

MAINE STATE LEGISLATURE

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STATE OF MAINE

BUDGETARY FINANCIAL REPORT



For the Fiscal Year Ended June 30, 1999

STATE OF MAINE

BUDGETARY FINANCIAL REPORT

For The Fiscal Year Ended June 30, 1999



Angus S. King, Jr.
Governor

Janet E. Waldron, Commissioner
Department of Administrative & Financial Services

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STATE OF MAINE
BUDGETARY FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

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INTRODUCTORY SECTION

STATE OF MAINE

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Bureau of Accounts and Control
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Augusta, ME 04333-0014
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To the Citizens, Governor and Members of the Legislature of the State of Maine:

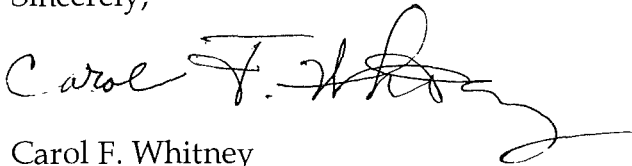
We are pleased to present the Budgetary Financial Report for the State of Maine (the *Report*) for the fiscal year ended June 30, 1999. This *Report* is prepared on a budgetary basis by the State Controller's office staff within the Department of Administrative and Financial Services.

This *Report* is presented in three sections: Introductory, Financial, and Statistical. The Introductory Section has been expanded and now includes sections on the Economy, the Economic Outlook, Major Initiatives, and a wealth of financial data and highlights, accompanied by succinct charts and graphs. The Financial Section includes the financial statements and the combining statements and schedules prepared on a budgetary or modified cash basis. The Statistical Section includes fiscal, social, and demographic information about the State.

The preparation of the State's Annual Financial Reports, both budgetary and GAAP, are possible due to the experienced and dedicated staff within the State Controller's Office, with the cooperation of the fiscal staff of State Agencies and Component Units.

Please contact us directly with related questions or requests for additional copies.

Sincerely,



Carol F. Whitney
State Controller

e-mail: Carol.F.Whitney@state.me.us

STATE OF MAINE

OFFICIALS OF STATE GOVERNMENT

AS OF JUNE 30, 1999

EXECUTIVE

Angus S. King, Jr., *Governor*

LEGISLATIVE

Mark W. Lawrence, *President of the Senate*

Elizabeth H. Mitchell, *Speaker of the House*

Constitutional Officers

Andrew Ketterer, *Attorney General*

Gail M. Chase, *State Auditor*

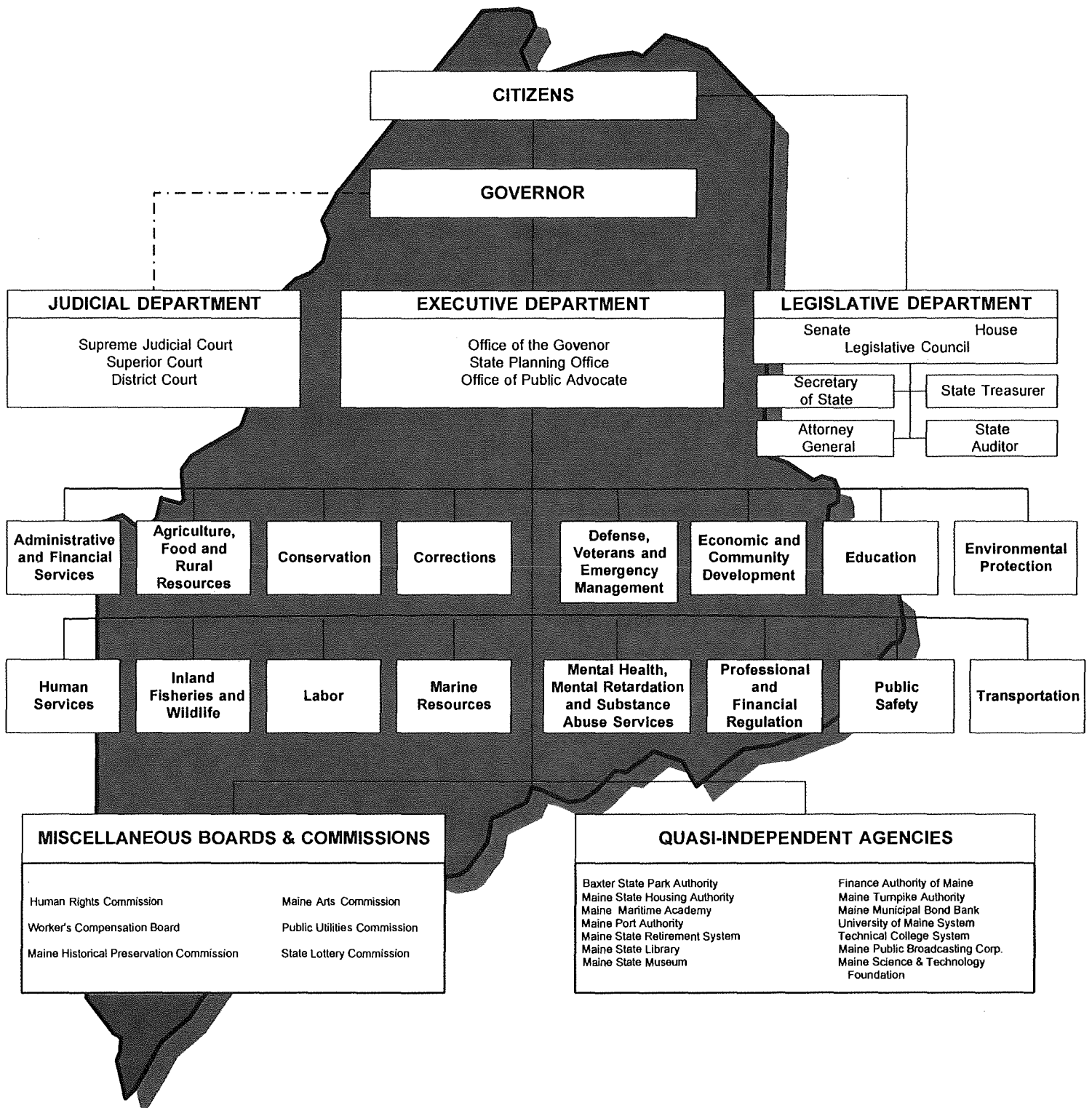
Dan A. Gwadowsky, *Secretary of State*

Dale McCormick, *State Treasurer*

JUDICIAL

Daniel E. Wathen, *Chief Justice of the State Supreme Court*

ORGANIZATION CHART OF MAINE STATE GOVERNMENT AS OF JUNE 30, 1999



THE MAINE ECONOMY

The Maine economy continued to show considerable strength through the first half of calendar year 1999. While growth has slowed somewhat from last year in both Maine and the nation, it is still a strong growth that should sustain the current economic expansion for many months and possibly years.

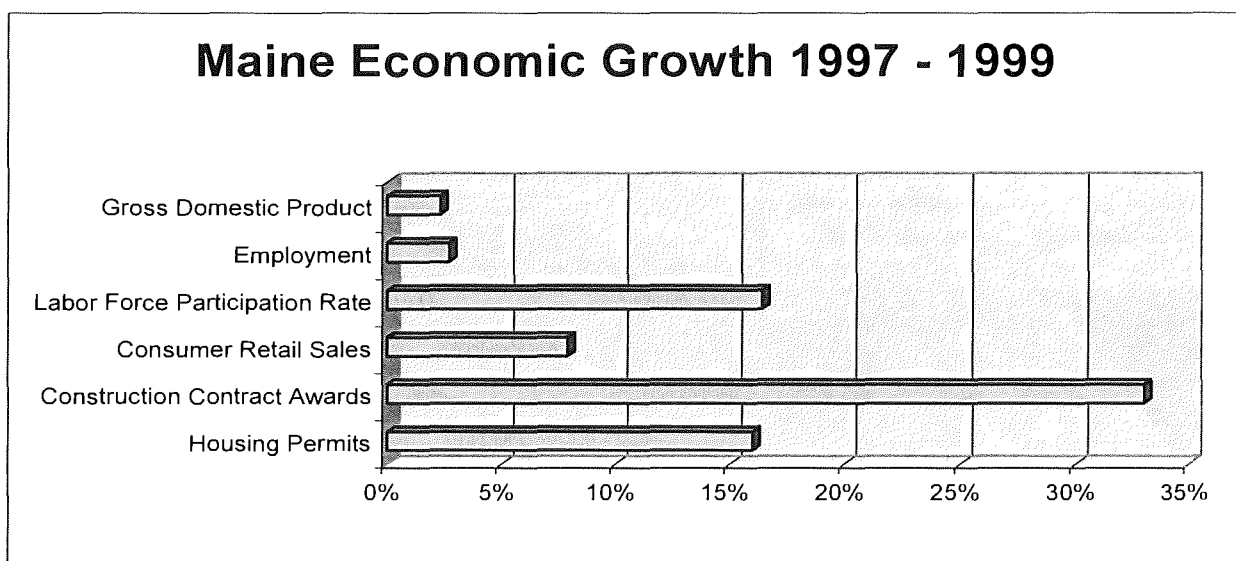
Nationally, real economic growth (gross domestic product) eased from 6% in the fourth quarter of calendar year 1998, to 4.3% in the first quarter of calendar year 1999, to a 2.3% growth rate during the second quarter of calendar year 1999. This slower growth has helped to lessen the demand for labor and, in turn, money for expansion that would likely have re-ignited inflation, thus devaluing the gains of the past few years.

One of the most surprising features of the Maine economy over the past couple years is the sustained high rate of employment growth. Through the first 6 months of this calendar year, payroll employment was up 2.7% over the same period last year, which is .5% above the national rate. This growth follows the 2.9% growth for all of calendar year 1998, which is significant considering that annual population increases have been less than 0.4% per year since the late 1980's.

Other signs of strong employment growth include the labor force participation rate in Maine (percentage of the population 16 and over who are in the labor force), which currently stands at 67.3% and is still rising. The 67.3% participation rate is within 2 percentage points of the historical high. In addition, help-wanted advertising lineage further suggests the demand for labor is still accelerating. Lineage in the Portland newspapers, which was up 13.4% in 1998, was increasing at an annual rate of 16.4% through May of this year.

Other Maine economic indicators that give evidence to continued strength include:

- Taxable Consumer Retail Sales has risen by a 7.9% annual rate through June compared to US retail sales growth of 8%.
- Construction Contract Awards have increased at a 33% annual rate for the first half of calendar year 1999.
- Housing Permits have also expanded at a 16% annual rate through May.



Other Strong Economic Indicators

Moody's Investors Service has upgraded its bond rating for the Maine Governmental Facilities Authority. The bonds will pay for improvements to correctional facilities, the state office and other capitol buildings, and court facilities.

Through the assistance of the Maine Film Office, Eddie Bauer, the Seattle-based outdoor-products Company, is planning a large catalog shoot in Maine later in the fall.

Attendance this season at state parks and historic sites increased almost 10% over last year. An additional 172,829 more visitor days occurred in 1999 over 1998, the previous best year.

Optimism about the economy is higher in Maine than New Hampshire or Massachusetts, according to the first Tri-State Tracking Survey of the three states created and executed by Critical Insights, Inc. of Portland. People in all three states generally believe their state is "headed in the right direction," and that the economy will improve next year. This is particularly true of Mainers, the poll found. Also, confidence in state leadership is higher in Maine than the other two states. The poll also found that 60 percent of the respondents in Maine oppose reinstating a personal property tax on business equipment, and that 78% favor their local communities assisting businesses through tax increment financing.

In summary, the key to Maine's immediate economic future is the national economy. We still must wait to see whether we truly have crossed a threshold into "*The New Economy*". Most of the economic data does support the belief that Maine has, in fact, entered a period of long-term, strong economic growth while also maintaining historically high productivity levels and low inflation.

MAJOR INITIATIVES

STATE OF MAINE'S BUSINESS INCENTIVE PROGRAMS

One-third of all business machinery and equipment in the state has been installed in just the last four years. In 1995, at Governor King's urging, the Maine Legislature adopted the Business Equipment Tax Rebate (BETR) program to encourage investment in new manufacturing machinery and equipment. The BETR program is just one example of many economic incentive programs administered by the State of Maine.

The Department of Economic and Community Development recently completed a survey of Maine businesses that received more than \$10,000 from state incentive programs such as the Business Equipment Tax Rebate (BETR) program, the Municipal Tax Increment Financing (TIF) program and the Governor's Training Initiative. The findings of the survey, which have been submitted to the Maine Legislature, showed that for every \$1 of business incentives provided by the state, there were over \$19 of private funds invested in the companies, their employees and their communities. Furthermore, there was a net gain of 932 employees, or 8.5 per company, with a total workforce of 39,590 maintained by the businesses responding to the survey.

It's also clear from the comments made by the business owners that the incentive programs have had a significant effect on job retention and expansion. Following are some of the comments made by Maine businesses:

New Balance Athletic Shoe, Norridgewock: "These incentives were highly influential in New Balance's decision to expand operations in Maine. It would have been difficult to expand our manufacturing operations here without these incentives. In particular, it would have been difficult to justify the purchase of our Norway facility if these incentives were not available."

Nichols Portland: "Without the TIF, Nichols Portland would have relocated to the southern states where the property taxes are considerably lower. Therefore, all the jobs we have here have been retained due to the TIF."

C.F. Hathaway Co., Waterville: "Without the incentive from the State of Maine, the Investment Group would not have been able to purchase Hathaway from Warnaco Inc. and 432 people would have been out of work."

Edwards System Technologies, Pittsfield: "Without having access to these types of business incentives in Maine, EST would have more strongly considered relocating the facility to states with incentive programs which were in closer geographic proximity to our Design and Development facilities in Florida."

Gilbert Manufacturing, Locke Mills: "BETR has absolutely been responsible for keeping the company in business through a challenging period."

Fort James Corp., Old Town: "Our Maine facility has the highest relative tax burden of all our (nine) U.S. mills by a considerable margin. BETR helps to mitigate this cost disparity, preserves jobs, and makes our Maine facility more competitive with other company mills and external competitors."

Northland Frozen Foods, Fort Kent: “With the availability of incentives the company will be in a better market position to compete and provide employees with benefits.”

Investments in the State’s Bridge and Highway Infrastructure

In 1994, the backlog of improvements needed on so-called “extraordinary” bridges in Maine was \$443 million. By the year 2000, the backlog will be reduced to \$215 million primarily due to some innovative ideas that resulted in significant cost savings within the Department of Transportation. Extraordinary bridges are bridges with a length of at least 250 feet and an improvement cost of \$5 million or more. Major projects during the last five years include the following:

- Casco Bay Bridge in Portland-South Portland
- Merrymeeting Bay Bridge in Brunswick-Topsham
- Donald V. Carter Bridge in Waterville-Winslow
- Singing Bridge in Hancock-Sullivan; and
- Continued work on the Sagadahoc Bridge in Bath-Woolwich.

These types of infrastructure investments have a significant impact on the local, regional and statewide economies.

In addition to funding these projects through significant support from Congress, the Department of Transportation also sought innovative ways to reduce project costs as part of its ongoing productivity efforts. These innovations were applied to the replacement of the bridge between Bath-Woolwich (eliminating the draw span, for example) which resulted in savings of \$100 million. These savings represent more than half of the original project cost estimate. Savings on the Donald V. Carter Bridge will allow miles of highway improvements on roads that provide access to the bridge. The significant reduction from \$443 million to less than \$214 million of backlog bridge needs, along with cost savings, provides the opportunity to allocate scarce resources to other statewide transportation needs as part of the Department’s Biennial Transportation Improvement Program.

MAINE RECEIVES NATIONAL RECOGNITION

The State of Maine has traditionally focused on its children as its major asset. Through various State programs, the State of Maine has invested in their future. The State is beginning to reap the benefits of these investments through national recognition. One of these accomplishments was the State of Maine’s number one ranking nationally for raising a child.

