  
COMMUNITY COLLEGE



**SOUTHERN**  
**MAINE**  
COMMUNITY COLLEGE



**Washington County**  
**Community College**  
Discover Choices • Create Success



**YORK COUNTY**  
COMMUNITY COLLEGE