The Children’s Rights Council, a national child advocacy organization, attributed Maine’s quick rise in the ranking to an increase in the graduation rate, a decrease in the number of children within the poverty rate, and a decrease in the teen birth rate in Maine. The 50 states and the District of Columbia were categorically measured and then ranked in relation to each other based on ten different criteria as follows:

- the percentage of children referred for investigation of alleged abuse and neglect,
- the percentage of children not immunized by age two,
- the high school dropout rate, the child death rate,
- the infant mortality rate,
- the percentage of mothers not receiving prenatal care in the first trimester,
- the percentage of juvenile arrests,
- the percentage of teen births, and
- the percentage of divorces.

The state received significant national publicity resulting from this recognition. *USA Today*, *MSNBC*, *NBC's Today Show*, *ABC Nightly News* and dozens of other national media outlets – even a national Korean language newspaper – reported the story. Officials estimate that paying for an equivalent amount of publicity would have cost the state about \$10 million.

FINANCIAL INFORMATION

BUDGETARY CONTROL

The Governor presents a biennial budget for the General Fund and the Special Revenue Funds to the Legislature for enactment or revision. Effective November 27, 1995, a State Constitutional Amendment provided the Governor a "line item" veto. This allows an Executive dollar substitution for those amounts disapproved, as long as an appropriation or allocation is not increased (or a deappropriation or deallotment decreased) either in the specified line or in any other line in the legislative document.

Once passed and signed, the budget becomes the financial plan for the State for the next biennium. It includes proposed expenditures for all departments and agencies, interest and debt redemption charges, and expenditures for capital projects to be undertaken and executed during each fiscal year. The budget also includes anticipated revenues and any other means of financing expenditures. In accordance with statute, beginning in fiscal year 1998, the State Budget Officer must use the projections of the Revenue Forecasting Committee to prepare the General Fund and Highway Fund budgets.

The State maintains budgetary control at the account and line category level. The head of each department and agency of State government must submit a work program to the Bureau of the Budget for the ensuing fiscal year. The work program is classified to show allotments requested for specific amounts for personal services, capital expenditures, and amounts for all other departmental expenses. These are the levels at which appropriations and allocations are approved by the Legislature, principally through a quarterly allotment system. The State Controller authorizes all expenditures to be made from the amounts available on the basis of these allotments and not otherwise.

Budget revisions during the year, reflecting program changes or intradepartmental administrative transfers require the approval of the State Budget Officer and the Governor. Except in specific instances, only the Legislature may transfer appropriations between departments. Agency requests for increases in appropriations, allocations, or funding for new programs are presented to the Legislature as a supplemental budget.

The State uses encumbrance accounting as an extension of formal budgetary control. This requires that purchase orders, contracts, and other commitments be recorded to reserve a portion of an appropriation or allocation for expenditure. Appropriated and allocated balances are available for subsequent expenditure to the extent that encumbrances have been approved by the end of a fiscal year. The state reports encumbrances outstanding at year-end as reservations of fund balances to identify those portions of fund balances that are not available for allocation or expenditure, or that are legally segregated for specific future uses. Unencumbered appropriations in the General Fund and in the Highway Fund lapse at year-end unless, by law, they are carried forward to a subsequent year.

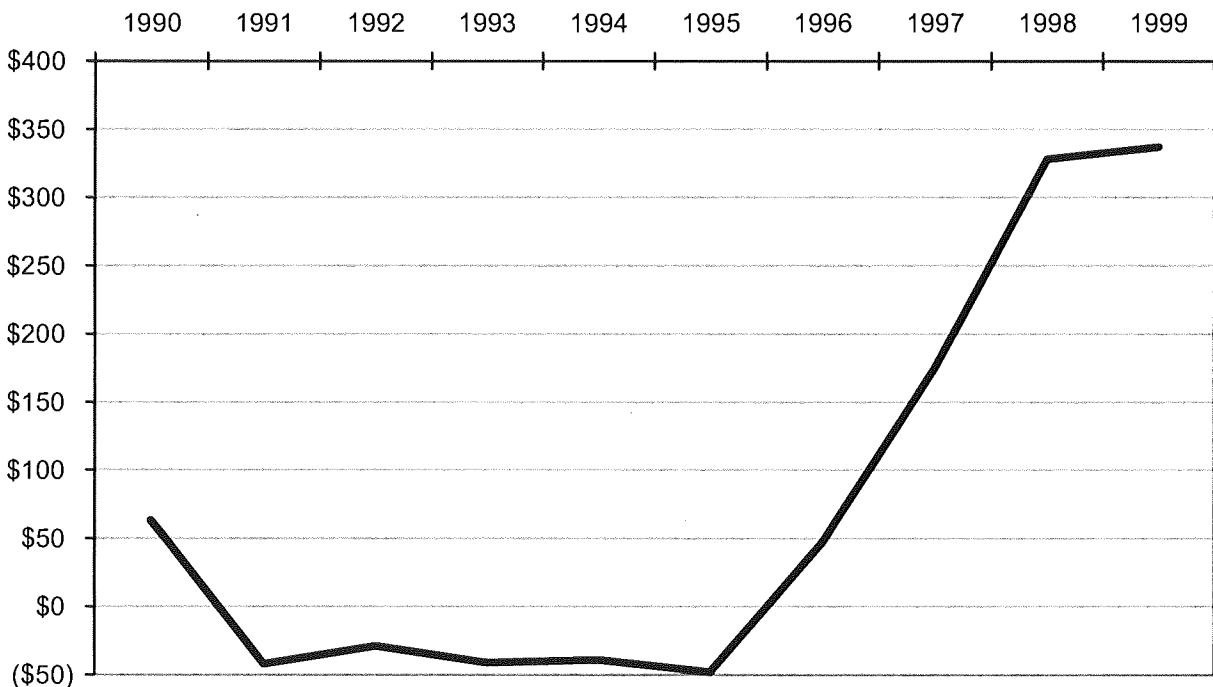
CASH POSITION

The State pools cash and cash equivalents for a variety of State agencies and public sector entities. Cash equivalents consist of short-term, highly liquid investments that are both readily convertible to known amounts of cash and are near maturity. Interest earned on pooled cash is allocated to the various funds, generally based on their average equity balances.

In accordance with statute, the Treasurer of State may deposit State funds in any of the banking institutions organized under the laws of this State, and any national bank or federal savings and loan association located in the State. The Treasurer of State may invest funds that exceed current obligations, with the concurrence of the State Controller or the Commissioner of Administrative and Financial Services, and the consent of the Governor. The list of approved investments includes: U.S. Treasury Bills, Notes, Bonds and Agency Securities, certain secured repurchase agreements, prime commercial paper, tax-exempt obligations, banker's acceptances, and certain secured shares of an investment company registered under the federal Investment Company Act of 1940.

The following chart depicts the General Fund's share of the Treasurer's pooled cash and investment fund at the close of each of the last ten fiscal years.

General Fund Cash Position
1990 – 1999
(Dollars in Millions)



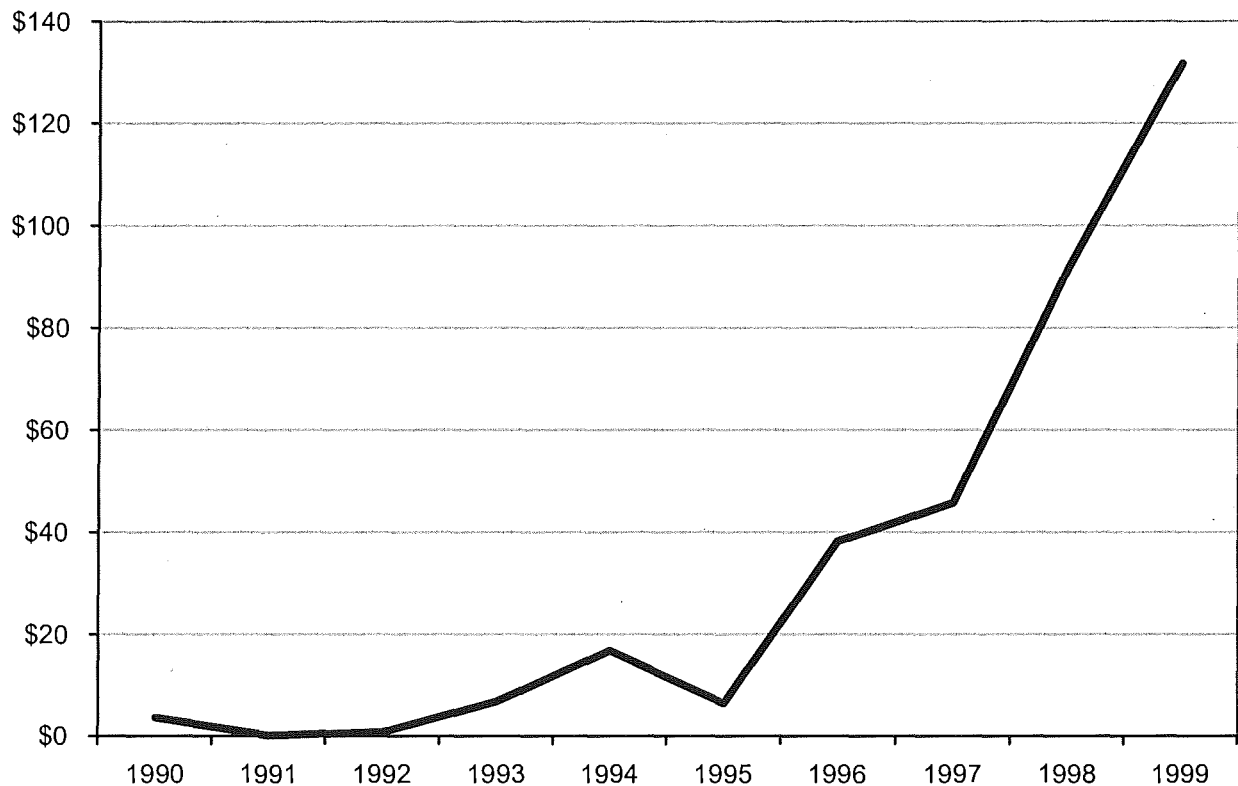
RAINY DAY FUND

The State of Maine reserves a portion of the General Fund's fund balance, referred to by law as the *Rainy Day Fund*. This reserve was created to fund potential operating deficits or other emergencies. Each year, the State transfers fifty percent of the excess of total General Fund revenues received, over accepted estimates, from the unappropriated surplus of the General Fund to the Rainy Day Fund. Upon recommendation by the Governor, and a 2/3 vote of the Legislature, appropriations from the fund may be made for prepayment of outstanding General Fund bonds or for major construction projects exceeding \$500 thousand.

Prior to fiscal year 1991, the Rainy Day Fund was limited to a fixed cap of \$25 million. In fiscal year 1991, the limit was tied to General Fund Revenues with a cap of four percent. The maximum amount that this fund may now carry, by law, is five percent of the total General Fund revenues received in the immediately preceding fiscal year.

The following chart shows the balance in the Rainy Day Fund at the close of each of the last ten fiscal years.

Rainy Day Fund Balance
1990 - 1999
(Dollars in Millions)



CREDIT RATINGS

When issuing General Obligation Bonds, the State of Maine pledges its full faith and credit to repay the financial obligation. Unless certain tax revenue streams are specifically restricted, states typically pledge all of their tax-raising powers to secure the obligations. The major bond rating agencies regularly assess the capacity and willingness of the State to repay its general obligation debt. Moody's Investors Service, Standard & Poor's, and Fitch IBCA, Inc., make their assessments, in large part, by examining four basic analytical areas:

- Economy
- Financial Performance and flexibility
- Debt burden, and
- Administration

The economic base is the most critical element in determining the rating. Growth and diversity in the demographics, tax base, and employment base of the State over the last decade are good indicators of future growth prospects and debt repayment capabilities. Generally, states with higher income levels and diverse economic bases have superior debt repayment capabilities and are better protected from sudden shocks or unexpected volatility in the economy. Because a strong economy does not always ensure a state's ability to meet debt payments, the state's financial management and performance are also key factors.

Financial analysis involves several factors, including: accounting and reporting methods; revenue and expenditure patterns; annual operating and budgetary performance; leverage and equity positions; budget and financial planning; and contingency obligations. These factors present a clearer indication of the financial strengths and weaknesses of the State. The rating agencies' analyses of these factors provide the framework for judging Maine's capacity to manage economic, political, and financial uncertainties. Following is a history of Maine's credit ratings from three of the major rating agencies, and a brief explanation of their meanings:

Maine Credit Ratings 1990 - 1999

	<u>Standard & Poor's</u>	<u>Moody's Investors Service</u>	<u>Fitch IBCA, Inc.</u>
1990	AAA	Aa1	
1991	AA+	Aa1	
1992	AA+	Aa1	
1993	AA+	Aa	
1994	AA+	Aa	
1995	AA+	Aa	
1996	AA+	Aa	AA**
1997	AA+	Aa3*	AA
1998	AA+	Aa2	AA
1999	AA+	Aa2	AA

* Refinement of Aa rating, not a downgrade

** Initial rating in 1996, not previously rated

Standard & Poor's

"AAA" is the highest Issuer Credit Rating assigned by Standard & Poor's. An obligor rated "AAA" has EXTREMELY strong capacity to meet its financial commitments. An obligor rated "AA" has VERY strong capacity to meet its financial commitments. It differs from the highest rated obligors only in small degree. Ratings from "AA" to "CCC" may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

Moody's Investors Service

Moody's long-term ratings measure total expected credit loss over the life of the security. In other words, they are an assessment of both (a) the likelihood that the issuer will default (i.e., miss payments), and (b) the amount of loss after a default occurs. For example, although the expected probability of default is the same for a given issuer, the expected post-default recovery for specific bonds may be higher or lower. Moody's is one of few major rating agencies using this total expected loss approach. Bonds that are rated "Aaa" are judged to be of the best quality. They carry the smallest degree of risk and are generally referred to as "gilt edge." Bonds that are rated "Aa" are judged to be of high quality by all standards. Together with the "Aaa" group they comprise what is generally known as high grade bonds. Moody's applies numerical modifiers 1, 2, and 3 in each generic rating classification from "Aa" to "Caa." The modifier 1 indicates that the issue ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates that the issue ranks in the lower end of its generic category.

Fitch IBCA, Inc.

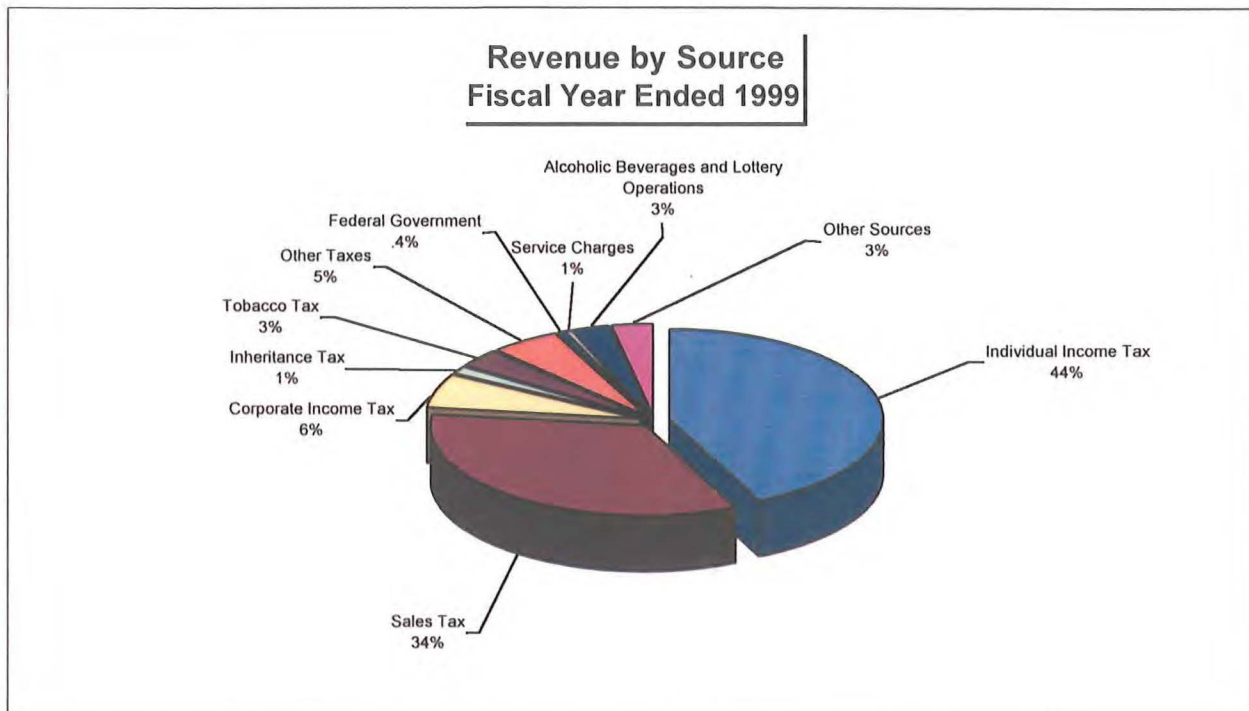
"AAA" indicates obligations, which have the highest rating, assigned by Fitch, IBCA on its national rating scale. The capacity for timely repayment of principal and interest is considered extremely strong. "AA" indicates obligations for which capacity for timely repayment of principal and interest is very strong. Obligations rated "A" indicate the capacity for timely repayment of principal and interest is strong relative to other obligors. However, adverse changes in business, economic or financial conditions are more likely to affect the capacity for timely repayment than for obligations in higher rated categories.

General Fund Revenue by Source

For the Fiscal Years 1999 and 1998

(Dollars Expressed in Thousands)

Revenue By Source			As Percent of Total		\$	%
	1999	1998	1999	1998	Incr (Decr) from 1998	Incr (Decr)
Taxes:						
Individual Income Tax	\$1,004,457	\$907,981	43.0%	41.2%	\$96,476	9.6%
Sales Tax	791,727	\$833,756	33.9%	37.8%	(42,029)	(5.3%)
Corporate Income Tax	144,943	\$107,375	6.2%	4.9%	37,567	25.9%
Inheritance Tax	29,768	\$34,336	1.3%	1.6%	(4,567)	(15.3%)
Tobacco Tax	77,750	\$45,524	3.3%	2.1%	32,226	41.4%
Other Taxes	127,298	\$125,679	5.4%	5.7%	1,619	1.3%
Federal Government	8,482	\$5,510	0.4%	0.2%	2,972	35.0%
Service Charges	17,779	\$14,363	0.8%	0.7%	3,416	19.2%
Alcoholic Beverages and Lottery Operations	59,395	\$61,288	2.5%	2.8%	(1,893)	(3.2%)
Other Sources	74,522	\$70,353	3.2%	3.2%	4,169	5.6%
Total Revenues	\$2,336,121	\$2,206,165	100%	100%	\$129,956	114.3%

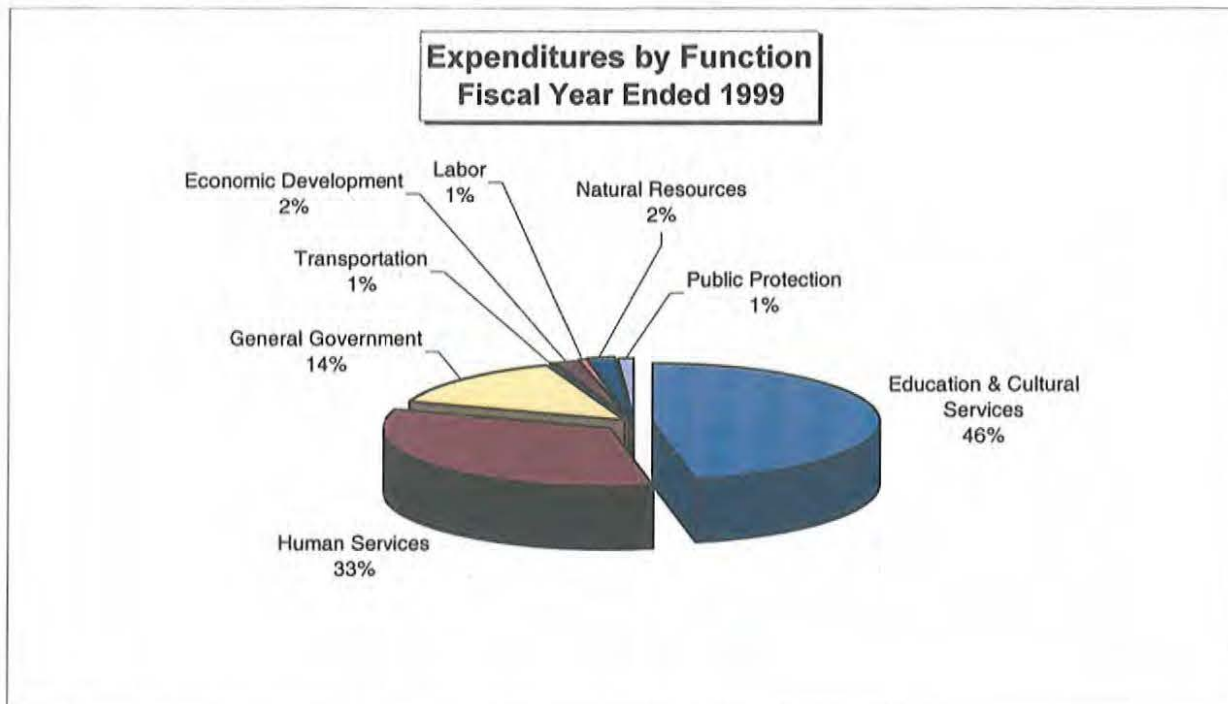


General Fund Expenditures by Function

For the Fiscal Years 1999 and 1998

(Dollars Expressed in Thousands)

Expenditure by Function			As Percent of Total		\$	%
	1999	1998	1999	1998	Incr (Decr) from 1998	Incr (Decr)
Economic Development	\$37,775	\$31,587	1.8%	1.7%	\$6,188	16.4%
Education & Cultural Services	1,009,444	966,736	46.9%	50.9%	42,708	4.2%
General Government	301,979	239,207	14.0%	12.6%	62,773	20.8%
Human Services	722,008	578,091	33.5%	30.5%	143,917	19.9%
Labor	12,603	13,021	0.6%	0.7%	(418)	(3.3%)
Natural Resources	43,854	40,459	2.0%	2.1%	3,395	7.7%
Public Protection	21,559	22,760	1.0%	1.2%	(1,201)	(5.6%)
Transportation	4,286	6,514	0.2%	0.3%	(2,227)	(52.0%)
Total Expenditures	\$2,153,508	\$1,898,373	100%	100%	\$255,135	8.2%

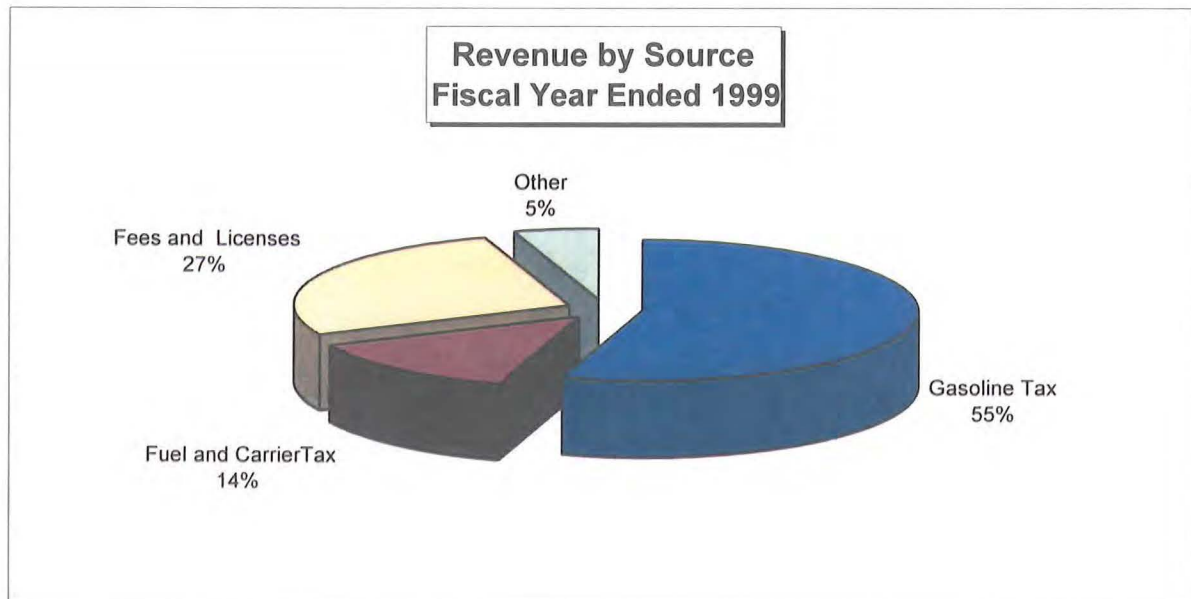


Highway Fund Revenue by Source

For the Fiscal Years 1999 and 1998

(Dollars Expressed in Thousands)

Revenue By Source			As Percent of Total		\$	%
	1999	1998	1999	1998	Incr (Decr) From 1998	Incr (Decr)
Gasoline Tax	\$133,571	\$121,456	55%	55%	\$12,115	9%
Fuel and Carrier Tax	33,188	28,894	14%	13%	4,294	13%
Fees and Licenses	65,880	62,387	27%	28%	3,493	5%
Other	11,525	9,140	5%	4%	2,385	21%
Total Revenues	\$244,164	\$221,876	100%	100%	\$22,288	48%

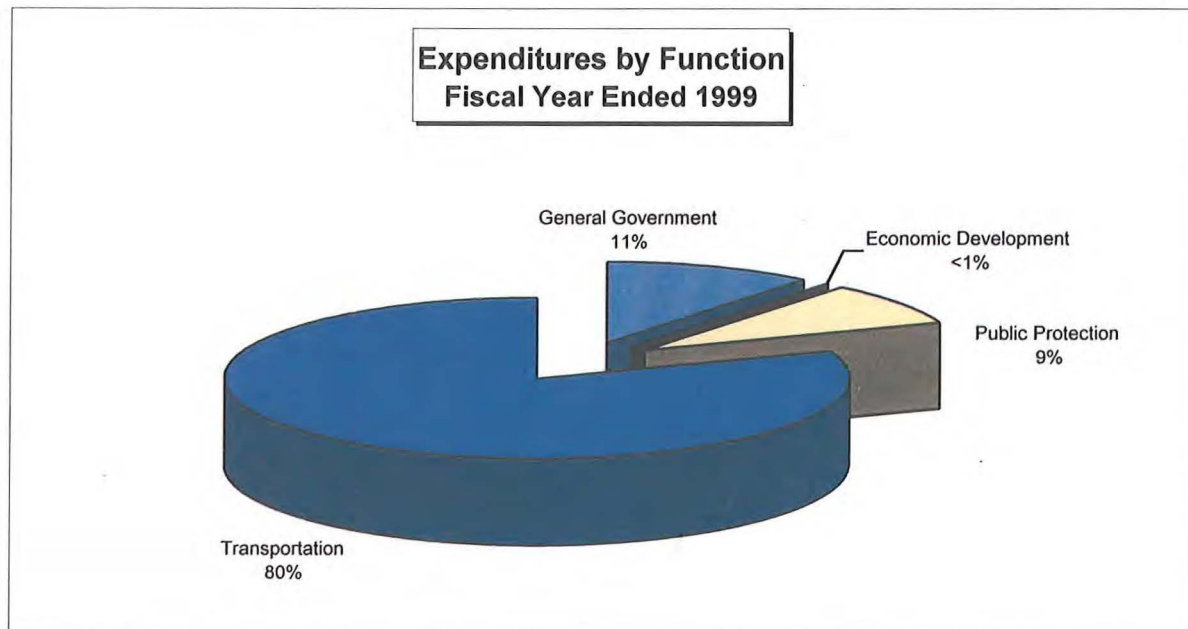


Highway Fund Expenditures by Function

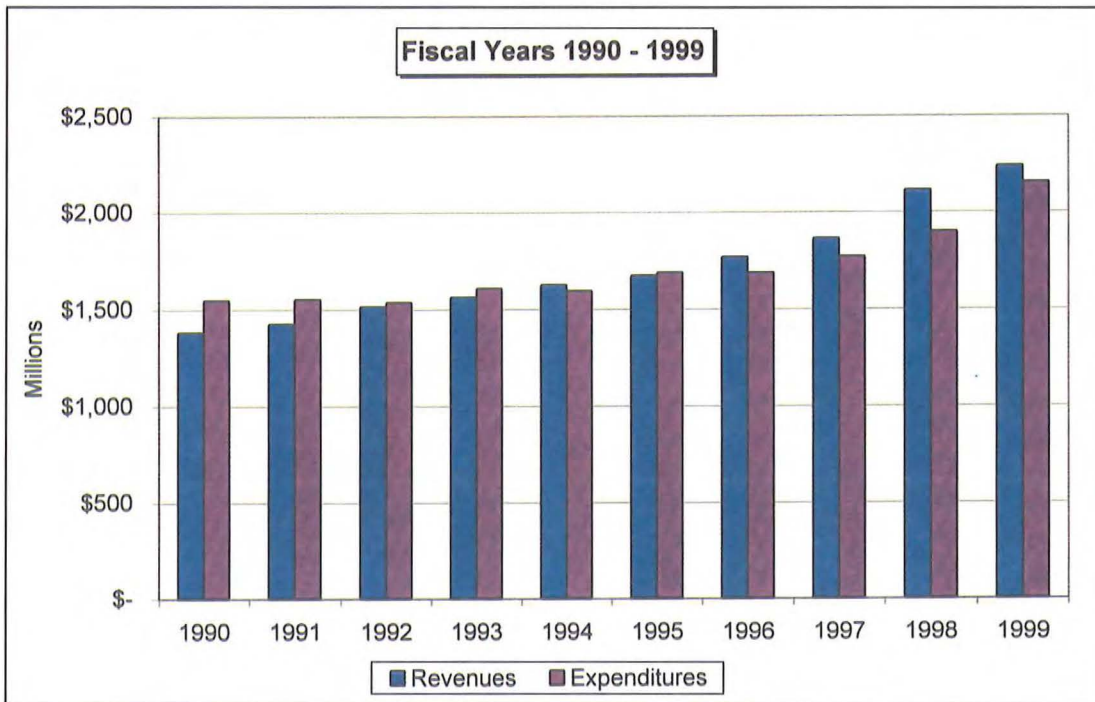
For the Fiscal Years 1998 and 1997

(Dollars Expressed in Thousands)

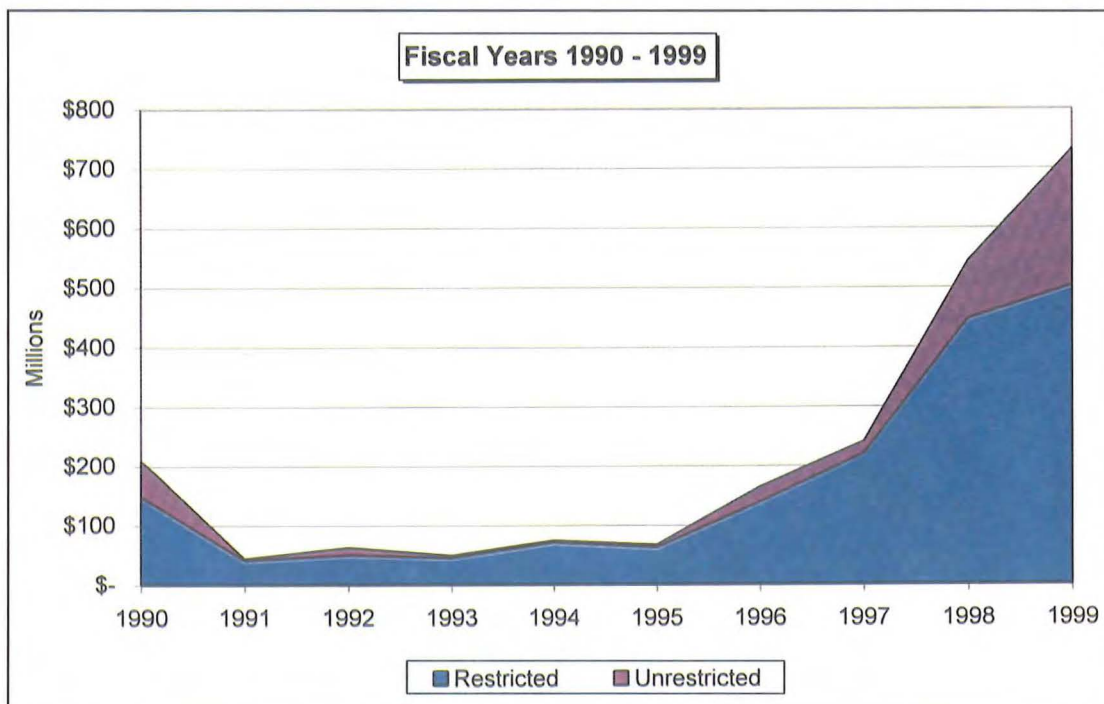
Expenditures by Function			As Percent of Total		\$	%
	1999	1998	1999	1998	Incr (Decr) From 1998	Incr (Decr)
General Government	\$24,708	\$23,076	10.7%	11.1%	\$1,632	6.6%
Economic Development	109	1	0.0%	0.0%	108	98.9%
Public Protection	20,218	17,616	8.8%	8.4%	2,602	12.9%
Transportation	185,641	168,123	80.5%	80.5%	17,518	9.4%
Total Expenditures	\$230,676	\$208,817	100%	100%	\$21,859	9.5%



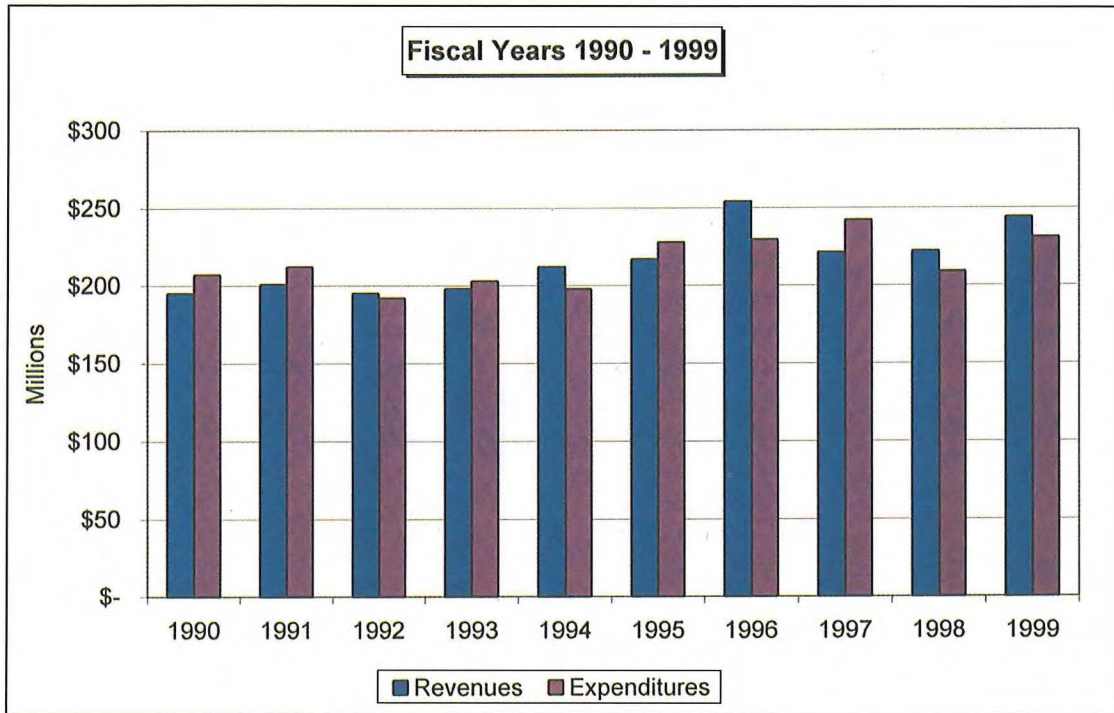
General Fund Revenues and Expenditures



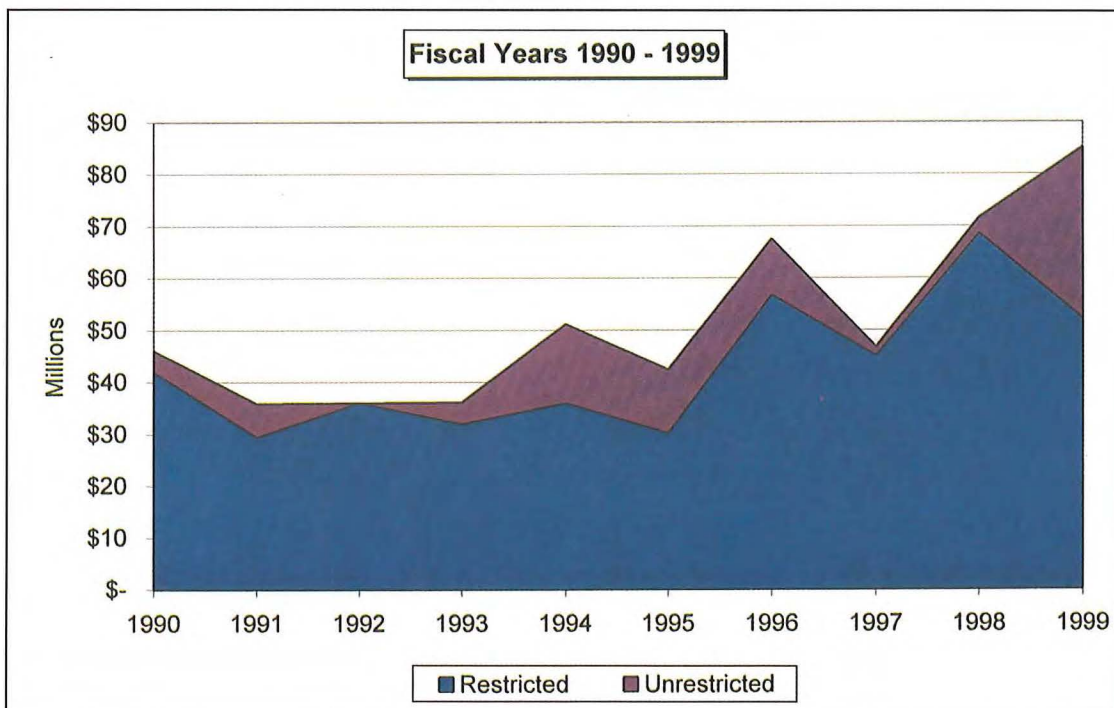
General Fund Restricted & Unrestricted Fund Balance



Highway Fund Revenues and Expenditures



Highway Fund Restricted & Unrestricted Fund Balance





MAINE MARITIME ACADEMY

Maine Maritime Academy, located in Castine along Maine's 3,800 mile coastline, is a coeducational, public college that specializes in ocean and marine-oriented programs at both the undergraduate and graduate levels. Academic emphasis at the Academy includes engineering, transportation, management, and ocean sciences, as well as, officer preparation for the U.S. Merchant Marine and the uniformed services of the United States.

The "State of Maine", a 500-foot, 16,000-ton training vessel, shown above docked at the Academy, is a former oceanographic research vessel on permanent loan to the college from the U.S. Maritime Administration. The annual spring training cruises take students pursuing an officer's license from the U.S. Coast Guard as a third mate or third assistant engineer to domestic and foreign ports of call, while satisfying U.S. Coast Guard and Academy curriculum mandates. Some cadet shipping students have literally sailed around the world during their sea training. Training cruises also host international trade missions sponsored by the Maine International Trade Center. Students in other majors may participate in cooperative education programs, offering training and experience within the industry.

Degrees currently offered to the 700 students enrolled include an A.S., B.S., or M.S. in twelve fields of study. Undergraduate majors are offered in International Business and Logistics, Marina Management, Marine Engineering Operations, Marine Engineering Technology, Marine Systems Engineering, Marine Transportation Operations, Ocean Studies, Power Engineering Technology, and Small Vessel Operations. The graduate degree program offers a M.S. in Maritime Management, Port Management, or Logistics Management.

Maine Maritime Academy is a respected leader in its fields of academic instruction. Faculty and staff serve on advisory and governing boards throughout the world. The college consistently reports a professional placement rate of 90% or better for its graduates within six months of graduation.

Recent Academy endorsements and awards include:

- Representation of the Western Hemisphere at a global conference of maritime institutions in Istanbul.
- Selection by the U.S. Coast Guard to offer a 500-ton STCW95-compliant mate's license preparatory program, believed to be the first U.S. facility authorized to do so under the new International Maritime Organization standards for training, certification and watchkeeping.
- Recipient of the Maine International Trade Center's 1997 Maine International Innovator of the Year award for its cutting edge program in International Business Logistics.

FINANCIAL

SECTION

STATE OF MAINE

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EXHIBIT I

A L L F U N D S

COMBINED BALANCE SHEET

For the Year Ended June 30, 1999

	Governmental Funds				
	Total (Memorandum Only)	General Fund	Highway Fund	Other Special Revenue	Capital Projects
ASSETS					
Equity in Treasurer's Cash Pool	\$887,453,551	\$337,204,353	\$58,187,685	\$264,364,609	\$65,987,835
Cash - Other	22,796,239	16,537,901	3,751,519	32,385	-
Investments	255,701,616	-	-	-	-
Investment in Deferred Compensation Plan	-	-	-	-	-
Assets held in Trust	44,282,505	-	-	-	-
Deposits with United States Treasury	217,934,465	-	-	-	-
Accounts, Notes, and Grants Receivable, Net of Reserves for Uncollectible Accounts	199,893,124	144,731,267	17,449,558	19,410,186	-
Due from Other Funds	25,396,931	16,192,745	3,545	-	-
Inventories	8,884,785	-	-	-	-
Working Capital Advances to Other Funds	15,510,969	1,977,261	13,533,708	-	-
Prepaid Expenses and Other Assets	16,287,680	58,667	371,702	15,068,436	-
Land, Buildings and Equipment	588,741,017	-	-	-	-
Amount Available in Debt Service Funds	1,291,198	-	-	-	-
Amount to be Provided for Retirement of General Long Term Debt	468,248,802	-	-	-	-
TOTAL ASSETS	\$2,752,422,882	\$516,702,194	\$93,297,717	\$298,875,616	\$65,987,835
LIABILITIES AND EQUITY					
LIABILITIES					
Accounts Payable	\$45,912,766	\$9,133,921	\$7,982,865	\$15,422,739	\$168,768
Due to Other Funds	9,758,503	-	-	-	-
Other Liabilities	862,671,052	5,274,037	184,661	1,316,823	-
Bonds Payable	469,755,199	-	-	-	-
Working Capital Advances Payable	1,355,179	-	-	-	-
TOTAL LIABILITIES	1,389,452,699	14,407,958	8,167,526	16,739,562	168,768
EQUITY					
Investments in General Fixed Assets	490,287,327	-	-	-	-
Reserved for Unemployment	216,901,839	-	-	-	-
Reserved for Expendable Trusts	-	-	-	-	-
Reserved for Encumbrances	104,412,517	27,012,560	5,814,984	61,178,200	10,406,773
Reserved for Authorized Expenditures	85,616,070	53,330,504	32,285,566	-	-
Reserved for Utility Loans	350,266	-	350,266	-	-
Working Capital Advances to Other Funds	16,377,230	1,977,261	13,533,708	866,261	-
Designated for Other Purposes	59,064,053	59,064,053	-	-	-
Reserves for Future Benefits	260,951,955	-	-	-	-
Rainy Day Fund	131,689,407	131,689,407	-	-	-
Tax Relief for Maine Residents	-	-	-	-	-
Contributed Capital	83,757,925	-	-	-	-
Retained Earnings	(625,599,609)	-	-	-	-
Unappropriated Surplus	539,161,204	229,220,451	33,145,667	220,091,594	55,412,294
TOTAL EQUITY	1,362,970,184	502,294,236	85,130,191	282,136,055	65,819,067
TOTAL LIABILITIES AND EQUITY	\$2,752,422,883	\$516,702,194	\$93,297,717	\$298,875,617	\$65,987,835

Other Funds				Account Groups	
Debt Service	Enterprise Funds	Internal Service Funds	Trust and Agency	Fixed Assets	General Long - Term Debt
\$1,291,198	\$15,736,285	\$45,724,867	\$98,956,719	\$ -	\$ -
655,957	-	1,816,963	1,514	-	-
-	-	-	255,701,616	-	-
-	-	-	-	-	-
-	-	-	44,282,505	-	-
-	-	-	217,934,465	-	-
-	15,185,494	953,396	2,163,223	-	-
-	8,874	9,188,300	3,467	-	-
-	3,844,269	5,040,516	-	-	-
-	-	-	-	-	-
-	362,561	404,551	21,763	-	-
-	53,946,804	44,506,886	-	490,287,327	-
-	-	-	-	-	1,291,198
-	-	-	-	-	468,248,802
<u>\$1,947,155</u>	<u>\$89,084,287</u>	<u>\$107,635,479</u>	<u>\$619,065,272</u>	<u>\$490,287,327</u>	<u>\$469,540,000</u>
\$ -	\$8,460,703	\$4,240,639	\$ 503,131	\$ -	\$ -
-	3,610,952	6,147,551	-	-	-
640,957	6,442,219	708,104,008	140,708,347	-	-
15,000	-	200,199	-	-	469,540,000
-	1,000,000	355,179	-	-	-
<u>655,957</u>	<u>19,513,874</u>	<u>719,047,576</u>	<u>141,211,478</u>	<u>-</u>	<u>469,540,000</u>
-	-	-	-	490,287,327	-
-	-	-	216,901,839	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	56,586,375	27,171,550	-	-	-
-	12,984,038	(638,583,647)	-	-	-
1,291,198	-	-	-	-	-
<u>1,291,198</u>	<u>69,570,413</u>	<u>(611,412,097)</u>	<u>477,853,794</u>	<u>490,287,327</u>	<u>-</u>
<u>\$1,947,155</u>	<u>\$89,084,287</u>	<u>\$107,635,479</u>	<u>\$619,065,272</u>	<u>\$490,287,327</u>	<u>\$469,540,000</u>

EXHIBIT II

GOVERNMENTAL FUNDS

COMBINED STATEMENT OF REVENUES, RESOURCES,
EXPENDITURES AND CHANGES IN FUND BALANCES

For the Year Ended June 30, 1999

	Total (Memorandum) (Only)	General Fund
REVENUES		
Taxes		
Individual Income Tax	\$1,058,220,600	\$1,004,457,157
Sales and Use Tax	837,634,960	791,726,882
Gasoline, Use Fuel and Motor Carrier Tax	169,325,593	-
Corporate Income Tax	157,115,531	144,942,751
Vehicle Registration and Drivers Licenses	65,880,114	-
Cigarette Tax	77,750,154	77,750,154
Insurance Tax	50,648,404	37,742,517
Public Utilities Tax	36,126,574	29,670,868
Hunting, Fishing and Related Licenses	14,061,016	13,873,219
Unorganized Territories Tax	12,234,446	9,372,051
Other	136,563,890	80,280,397
Total Taxes	2,615,561,282	2,189,815,996
Income from Investments	37,786,652	19,760,828
From Federal Government	1,375,968,665	8,436,128
From Cities, Towns and Counties	9,786,890	45,492
Service Charge for Current Services	93,518,638	17,779,368
Transferred from Bureau of Alcoholic Beverages	19,794,778	19,794,778
Transferred from Lottery Commission	39,600,544	39,600,544
Other Revenues	164,320,475	40,887,603
Total Other Revenue	1,740,776,642	146,304,741
TOTAL REVENUES	4,356,337,924	2,336,120,737
OTHER FINANCING SOURCES (USES)		
Proceeds of General Obligation Bonds	71,285,000	-
Transfer for Revenue Sharing	(98,997,466)	(98,997,466)
Other	(245,198)	(27,212,512)
TOTAL REVENUES AND RESOURCES	4,328,380,260	2,209,910,759
EXPENDITURES		
General Government	456,902,171	301,979,322
Economic Development	105,517,577	37,775,285
Education and Cultural Services	1,117,639,324	1,009,443,878
Human Services	1,837,092,920	722,007,776
Labor	82,007,528	12,602,831
Natural Resources	113,822,108	43,854,158
Public Protection	81,629,797	21,558,618
Transportation	371,753,255	4,286,240
TOTAL EXPENDITURES	4,166,364,680	2,153,508,108
EXCESS REVENUES AND RESOURCES OVER (under) EXPENDITURES	162,015,580	56,402,651
FUND EQUITY JULY 1, 1998	773,788,906	445,891,584
FUND EQUITY JUNE 30, 1999	\$935,804,486	\$502,294,235

Highway Fund	Other Special Revenue	Capital Projects	Debt Service
\$ -	\$53,763,443	\$ -	\$ -
-	45,908,078	-	-
166,759,233	2,566,360	-	-
-	12,172,780	-	-
65,880,114	-	-	-
-	-	-	-
-	12,905,887	-	-
-	6,455,706	-	-
-	187,797	-	-
-	2,862,395	-	-
562,160	55,721,333	-	-
233,201,507	192,543,779	-	-
3,031,603	11,591,451	9,395	3,393,375
-	1,367,532,537	-	-
-	9,741,398	-	-
5,468,635	69,996,310	-	274,325
-	-	-	-
-	-	-	-
2,462,219	120,970,653	-	-
10,962,457	1,579,832,349	9,395	3,667,700
244,163,964	1,772,376,128	9,395	3,667,700
-	-	71,285,000	-
-	-	-	-
46,342	30,750,555	85,830	(3,915,413)
244,210,306	1,803,126,683	71,380,225	(247,713)
24,707,857	127,510,608	2,704,384	-
108,922	66,133,370	1,500,000	-
-	98,194,485	10,000,961	-
-	1,112,336,208	2,748,936	-
-	69,404,697	0	-
-	56,595,653	13,372,297	-
20,218,091	39,853,088	-	-
185,640,957	140,420,226	41,405,832	-
230,675,827	1,710,448,335	71,732,410	-
13,534,479	92,678,348	(352,185)	(247,713)
71,595,712	188,591,446	66,171,252	1,538,912
\$85,130,191	\$281,269,794	\$65,819,067	\$1,291,199

EXHIBIT III

GOVERNMENTAL FUNDS

**COMPARATIVE STATEMENT OF REVENUES, RESOURCES AND EXPENDITURES
GENERAL FUND, HIGHWAY FUND AND OTHER SPECIAL REVENUE FUNDS
ACTUAL VS BUDGET**

For the Year Ended June 30, 1999

	General Fund	
	Actual	Budget
REVENUES		
Taxes	\$2,076,945,310	\$2,006,252,959
Fines, Forfeits and Penalties	25,602,183	23,191,497
Hunting and Fishing Licenses and Fees	13,873,219	14,192,145
Income from Investments	19,760,828	15,000,000
Intergovernmental Revenue	8,481,620	9,715,092
Revenue from Private Sources	2,033,345	1,818,000
Charges for Current Services	17,779,368	16,677,621
Transferred from Bureau of Alcoholic Beverages	19,794,778	20,530,129
Transferred from Lottery Commission	39,600,544	41,112,981
Other Revenues	13,252,075	109,000
TOTAL REVENUES	2,237,123,270	2,148,599,424
OTHER FINANCING RESOURCES (uses)	(27,212,512)	9,906,492
TOTAL REVENUES AND RESOURCES	2,209,910,758	2,158,505,916
EXPENDITURES		
General Government	301,979,322	327,699,400
Economic Development	37,775,285	38,596,075
Education and Cultural Services	1,009,443,878	1,014,458,251
Human Services	722,007,776	751,508,364
Labor	12,602,831	15,927,415
Natural Resources	43,854,158	47,099,963
Public Protection	21,558,618	23,338,069
Transportation	4,286,240	4,579,870
TOTAL EXPENDITURES	2,153,508,108	2,223,207,407
EXCESS RESOURCES OVER (under) EXPENDITURES	56,402,650	(64,701,491)
FUND EQUITY JULY 1, 1998	445,891,584	445,891,584
FUND EQUITY JUNE 30, 1999	\$502,294,234	\$381,190,093

Highway Fund		Other Special Revenue Funds	
Actual	Budget	Actual	Budget
\$233,201,506	\$228,389,502	\$192,543,781	\$199,277,230
1,952,025	1,919,129	5,400,918	25,729,822
-	-		
3,031,603	1,440,000	11,591,451	1,542,539
-	-	1,377,273,935	1,667,408,347
-	-	106,316,788	79,976,321
5,468,635	5,533,496	69,996,310	99,629,186
-	-		
-	-		
510,194	200,000	9,252,947	9,987,551
244,163,963	237,482,127	1,772,376,130	2,083,550,996
46,342	-	30,750,555	
244,210,305	237,482,127	1,803,126,685	2,083,550,996
24,707,857	26,931,080	127,510,608	195,970,883
108,922	-	66,133,370	93,766,425
-	-	98,194,485	112,184,348
-	-	1,112,336,208	1,217,749,211
-	-	69,404,697	115,229,432
-	33,500	56,595,653	94,128,985
20,218,091	20,891,288	39,853,088	55,129,913
185,640,957	218,244,285	140,420,226	238,523,967
230,675,827	266,100,153	1,710,448,335	2,122,683,164
13,534,478	(28,618,026)	92,678,350	(39,132,168)
71,595,713	71,595,713	188,591,446	175,678,606
<u>\$85,130,191</u>	<u>\$42,977,687</u>	<u>\$281,269,796</u>	<u>\$136,546,438</u>

GOVERNMENTAL FUNDS

**COMBINED SUMMARY OF APPROPRIATION ACCOUNTS
SHOWING DETAIL OF AMOUNTS AVAILABLE, EXPENDITURES
AND DISPOSITION OF BALANCES**

For the Year Ended June 30, 1999

	Balance Forward July 1, 1998 (Adjusted)	Legislative
GENERAL GOVERNMENT		
Attorney General	\$2,704,916	\$9,696,642
State Auditor	201,135	1,407,771
Executive Department	9,230,751	7,129,853
Department of Administrative & Financial Services	38,459,359	99,194,219
Tax Relief Programs	3,061,697	105,450,243
Compensation and Benefit Plans	3,026,632	8,776,478
Judicial	519,521	38,924,934
Legislature	1,055,337	16,898,189
Secretary of State	4,881,966	25,533,373
Treasurer of State	46,370	1,028,757
Debt Service - General Fund	-	72,159,914
Municipal Revenue Sharing	637	-
Capital Projects	5,176,903	-
Other	812,744	5,912,300
TOTAL GENERAL GOVERNMENT	69,177,968	392,112,673
ECONOMIC DEVELOPMENT		
Department of Agriculture, Food & Rural Resources	3,436,118	6,369,474
Department of Economic and Community Development	2,582,707	10,128,353
Department of Marine Resources	3,458,471	7,285,807
Department of Professional & Financial Regulation	18,216,971	-
Finance Authority of Maine	2,500,040	13,805,894
Independent Agencies	10,095,905	1,372,620
Other	426,713	126,828
TOTAL ECONOMIC DEVELOPMENT	40,716,924	39,088,976
EDUCATION AND CULTURAL SERVICES		
Department of Education		
Administration	1,204,238	13,001,512
General Purpose Aid for Local Schools	321,218	593,048,207
Teachers Retirement	-	161,328,194
Governor Baxter School for the Deaf	177,215	4,548,206
Local School Nutrition Program	114,073	-
Education in Unorganized Territories	969,624	9,710,327
Capital Projects	9,714,104	-
Other Programs	1,347,003	38,907,429
Total Department of Education	13,847,475	820,543,875
Cultural Agencies		
Maine State Museum	90,617	1,211,321
Maine State Library	155,685	2,671,703
Maine Arts Commission	49,703	758,042
Maine Historical Society	-	24,761
Maine Historic Preservation Commission	134,888	232,198

Revenues Transfers and Other Resources	Total Available	Expenditures	Unexpended Balance June 30, 1999	
			Lapsed	Carried
\$7,151,643	\$19,553,201	\$16,638,867	\$82,218	\$2,832,116
815,637	2,424,543	1,965,330	202,644	256,569
4,823,689	21,184,293	9,470,065	218,450	11,495,778
1,901,900	139,555,478	60,268,543	214,658	79,072,277
(163,186)	108,348,753	98,549,315	1,267	9,798,171
(2,701,107)	9,102,003	-	-	9,102,003
4,459,590	43,904,045	43,372,334	4,315	527,396
893,446	18,846,972	16,668,911	4,129	2,173,932
2,298,178	32,713,517	27,564,981	142,582	5,005,954
-	1,075,127	1,006,738	55,493	12,896
3,282,912	75,442,826	75,442,825	1	-
111,924,140	111,924,777	96,177,766	-	15,747,011
4,252,200	9,429,103	2,704,384	-	6,724,719
6,167,354	12,892,398	7,072,111	584,087	5,236,200
145,106,396	606,397,037	456,902,171	1,509,844	147,985,022
10,759,710	20,565,302	16,452,174	624,783	3,488,345
18,064,773	30,775,833	28,119,039	139,422	2,517,371
4,848,585	15,592,863	12,035,303	3,281	3,554,279
13,269,777	31,486,748	13,074,320	-	18,412,428
-	16,305,934	15,305,894	-	1,000,040
18,959,343	30,427,868	19,061,364	897	11,365,607
1,047,668	1,601,209	1,469,482	17,906	113,821
66,949,856	146,755,757	105,517,577	786,289	40,451,891
5,542,174	19,747,924	18,772,219	105,962	869,743
-	593,369,425	591,197,414	-	2,172,011
-	161,328,194	161,328,194	-	-
65,117	4,790,538	4,580,025	-	210,513
22,363,565	22,477,638	20,167,996	-	2,309,642
209,098	10,889,049	8,307,229	-	2,581,820
11,307,033	21,021,137	10,000,961	-	11,020,176
69,111,809	109,366,240	108,314,388	3,552	1,048,300
108,598,796	942,990,145	922,668,426	109,514	20,212,205
210,962	1,512,900	1,365,616	22,596	124,688
1,178,052	4,005,440	3,483,006	70,258	452,176
675,232	1,482,977	1,235,147	334	247,496
-	24,761	24,761	-	-
710,686	1,077,772	934,765	-	143,007

EXHIBIT IV

GOVERNMENTAL FUNDS

**COMBINED SUMMARY OF APPROPRIATION ACCOUNTS
SHOWING DETAIL OF AMOUNTS AVAILABLE, EXPENDITURES
AND DISPOSITION OF BALANCES**

For the Year Ended June 30, 1999

	Balance Forward July 1, 1998 (Adjusted)	Legislative
State Historian	1,484	496
Independent Agencies		
University of Maine	-	146,452,445
Maine Maritime Academy	-	6,768,342
Maine Vocational Technical College System	-	34,130,860
TOTAL EDUCATION AND CULTURAL SERVICES	14,279,852	1,012,794,043
 HUMAN SERVICES		
Department of Human Services		
Administration	1,158,686	38,411,428
Medical Payments	(7,212,270)	279,553,637
Temporary Assistance for Needy Families	17,271,913	21,212,364
General Assistance	81,748	5,434,670
Purchased Services	6,150,448	37,064,147
Child Welfare Services	1,173,481	25,196,045
Other	14,583,008	60,792,964
Total Department of Human Services	33,207,015	467,665,255
Department of Mental Health, Mental Retardation and Substance Abuse Services		
Departmental Operations	54,046	6,941,949
Augusta Mental Health Institute	1,911,466	6,741,301
Consent Decree Reinvestment	-	-
Bangor Mental Health Institute	4,092,688	7,569,338
Medicaid Match	2,271,095	44,252,699
Pineland Center	3,998	1,174,923
Community Mental Retardation Services	2,307,181	18,074,159
Community Mental Health Programs	8,759,493	51,069,952
Office of Substance Abuse	214,475	7,450,256
Capital Projects	-	-
Other	2,311,152	25,771,289
Total Department of Mental Health, Mental Retardation and Substance Abuse Services	21,925,595	169,045,866
Department of Corrections		
Administration	15,174	7,794,854
State Prison	116,759	22,146,291
Maine Correctional Center	86,087	13,341,126
Maine Youth Center - South Portland	162,412	12,268,731
Downeast & Charleston Correctional Center	74,896	3,741,120
Probation and Parole	2,123	7,991,416
Capital Projects	621,300	-
Other	2,954,040	11,239,984
Total Department of Corrections	4,032,791	78,523,522

Revenues Transfers and Other Resources	Total Available	Expenditures	Unexpended Balance June 30, 1999	
			Lapsed	Carried
-	1,980	8	-	1,972
-	146,452,445	146,452,444	1	-
-	6,768,342	6,768,342	-	-
575,949	34,706,809	34,706,809	-	-
111,949,677	1,139,023,571	1,117,639,324	202,703	21,181,544
21,468,239	61,038,353	58,747,036	1,060,174	1,231,143
761,335,266	1,033,676,633	1,033,457,106	-	219,527
120,690,205	159,174,482	132,422,164	-	26,752,318
473,032	5,989,450	5,409,604	-	579,846
50,057,055	93,271,650	88,447,924	375,557	4,448,169
13,592,151	39,961,678	34,739,085	-	5,222,593
120,571,875	195,947,847	178,482,325	1,532,216	15,933,307
1,088,187,824	1,589,060,093	1,531,705,243	2,967,947	54,386,903
1,030,957	8,026,952	7,731,443	200,087	95,421
11,913,515	20,566,282	20,670,725	-	(104,443)
-	-	-	-	-
11,743,580	23,405,606	21,691,974	17	1,713,615
1,102,351	47,626,145	46,835,734	-	790,411
100,333	1,279,254	1,265,378	13	13,863
(1,096,334)	19,285,006	16,751,579	17,511	2,515,916
3,291,101	63,120,546	60,752,060	17,511	2,350,974
9,504,041	17,168,772	16,875,170	53,609	239,993
-	-	-	-	-
3,099,384	31,181,825	27,845,754	51,480	3,284,591
40,688,928	231,660,388	220,419,818	340,229	10,900,341
(99,262)	7,710,766	7,690,736	3,352	16,678
1,085,530	23,348,580	23,209,146	10,315	129,119
649,063	14,076,276	13,998,239	263	77,774
591,250	13,022,393	12,544,352	-	478,041
184,426	4,000,442	3,963,635	301	36,506
(347,500)	7,646,039	7,249,263	607	396,169
-	621,300	248,936	-	372,364
4,801,354	18,995,378	13,526,940	96,526	5,371,912
6,864,861	89,421,174	82,431,247	111,364	6,878,563

EXHIBIT IV

GOVERNMENTAL FUNDS

**COMBINED SUMMARY OF APPROPRIATION ACCOUNTS
SHOWING DETAIL OF AMOUNTS AVAILABLE, EXPENDITURES
AND DISPOSITION OF BALANCES**

For the Year Ended June 30, 1999

	Balance Forward July 1, 1998 (Adjusted)	Legislative
Independent Agencies	1,609,618	697,983
TOTAL HUMAN SERVICES	60,775,018	715,932,626
 LABOR		
Department of Labor		
Bureau of Labor and Industry	-	490,955
Employment Security Offices	2,268,638	-
Employment, Training and Rehabilitation Programs	3,417,575	7,051,784
Other	361,973	5,575,909
TOTAL LABOR	6,048,186	13,118,648
 NATURAL RESOURCES		
Department of Conservation		
Administration	409,065	1,372,069
Bureau of Forestry	1,483,325	10,503,992
Bureau of Geology	129,864	836,317
Bureau of Parks and Recreation	499,270	5,489,834
Capital Projects	2,374,643	-
Other	8,022,325	1,667,947
Total Department of Conservation	12,918,492	19,870,159
Department of Environmental Protection	18,772,600	8,621,171
Capital Projects	13,481,345	-
Department of Inland Fisheries and Wildlife	8,786,499	17,431,924
Capital Projects	3,312	-
Independent Agencies	161,092	209,801
TOTAL NATURAL RESOURCES	54,123,341	46,133,055
 PUBLIC PROTECTION		
Department of Defense, Veterans and Emergency Mgmt.	5,465,816	5,566,715
Department of Public Safety	7,574,123	34,638,080
TOTAL PUBLIC PROTECTION	13,039,939	40,204,795
 TRANSPORTATION		
Department of Transportation		
Administration	2,962,648	14,430,328
Construction of Highways and Bridges	40,737,072	20,192,216
Maintenance of Highways and Bridges	6,399,479	105,779,366
Transportation Services	12,087,733	420,000

Revenues Transfers and Other Resources	Total Available	Expenditures	Unexpended Balance June 30, 1999	
			Lapsed	Carried
2,047,188	4,354,789	2,536,612	12	1,818,165
1,137,788,800	1,914,496,444	1,837,092,920	3,419,552	73,983,972
(57,361)	433,594	430,747	40	2,808
52,462,865	54,731,503	52,943,223	-	1,788,281
13,728,011	24,197,370	20,287,621	422,241	3,487,509
2,916,521	8,854,403	8,345,938	1,444	507,021
69,050,037	88,216,871	82,007,528	423,724	5,785,618
111,864	1,892,998	1,511,627	3,927	377,444
2,349,220	14,336,537	12,234,291	130,978	1,971,268
129,726	1,095,907	1,012,365	775	82,767
661,103	6,650,207	5,999,824	9,436	640,947
9,655	2,384,298	1,575,271	-	809,027
7,985,035	17,675,307	9,729,238	84,465	7,861,604
11,246,603	44,035,254	32,062,616	229,581	11,743,057
38,434,067	65,827,839	43,398,138	23,878	22,405,823
12,994,278	26,475,623	11,797,026	-	14,678,597
7,631,882	33,850,306	24,022,001	233,464	9,594,840
208	3,520	-	-	3,520
2,422,310	2,793,203	2,542,327	2,949	247,927
72,729,348	172,985,744	113,822,108	489,872	58,673,764
22,463,793	33,496,324	30,369,492	175,655	2,951,177
19,538,984	61,751,187	51,260,305	309,185	10,181,697
42,002,777	95,247,511	81,629,797	484,840	13,132,874
18,441	17,411,417	13,514,378	74,801	3,822,238
123,179,435	184,108,723	157,542,773	-	26,565,950
11,146,590	123,325,434	115,798,872	-	7,526,563
17,512,892	30,020,625	6,492,637	-	23,527,988

GOVERNMENTAL FUNDS

COMBINED SUMMARY OF APPROPRIATION ACCOUNTS
SHOWING DETAIL OF AMOUNTS AVAILABLE, EXPENDITURES
AND DISPOSITION OF BALANCES

For the Year Ended June 30, 1999

	Balance Forward July 1, 1998 (Adjusted)	Legislative
Debt Service - Highway Fund	-	30,234,878
Capital Projects	32,186,049	-
Other	3,982,216	3,587,594
TOTAL TRANSPORTATION	98,355,197	174,644,382
TOTAL GOVERNMENTAL FUNDS	\$356,516,425	\$2,434,029,198
DETAIL OF FUNDS		
General Fund	\$73,640,276	\$2,218,862,153
Highway Fund	54,505,337	215,167,045
Other Special Revenue Funds	159,813,155	-
Capital Projects Fund	68,557,657	-
TOTAL DETAIL OF FUNDS	\$356,516,425	\$2,434,029,198

Revenues Transfers and Other Resources	Total Available	Expenditures	Unexpended Balance June 30, 1999	
			Lapsed	Carried
(101,600)	30,133,278	29,829,226	-	304,052
41,069,046	73,255,095	41,405,832	-	31,849,263
4,389,256	11,959,066	7,169,537	91	4,789,438
197,214,059	470,213,638	371,753,255	74,892	98,385,492
<u>\$1,842,790,950</u>	<u>\$4,633,336,573</u>	<u>\$4,166,364,679</u>	<u>\$7,391,717</u>	<u>\$459,580,177</u>
(\$44,433,420)	\$2,248,069,008	\$2,153,508,108	\$6,443,283	\$88,117,618
52,428	269,724,810	230,675,827	948,434	38,100,549
1,816,039,522	1,975,852,677	1,710,448,335	-	265,404,342
71,132,420	139,690,077	71,732,410	-	67,957,667
<u>\$1,842,790,950</u>	<u>\$4,633,336,572</u>	<u>\$4,166,364,680</u>	<u>\$7,391,717</u>	<u>\$459,580,175</u>

GOVERNMENTAL FUNDS

COMBINED STATEMENT OF EXPENDITURES BY CHARACTER AND OBJECT

For the Years Ended June 30,

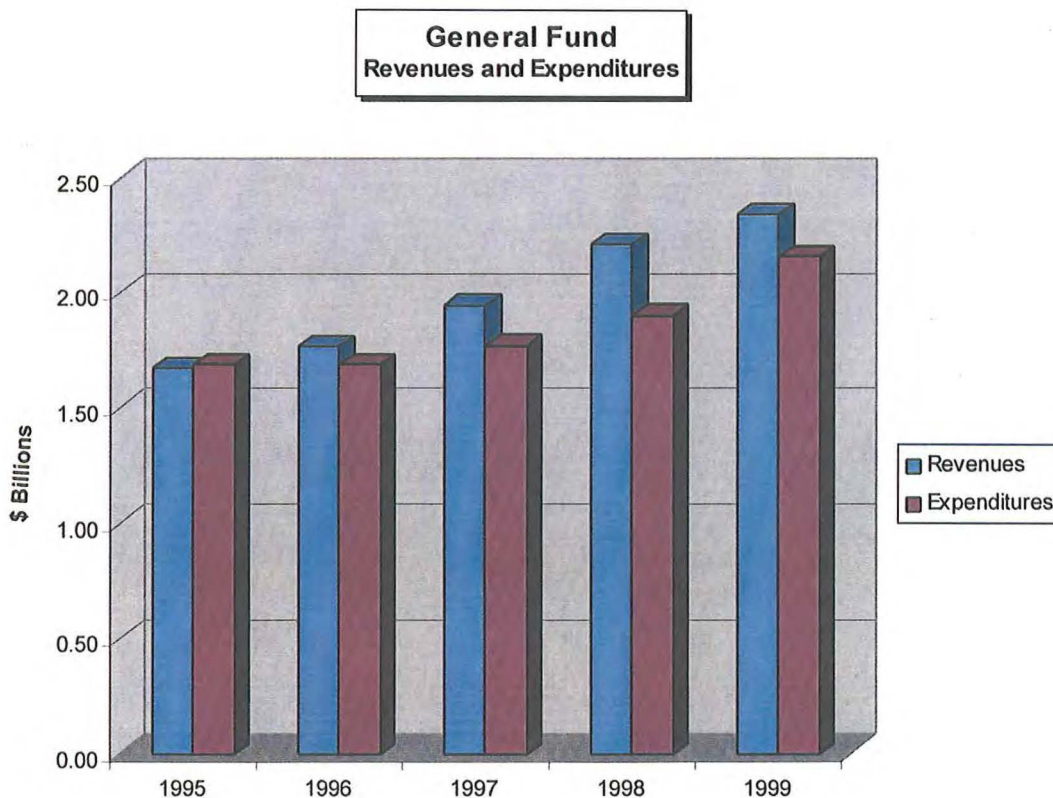
	1999	1998
PERSONAL SERVICES		
Salaries and Wages	\$408,679,686	\$390,161,992
Retirement Costs	33,302,070	31,414,050
Health Insurance and Other Fringe Benefits	139,704,881	130,367,452
Unemployment Reimbursements	703,644	741,688
	582,390,280	552,685,182
CONTRACTUAL SERVICES		
Professional Fees and Special Services	134,636,588	122,208,908
Traveling Expenses	11,142,435	10,435,168
Operating State-Owned Vehicles	2,943,542	2,655,171
Utility Services	22,387,489	22,454,976
Rents	59,046,672	62,726,739
Repairs and Insurance	15,161,428	14,412,531
General Operating Expenses	49,501,590	41,503,846
	294,819,744	276,397,338
COMMODITIES		
Foods	2,859,321	2,729,762
Fuels	2,356,224	2,624,609
Highway Materials	13,033,215	14,764,772
Office and Other Supplies	28,617,258	23,477,527
	46,866,018	43,596,669
GRANTS, SUBSIDIES AND PENSIONS		
To Other Governmental Agencies	828,321,976	844,401,884
To Public and Private Organizations	489,863,937	428,329,479
To Individuals:		
Temporary Assistance for Needy Families	158,769,712	144,997,829
Supplemental Social Security Income	818,331,037	12,073,885
Medicaid	473,561,935	1,212,413,453
Property Tax Relief	17,837,705	15,394,545
Unemployment, Pension and Compensation for Injuries	165,073,516	156,089,491
	2,951,759,818	2,813,700,566
CAPITAL OUTLAYS	174,356,657	160,131,743
DEBT SERVICE		
Principal	78,461,543	77,675,639
Interest	27,102,530	24,894,303
	105,564,072	102,569,942
CONTRIBUTIONS AND TRANSFERS TO OTHER FUNDS		
Maine State Retirement System		
Transfers to Other Funds	10,608,086	9,275,869
	10,608,086	9,275,869
TOTAL EXPENDITURES	\$4,166,364,676	\$3,958,357,309

GENERAL FUND

The General Fund is the largest of the State's operating funds. Its purpose is to finance all State Government activities not specifically financed by dedicated revenue.

The major sources of revenues for the General Fund are sales and use tax, individual income tax, corporate income tax and transfers from the Bureau of Alcoholic Beverages and Lottery Operations.

The major expenditures of the General Fund are for aid to local education, support of the University and Technical College Systems, the State's share of federally mandated Human Services, Natural Resources and General Government programs.



GENERAL FUND

COMPARATIVE BALANCE SHEET

For the Years Ended June 30,

	1999	1998
ASSETS		
Equity in Treasurer's Cash Pool	\$337,204,353	\$327,787,650
Cash - Other	16,537,901	16,922,370
Accounts Receivable		
Tax Accounts	279,230,781	264,464,542
Other	26,843,604	14,271,371
Total Accounts Receivable	306,074,386	278,735,912
Less Allowance for Possible Losses	161,343,119	158,875,536
Net Accounts Receivable	144,731,267	119,860,376
Due from Other Funds	16,192,745	7,315,850
Working Capital Advances to Other Funds	1,977,261	2,177,261
Other Assets	58,667	47,889
TOTAL ASSETS	\$516,702,194	\$474,111,397
LIABILITIES AND EQUITY		
LIABILITIES		
Accounts Payable	\$9,133,921	\$14,195,711
Due to Other Funds	-	12,926,674
Other Liabilities	5,274,037	1,097,429
TOTAL LIABILITIES	14,407,958	28,219,813
EQUITY		
Reserved for:		
Encumbrances	27,012,560	23,136,589
Authorized Expenditures	53,330,504	51,719,495
State Contingent Account	350,000	350,000
Operating Capital	8,500,000	7,500,000
Clean Election Fund	-	267,807
Loan Insurance	-	1,000,000
Rainy Day Fund	131,689,407	91,690,842
Tax Relief for Maine Residents	-	154,045,354
Retirement	19,654,339	11,737,572
University of Maine	-	4,000,000
Working Capital Advances	1,977,261	2,177,261
Sales Tax	11,128,776	-
Telecommunications	14,662,083	-
Transportation	4,154,139	-
TIFs	614,716	-
Total Reserves	273,073,784	347,624,920
Unappropriated Equity	229,220,451	98,266,664
TOTAL EQUITY	502,294,235	445,891,584
TOTAL LIABILITIES AND EQUITY	\$516,702,194	\$474,111,397

GENERAL FUND**ANALYSIS OF CHANGES IN FUND BALANCE**

For the Years Ended June 30,

	<u>1999</u>	<u>1998</u>
BALANCE at BEGINNING of YEAR	\$98,266,664	\$16,965,608
ADJUSTMENT of PRIOR YEAR TRANSACTIONS	(2,269,104)	9,095,137
	<u>95,997,560</u>	<u>26,060,745</u>
ADDITIONS:		
Revenues	2,237,123,268	2,111,860,005
Interest Earned on Rainy Day Fund Reserve	-	2,844,179
Appropriation of Balances Carried Forward		
Beginning of Year (adjusted)	73,640,275	89,660,202
Repayment of Appropriated Receivables, Advances, etc.	-	25,000
Increase (decrease) for Operating Capital	(1,000,000)	(1,000,000)
Transfers from Other Funds (net)	(18,296,447)	13,386,425
TOTAL ADDITIONS	<u>2,291,467,096</u>	<u>2,216,775,811</u>
DEDUCTIONS:		
Expenditures	2,153,508,109	1,898,373,018
Appropriation Balances		
Carried Forward at End of Year	80,453,064	74,856,084
Transfers to Rainy Day Fund Reserve	34,308,677	45,966,623
Transfers to Tax Relief for Maine Residents	(148,201,206)	109,368,789
Reserve for Telecommunications	14,662,083	-
Reserve for Transportation	4,044,139	-
Reserve for Retirement Allowance Fund	19,469,339	11,737,572
Reserve for Clean Election Fund	-	267,807
Reserve for University of Maine Payment	-	4,000,000
Reserve for Sales Tax	-	-
Reserve for TIFs	-	-
TOTAL DEDUCTIONS	<u>2,158,244,205</u>	<u>2,144,569,892</u>
BALANCE at END of YEAR	<u><u>\$229,220,451</u></u>	<u><u>\$98,266,664</u></u>

GENERAL FUND**COMPARATIVE STATEMENT OF REVENUES**

	For the Years Ended June 30,		1999 Budget
	1999	1998	
TAXES			
Sales and Use Tax	\$791,726,882	\$833,755,683	\$779,591,405
Income Taxes			
Individual Income Tax	1,004,457,157	907,981,057	962,926,561
Corporate Income Tax	144,942,751	107,375,484	132,051,673
Cigarette Tax	77,750,154	45,524,322	77,388,171
Inheritance and Estate Tax	29,768,114	34,335,598	30,403,545
Taxes on Specific Businesses or Occupations:			
Insurance Tax	37,742,517	39,153,287	37,222,000
Public Utilities	29,670,868	29,334,895	28,700,000
Corporations	3,113,991	2,842,889	2,455,200
Commission on Pari-Mutuels	1,149,511	949,263	1,091,660
Other	12,853,390	13,785,432	10,194,076
Property Taxes			
Real Estate Transfer Tax	12,022,820	9,636,432	9,829,163
Unorganized Territories Tax	9,372,051	8,725,314	9,695,799
Other Taxes	21,372,571	21,251,034	20,306,758
TOTAL TAXES	2,175,942,776	2,054,650,689	2,101,856,011
TRANSFERRED FROM the BUREAU of ALCOHOLIC BEVERAGES and LOTTERY OPERATIONS			
Alcoholic Beverages	19,794,778	20,546,162	20,530,129
Lottery	39,600,544	40,742,121	41,112,981
TRANSFERRED TO REVENUE SHARING	(98,997,466)	(94,304,723)	(95,603,052)
CHARGES for CURRENT SERVICES	17,779,368	14,363,203	16,677,621
FINES, FORFEITS and PENALTIES	25,602,183	24,852,353	23,191,497
CONTRIBUTIONS from OTHER FUNDS	12,621,487	17,125,033	9,906,492
HUNTING and FISHING LICENSES and FEES	13,873,219	13,838,407	14,192,145
INCOME from INVESTMENTS	19,760,828	12,145,209	15,000,000
INTERGOVERNMENTAL REVENUES			
Federal Government	8,436,128	5,425,165	9,710,192
Cities, Towns and Counties	45,492	84,664	4,900
REVENUE from PRIVATE SOURCES	2,033,345	1,961,750	1,818,000
MISCELLANEOUS	630,588	429,971	109,000
TOTAL REVENUES	\$2,237,123,270	\$2,111,860,005	\$2,158,505,916

GENERAL FUND

**COMBINED SUMMARY OF APPROPRIATION ACCOUNTS
SHOWING DETAIL OF AMOUNTS AVAILABLE, EXPENDITURES
AND DISPOSITION OF BALANCES**

For the Year Ended June 30, 1999

	Balance Forward July 1, 1998 (Adjusted)	Legislative Appropriations
<hr/>		
GENERAL GOVERNMENT		
Attorney General	\$137,586	\$9,696,642
State Auditor	225	1,407,771
Executive Department		
Governor's Office	16,642	2,088,119
State Planning Office	626,980	5,041,734
Other	-	-
Total Executive Department	<hr/> 643,622	<hr/> 7,129,853
Department of Administrative and Financial Services		
Administration	-	267,080
Administrative Services Division	-	697,600
Bureau of Accounts and Control	184,545	4,906,350
Bureau of the Budget	4,918	3,216,516
Bureau of Taxation	828,222	19,966,748
Tax Relief Programs	3,061,697	105,450,243
Compensation and Benefit Plans	3,026,632	8,776,478
Bureau of General Services	9,110,905	60,733,935
Bureau of Human Resources	7,355	1,508,709
Employee Relations	15,250	523,085
Other	2,018,645	5,974,338
Total Administrative and Financial Services	<hr/> 18,258,169	<hr/> 212,021,082
Judicial		
Supreme, Superior and District Court	259,336	38,924,934
Legislature		
Legislature	783,687	16,240,287
Other	192,969	657,902
Secretary of State		
Secretary of State	226,412	2,264,023
State Archives	5,200	701,753
Treasurer of State		
Department Operations	46,370	1,028,757
Debt Service	-	72,159,914
Independent Agencies		
Maine Indian Tribal Commission	-	22,500
Maine Science & Technology	-	3,265,346
Other	-	1,885,462
TOTAL GENERAL GOVERNMENT	<hr/> 20,553,576	<hr/> 367,406,226
<hr/>		
ECONOMIC DEVELOPMENT		
Department of Agriculture, Food & Rural Resources	131,064	6,369,474
Department of Economic and Community Development	529,002	10,128,353
Department of Marine Resources	159,736	7,285,807
Finance Authority of Maine	-	13,805,894
Independent Agencies		
Workers Compensation Board	-	-

Transfers In/(Out)	Total Available	Expenditures	Unexpended Balances - June 30, 1999		
			Lapsed	Encumbrances Carried	Unencumbered Balances
\$143,155	\$9,977,383	\$9,753,452	\$82,218	\$41,966	\$99,747
(2,454)	1,405,542	1,202,898	202,644	-	-
(277,924)	1,826,837	1,702,966	22,176	19,721	81,974
74,253	5,742,967	2,242,643	196,274	304,050	3,000,000
-	-	-	-	-	-
(203,671)	7,569,804	3,945,609	218,450	323,771	3,181,721
11,468	278,548	278,548	-	-	-
642	698,242	698,105	137	-	-
(1,302)	5,089,593	4,429,946	146,767	512,880	-
-	3,221,434	3,193,822	26,317	1,295	-
(7,447)	20,787,523	19,578,426	332,836	876,261	-
(163,186)	108,348,753	98,549,315	1,267	46,700	9,751,471
(2,701,107)	9,102,003	-	-	-	9,102,003
(47,475,553)	22,369,287	15,241,755	55,277	1,957,120	5,115,135
24,545	1,540,609	1,516,798	2	23,809	-
52,852	591,187	588,177	3	3,007	-
-	7,992,983	2,034,425	(391,442)	-	6,350,000
(50,259,089)	180,020,162	146,109,317	171,163	3,421,072	30,318,610
517,530	39,701,800	39,576,891	4,315	120,594	-
16,525	17,040,499	15,909,280	-	202,679	928,540
852,484	1,703,355	759,631	4,129	1,456	938,139
4,044	2,494,479	2,380,538	21,556	92,385	-
10,060	717,013	714,518	7	2,488	-
-	1,075,127	1,006,738	55,493	12,896	-
3,282,912	75,442,826	75,442,825	1	-	-
-	22,500	22,500	-	-	-
-	3,265,346	3,265,346	-	-	-
12,000	1,897,462	1,889,779	7,683	-	-
(45,626,504)	342,333,298	301,979,322	767,659	4,219,307	35,367,010
(307,053)	\$6,193,485	5,507,803	624,783	60,838	61
45,085	10,702,440	9,596,999	139,422	961,853	4,166
112,206	7,557,749	7,492,866	3,281	61,602	-
-	13,805,894	13,805,894	-	-	-
-	-	-	-	-	-

GENERAL FUND

**COMBINED SUMMARY OF APPROPRIATION ACCOUNTS
SHOWING DETAIL OF AMOUNTS AVAILABLE, EXPENDITURES
AND DISPOSITION OF BALANCES**

For the Year Ended June 30, 1999

	Balance Forward July 1, 1998 (Adjusted)	Legislative Appropriations
Other	-	1,372,620
TOTAL ECONOMIC DEVELOPMENT	819,802	38,962,148
EDUCATION AND CULTURAL SERVICES		
Department of Education		
Administration	1,032,349	13,001,512
General Purpose Aid for Local Schools	321,218	593,048,207
Teachers Retirement	-	161,328,194
Other Local School Programs	-	20,000,000
Education in Unorganized Territories	911,162	9,710,327
Adult Education	-	-
Governor Baxter School for the Deaf	43,866	4,548,206
Other Education Programs	50,945	18,907,429
Total Department of Education	2,359,540	820,543,875
Cultural Agencies		
State Historian	1,484	496
Maine Historic Preservation Commission	-	232,198
Maine Arts Commission	17,234	758,042
Maine State Library	30,911	2,671,703
Maine State Museum	-	1,211,321
Maine Historical Society	-	24,761
Independent Agencies		
University of Maine	-	146,452,445
Maine Vocational Technical College System	-	34,130,860
Maine Maritime Academy	-	6,768,342
TOTAL EDUCATION AND CULTURAL SERVICES	2,409,169	1,012,794,043
HUMAN SERVICES		
Department of Human Services		
Administration	260,471	38,411,428
Medical Care Payments	9,330,569	279,553,637
Medical Care Administration	648,339	10,316,790
Temporary Assistance for Needy Families	2,111,252	21,212,364
General Assistance	81,748	5,434,670
Supplemental Security Income	577,280	8,865,252
Purchased Services	3,761,214	37,064,147
Bureau of Health	298,417	6,608,602
Bureau of Family Independence	354,803	12,733,301
Child Welfare Services	1,165,618	25,196,045
Bureau of Elder and Adult Services	569,133	15,594,250
Bureau of Child and Family Services	124,577	1,341,515
Other	110,591	5,333,254
Total Department of Human Services	19,394,012	467,665,255
Department of Mental Health, Mental Retardation and Substance Abuse Services		

Transfers In/(Out)	Total Available	Expenditures	Unexpended Balances - June 30, 1999		
			Lapsed	Encumbrances Carried	Unencumbered Balances
-	1,372,620	1,371,723	897	-	-
(149,762)	39,632,188	37,775,285	768,383	1,084,293	4,227
35,508	14,069,369	13,279,745	105,962	683,662	-
-	593,369,425	591,197,414	-	-	2,172,011
-	161,328,194	161,328,194	-	-	-
-	20,000,000	20,000,000	-	-	-
-	10,621,489	8,092,895	-	99,958	2,428,636
-	-	-	-	-	-
(19,649)	4,572,423	4,462,774	-	9,615	100,034
2,555	18,960,928	18,957,376	3,552	-	-
18,414	822,921,828	817,318,398	109,514	793,235	4,700,681
-	1,980	8	-	-	1,972
9,238	241,436	241,436	-	-	-
11,817	787,093	744,736	334	42,023	-
(46,008)	2,656,606	2,548,878	70,258	35,955	1,515
39,019	1,250,340	1,214,015	22,596	13,729	-
-	24,761	24,761	-	-	-
-	146,452,445	146,452,444	1	-	-
-	34,130,860	34,130,860	-	-	-
-	6,768,342	6,768,342	-	-	-
32,480	1,015,235,691	1,009,443,878	202,703	884,942	4,704,168
53,398	38,725,297	37,368,345	1,060,174	296,778	-
-	288,884,206	286,050,921	-	1,124,533	1,708,752
(15,652)	10,949,477	9,436,417	284,141	1,228,919	-
-	23,323,616	21,203,468	-	-	2,120,148
473,032	5,989,450	5,409,604	-	70,197	509,649
-	9,442,532	8,503,650	-	-	938,882
-	40,825,361	36,890,071	375,557	3,433,286	126,447
5,090	6,912,109	6,574,865	100,890	236,354	-
21,664	13,109,768	12,758,740	58,575	87,936	204,517
-	26,361,663	21,169,774	-	2,467,327	2,724,562
41,517	16,204,900	14,236,995	805,534	1,162,371	-
(4,873)	1,461,219	1,245,647	161,873	53,699	-
(10,676)	5,433,169	4,990,810	121,203	321,156	-
563,500	487,622,767	465,839,307	2,967,947	10,482,556	8,332,957

GENERAL FUND

**COMBINED SUMMARY OF APPROPRIATION ACCOUNTS
SHOWING DETAIL OF AMOUNTS AVAILABLE, EXPENDITURES
AND DISPOSITION OF BALANCES**

For the Year Ended June 30, 1999

	Balance Forward July 1, 1998 (Adjusted)	Legislative Appropriations
Departmental Operations	54,046	6,941,949
Augusta Mental Health Institute	358,572	6,741,301
Consent Decree Reinvestment	-	-
Bangor Mental Health Institute	530,563	7,569,338
Medicaid Match	2,271,095	44,252,699
Pineland Center	623	1,174,923
Community Mental Retardation Service	2,224,272	18,074,159
Community Mental Health	8,628,992	51,069,952
Children's Mental Health Services	1,756,103	21,664,005
Bath Childrens' Home		
Aroostook Residential Center	48,242	1,153,091
Elizabeth Levinson Center	20,405	2,224,396
Office of Substance Abuse	167,241	7,450,256
Other	-	729,797
Total Department of Mental Health, Mental Retardation and Substance Abuse Services	16,060,154	169,045,866
Department of Corrections		
Administration	15,174	7,794,854
State Prison	116,759	22,146,291
Maine Correctional Center	86,087	13,341,126
Maine Youth Center - South Portland	162,412	12,268,731
Charleston Correctional Center	121,500	6,980,408
Downeast Correctional Facility	74,896	3,741,120
Probation and Parole	2,123	7,991,416
Community Correctional Services	601,627	3,360,403
Corrections Improvement Program	1,339,908	899,173
Fuel	-	-
Construction, Repairs and Improvements	-	-
Total Department of Corrections	2,520,486	78,523,522
Independent Agencies		
Human Rights Commission	-	420,913
Other	-	277,070
TOTAL HUMAN SERVICES	37,974,652	715,932,626
LABOR		
Department of Labor		
Administration	-	490,955
Governor's Training Initiative Program	2,393,261	3,258,571
Rehabilitation Services	46,952	3,793,213
Other	393,107	5,575,909
TOTAL LABOR	2,833,321	13,118,648

Transfers In/(Out)	Total Available	Expenditures	Unexpended Balances - June 30, 1999		
			Lapsed	Encumbrances Carried	Unencumbered Balances
1,030,957	8,026,952	7,731,443	200,087	95,421	-
68,571	7,168,444	7,032,419	-	54,650	81,375
-	-	-	-	-	-
-	8,099,901	7,499,587	17	294,185	306,112
1,102,351	47,626,145	46,835,734	-	-	790,411
14,118	1,189,664	1,188,401	13	1,250	-
(1,537,211)	18,761,220	16,323,768	17,511	912,989	1,506,952
(636,084)	59,062,860	57,010,567	17,511	1,623,522	411,260
(212,016)	23,208,092	20,367,477	-	739,798	2,100,817
-	-	-	-	-	-
7,775	1,209,108	1,161,360	23,450	24,298	-
-	2,244,801	2,207,271	8,359	29,171	-
294,479	7,911,976	7,751,861	53,609	106,505	-
(1,030)	728,767	709,096	19,671	-	-
131,910	185,237,930	175,818,984	340,229	3,881,789	5,196,927
(99,262)	7,710,766	7,690,736	3,352	5,065	11,613
1,085,530	23,348,580	23,209,146	10,315	129,119	-
649,063	14,076,276	13,998,239	263	77,774	-
591,250	13,022,393	12,544,352	-	478,041	-
94,680	7,196,588	7,004,491	3,154	188,943	-
184,426	4,000,442	3,963,635	301	36,506	-
(347,500)	7,646,039	7,249,263	607	270,340	125,829
429,575	4,391,605	3,377,755	93,372	920,478	-
(1,105,254)	1,133,827	610,096	-	2,824	520,907
-	-	-	-	-	-
-	-	-	-	-	-
1,482,508	82,526,516	79,647,713	111,364	2,109,090	658,349
3,800	424,713	424,701	12	-	-
-	277,070	277,070	-	-	-
2,181,718	756,088,996	722,007,776	3,419,552	16,473,435	14,188,233
(57,361)	433,594	430,747	40	2,808	-
(3,600)	5,648,232	2,872,049	421,892	2,354,291	-
(2,665)	3,837,501	3,748,153	349	88,999	-
33,414	6,002,430	5,551,882	1,444	449,104	-
(30,211)	15,921,758	12,602,831	423,724	2,895,202	-

GENERAL FUND

**COMBINED SUMMARY OF APPROPRIATION ACCOUNTS
SHOWING DETAIL OF AMOUNTS AVAILABLE, EXPENDITURES
AND DISPOSITION OF BALANCES**

For the Year Ended June 30, 1999

	Balance Forward July 1, 1998 (Adjusted)	Legislative Appropriations
NATURAL RESOURCES		
Department of Conservation		
Central Administration	17,851	1,372,069
Construction, Repairs and Improvements	-	-
Bureau of Forestry	638,282	10,503,992
Bureau of Geology	11,598	836,317
Land Use Regulation Commission	21,263	1,667,947
Bureau of Parks and Recreation	74,601	5,489,834
Total Department of Conservation	763,595	19,870,159
Department of Environmental Protection		
Administration	-	423,481
Land, Water & Air Quality Programs	75,090	4,830,608
Waste Management & Pollution Control	-	3,367,082
Total Department of Environmental Protection	75,090	8,621,171
Department of Inland Fisheries and Wildlife		
Administrative Services	2,979,064	2,368,391
Resource Management	60,725	3,793,187
Licensing Services	72,244	1,404,154
Warden Services	43,411	9,198,870
Public Education & Safety	2,228	667,322
Total Department of Inland Fisheries and Wildlife	3,157,672	17,431,924
Independent Agencies		
Saco River Corridor Commission	-	5,000
Atlantic State Marine Fisheries	-	24,703
Other	-	180,098
TOTAL NATURAL RESOURCES	3,996,357	46,133,055
PUBLIC PROTECTION		
Department of Defense, Veterans and Emergency Mgmt.		
Administration	-	164,109
Military Bureau	5,450	2,149,105
Maine Emergency Management	4,182,364	1,703,288
Veterans' Services	133,460	1,550,213
Total Department of Defense, Veterans and Emergency Mgmt.	4,321,274	5,566,715
Department of Public Safety		
State Police	138,010	11,759,631
Maine Criminal Justice Academy	14,841	607,959
Liquor Enforcement	12,376	1,268,986
Bureau of Capitol Security	-	395,405
Drug Enforcement Agency	185	725,347
Other	4,267	863,770

Transfers In/(Out)	Total Available	Expenditures	Unexpended Balances - June 30, 1999		
			Lapsed	Encumbrances Carried	Unencumbered Balances
(308,744)	1,081,176	1,077,234	3,927	15	-
-	-	-	-	-	-
(27,367)	11,114,907	9,698,205	130,978	450,249	835,475
19,975	867,890	860,937	775	6,178	-
19,328	1,708,538	1,609,525	84,465	14,548	-
35,139	5,599,574	5,494,046	9,436	96,092	-
(261,669)	20,372,085	18,739,947	229,581	567,082	835,475
(99,512)	323,969	323,949	20	-	-
93,068	4,998,766	4,827,644	13	171,109	-
(1,056)	3,366,026	3,342,181	23,845	-	-
(7,499)	8,688,762	8,493,774	23,878	171,109	-
993,462	6,340,917	2,263,149	233,464	116,747	3,727,557
(167,211)	3,686,701	3,615,721	-	70,980	-
(17,031)	1,459,367	1,438,826	-	20,541	-
(801,651)	8,440,630	8,437,699	-	2,931	-
12,237	681,787	658,189	-	23,598	-
19,805	20,609,402	16,413,584	233,464	234,797	3,727,557
-	5,000	5,000	-	-	-
-	24,703	24,703	-	-	-
-	180,098	177,149	2,949	-	-
(249,363)	49,880,049	43,854,158	489,872	972,988	4,563,032
-	164,109	156,771	7,338	-	-
-	2,154,555	2,119,820	32,135	2,600	-
(1,287,075)	4,598,577	2,589,912	32,644	-	1,976,021
(423)	1,683,250	1,526,505	103,538	53,206	-
(1,287,498)	8,600,491	6,393,008	175,655	55,806	1,976,021
(599)	11,897,042	11,505,342	81,536	303,519	6,645
3,347	626,147	605,391	186	20,570	-
-	1,281,362	1,248,162	28,607	4,593	-
1,631	397,036	396,997	39	-	-
-	725,532	622,403	65,303	37,826	-
(666)	867,371	787,315	19,972	60,084	-

GENERAL FUND

**COMBINED SUMMARY OF APPROPRIATION ACCOUNTS
SHOWING DETAIL OF AMOUNTS AVAILABLE, EXPENDITURES
AND DISPOSITION OF BALANCES**

For the Year Ended June 30, 1999

	Balance Forward July 1, 1998 (Adjusted)	Legislative Appropriations
Total Department of Public Safety	169,679	15,621,098
TOTAL PUBLIC PROTECTION	4,490,953	21,187,813
TRANSPORTATION		
Department of Transportation		
Transportation Services	312,446	420,000
Bureau of Waterways	250,000	2,415,743
Bureau of Aeronautics	-	491,851
Other	-	-
TOTAL TRANSPORTATION	562,446	3,327,594
TOTAL GENERAL FUND	\$73,640,276	\$2,218,862,153
 SUMMARY OF THE GENERAL FUND BY POLICY AREA		
GENERAL GOVERNMENT	\$20,553,576	\$367,406,226
ECONOMIC DEVELOPMENT	819,802	38,962,148
EDUCATION AND CULTURAL SERVICES	2,409,169	1,012,794,043
HUMAN SERVICES	37,974,652	715,932,626
LABOR	2,833,321	13,118,648
NATURAL RESOURCES	3,996,357	46,133,055
PUBLIC PROTECTION	4,490,953	21,187,813
TRANSPORTATION	562,446	3,327,594
TOTAL GENERAL GOVERNMENT	\$73,640,276	\$2,218,862,153

Transfers In/(Out)	Total Available	Expenditures	Unexpended Balances - June 30, 1999		
			Lapsed	Encumbrances Carried	Unencumbered Balances
3,713	15,794,490	15,165,610	195,643	426,592	6,645
(1,283,785)	24,394,981	21,558,618	371,298	482,398	1,982,666
-	732,446	436,730	-	-	295,716
-	2,665,743	2,665,743	-	-	-
1,732	493,583	493,492	91	-	-
690,275	690,275	690,275	-	-	-
692,007	4,582,047	4,286,240	91	-	295,716
(\$44,433,420)	\$2,248,069,008	\$2,153,508,108	\$6,443,283	\$27,012,565	\$61,105,052

(\$45,626,504)	\$342,333,298	\$301,979,322	\$767,659	\$4,219,307	\$35,367,010
(149,762)	39,632,188	37,775,285	768,383	1,084,293	4,227
32,480	1,015,235,691	1,009,443,878	202,703	884,942	4,704,168
2,181,718	756,088,996	722,007,776	3,419,552	16,473,435	14,188,233
(30,211)	15,921,758	12,602,831	423,724	2,895,202	-
(249,363)	49,880,049	43,854,158	489,872	972,988	4,563,032
(1,283,785)	24,394,981	21,558,618	371,298	482,398	1,982,666
692,007	4,582,047	4,286,240	91	-	295,716
(\$44,433,420)	\$2,248,069,008	\$2,153,508,108	\$6,443,283	\$27,012,565	\$61,105,052

GENERAL FUND**COMBINED STATEMENT OF EXPENDITURES BY CHARACTER AND OBJECT**

	For the Years Ended June 30,	
	1999	1998
PERSONAL SERVICES		
Salaries and Wages	\$199,103,425	\$188,904,215
Retirement Costs	19,061,274	17,724,490
Health Insurance and Other Fringe Benefits	65,952,428	60,669,100
Unemployment Reimbursements	350,017	338,430
	<hr/> 284,467,143	<hr/> 267,636,235
CONTRACTUAL SERVICES		
Professional Fees and Special Services	57,929,113	47,909,479
Traveling Expenses	5,483,480	4,803,824
Operating State-Owned Vehicles	1,677,908	1,497,929
Utility Services	11,928,449	12,263,931
Rents	13,531,988	12,665,706
Repairs and Insurance	7,399,964	6,576,372
General Operating Expenses	24,885,299	23,131,429
	<hr/> 122,836,201	<hr/> 108,848,671
COMMODITIES		
Foods	2,546,943	2,348,872
Fuels	1,658,940	1,910,222
Materials	936,460	1,341,201
Office and Other Supplies	10,853,592	8,961,967
	<hr/> 15,995,935	<hr/> 14,562,262
GRANTS, SUBSIDIES AND PENSIONS		
To Federal Government	-	-
To Cities, Towns and Counties	602,075,261	605,776,158
To Public and Private Organizations	349,060,151	300,298,308
To Individuals:		
Temporary Assistance for Needy Families	34,585,449	31,674,272
Supplemental Social Security Income	8,489,529	8,371,012
Medicaid	282,846,202	171,588,623
Property Tax Relief	17,837,705	15,394,545
Pensions and Compensations for Injuries	162,964,887	153,124,975
Other	187,880,161	129,690,111
	<hr/> 1,645,739,345	<hr/> 1,415,918,006
CAPITAL OUTLAYS		
Land, Buildings and Improvements	3,403,900	7,733,418
Equipment	2,693,030	5,201,887
	<hr/> 6,096,931	<hr/> 12,935,305
DEBT SERVICE		
Principal	58,031,543	57,795,639
Interest	17,411,282	17,769,027
	<hr/> 75,442,825	<hr/> 75,564,666
CONTRIBUTIONS AND TRANSFERS TO OTHER FUNDS		
Transfers to Other Funds	2,929,728	2,907,874
	<hr/> 2,929,728	<hr/> 2,907,874
TOTAL EXPENDITURES	<hr/> \$2,153,508,108	<hr/> \$1,898,373,018

GENERAL FUND**ANALYSIS OF STATE CONTINGENT ACCOUNT**

For the Year Ended June 30, 1999

BALANCE JULY 1, 1998 \$350,000**GENERAL GOVERNMENT**

Executive Department- Governor's Office 66,679

ECONOMIC DEVELOPMENT

Department of Economic & Community Development 40,929

Department of Marine Resources 21,944

EDUCATION AND CULTURAL SERVICES

Cultural Agencies - Museum 19,999

HUMAN SERVICES

Department of Corrections 50,946

INDEPENDENT AGENCIES

Maine International Trade Center 12,000

TOTAL APPROPRIATIONS

212,497

Amount Necessary to Restore Balance

(212,497)

BALANCE JUNE 30, 1999\$350,000

Reference: 5 M.R.S.A., Section 1507

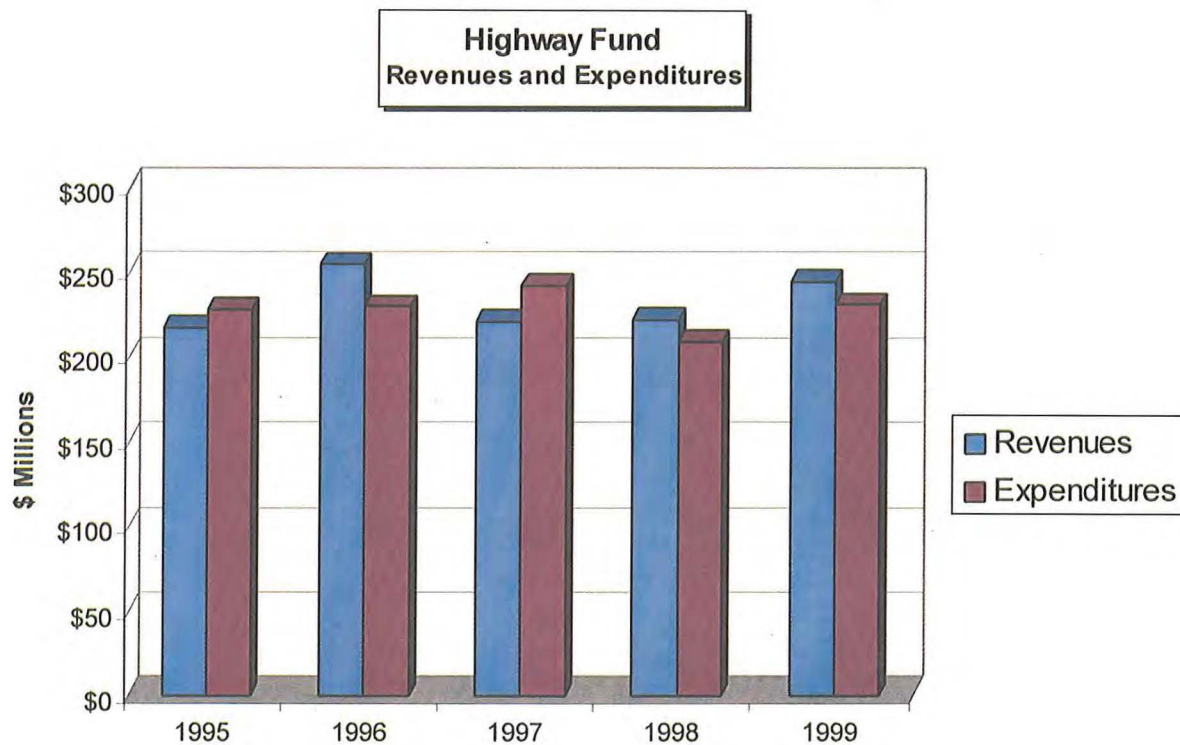
GENERAL FUND**DEBT SERVICE REQUIREMENTS TO MATURITY****GENERAL OBLIGATION BONDS**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2000	\$58,243,500	\$17,497,114
2001	56,633,500	14,176,601
2002	52,703,500	11,038,977
2003	49,588,500	8,063,760
2004	32,228,500	5,672,735
2005	26,068,500	3,922,043
2006	26,083,500	2,594,568
2007	17,093,500	1,372,611
2008	10,643,500	654,107
2009	5,438,500	202,391
TOTAL GENERAL FUND OBLIGATED BONDS	\$334,725,000	\$65,194,907

HIGHWAY FUND

The Highway Fund is used to account for revenues derived from registration of motor vehicles, operators' licenses, gasoline tax, other dedicated revenues and proceeds of bonds. The Federal matching funds and corresponding expenditures are accounted for in the Other Special Revenue Funds.

The Legislature allocates revenues to the Highway Fund for the operation of the Department of Transportation. The allocation covers construction and maintenance of highways and bridges, other allied programs, a major portion of the cost of State Police operations, and highway bond issues.



HIGHWAY FUND**COMPARATIVE BALANCE SHEET**

For the Years Ended June 30,

	1999	1998
ASSETS		
Equity in Treasurer's Cash Pool	\$58,187,685	\$55,000,792
Cash - Other	3,751,519	3,830,869
Accounts Receivable		
Tax Accounts	19,789,649	3,527,598
Other	321,114	1,356,930
Total Accounts Receivable	20,110,763	4,884,528
Less Allowance for Possible Losses	2,661,205	3,410,177
Net Accounts Receivable	17,449,558	1,474,351
Due from Other Funds	3,545	5,047
Working Capital Advances to Other Funds	13,533,708	13,464,529
Other Assets	371,702	443,699
TOTAL ASSETS	\$93,297,717	\$74,219,286
LIABILITIES AND EQUITY		
LIABILITIES		
Accounts Payable	7,982,866	2,375,175
Due to Other Funds	-	-
Other Liabilities	184,661	248,399
TOTAL LIABILITIES	8,167,526	2,623,574
EQUITY		
Allocated:		
Encumbrances	5,814,984	6,303,428
Authorized Expenditures	32,285,566	48,299,784
Reserve for Utility Loans	350,267	431,779
Working Capital Advances	13,533,708	13,464,529
Total Allocated	51,984,524	68,499,519
Unallocated Fund Balance	33,145,667	3,096,193
TOTAL EQUITY	85,130,191	71,595,712
TOTAL LIABILITIES AND EQUITY	\$93,297,717	\$74,219,286

EXHIBIT B-2

HIGHWAY FUND

ANALYSIS OF CHANGES IN UNALLOCATED FUND BALANCE

	For the Years Ended June 30,	
	1999	1998
BALANCE at BEGINNING of YEAR	\$3,096,193	\$1,680,818
ADJUSTMENT of PRIOR YEAR TRANSACTIONS	100,497	15,351
	3,196,690	1,696,169
ADDITIONS:		
Revenues	244,163,963	221,876,271
Appropriation of Balances Carried Forward		
Beginning of Year (adjusted)	54,505,338	31,230,686
Transfer from Other Funds (net)	56,053	11,713,322
TOTAL ADDITIONS	298,725,354	264,820,279
DEDUCTIONS:		
Expenditures	230,675,828	208,817,043
Appropriation Balances Carried Forward		
at End of Year	38,100,549	54,603,212
TOTAL DEDUCTIONS	268,776,378	263,420,255
BALANCE at END of YEAR	\$33,145,667	\$3,096,193

EXHIBIT B-3

HIGHWAY FUND

COMPARATIVE STATEMENT OF REVENUES

	For the Years Ended June 30,		1999 Budgeted Revenue
	1999	1998	
TAXES			
Gasoline Tax	\$133,571,324	\$121,456,054	\$133,020,664
Use Fuel and Motor Carrier Tax	33,187,909	28,893,590	31,470,370
Motor Vehicle Fees and Drivers' Licenses	65,880,114	62,387,018	63,312,156
Other	562,160	548,407	586,312
TOTAL TAXES	233,201,506	213,285,069	228,389,502
FINES, FORFEITS and PENALTIES	1,952,025	1,766,368	1,919,129
INCOME from INVESTMENTS	3,031,603	1,521,246	1,440,000
SERVICE CHARGES for CURRENT SERVICES	5,468,635	5,145,263	5,533,496
OTHER REVENUES	510,194	158,326	200,000
TOTAL REVENUE	\$244,163,962	\$221,876,271	\$237,482,127

HIGHWAY FUND

**COMBINED SUMMARY OF ALLOCATION ACCOUNTS
SHOWING DETAIL OF AMOUNTS AVAILABLE, EXPENDITURES
AND DISPOSITION OF BALANCES**

For the Year Ended June 30, 1999

	Balance Forward July 1, 1998 (Adjusted)	Legislative Allocation
GENERAL GOVERNMENT		
Bureau of Public Improvements	\$168,395	\$1,399,858
Secretary of State - Division of Motor Vehicles	2,255,330	22,567,597
Other	262,797	738,992
TOTAL GENERAL GOVERNMENT	2,686,522	24,706,447
ECONOMIC DEVELOPMENT		
Other	-	126,828
TOTAL ECONOMIC DEVELOPMENT	-	126,828
PUBLIC PROTECTION		
Department of Public Safety	1,854,781	19,016,982
TRANSPORTATION		
Administration Costs	2,852,440	14,430,328
Highway & Bridge Construction	40,857,611	20,192,216
Maintenance of Highways & Bridges	6,250,598	105,779,366
Debt Services	-	30,234,878
Other	3,385	680,000
TOTAL TRANSPORTATION	49,964,034	171,316,788
TOTAL HIGHWAY FUND	\$54,505,337	\$215,167,045

Transfers In/(Out)	Total Available	Expenditures	Unexpended Balances - June 30, 1999		
			Lapsed	Encumbrances Carried	Unencumbered Balances
\$159,901	\$1,728,154	\$1,593,770	\$44,762	\$89,622	\$ -
-	24,822,927	22,972,931	121,019	1,728,977	-
-	1,001,789	141,156	576,404	21,433	262,796
159,901	27,552,870	24,707,857	742,185	1,840,032	262,796
-	126,828	108,922	17,906	-	-
-	126,828	108,922	17,906	-	-
18,958	20,890,721	20,218,091	113,542	549,260	9,828
(24,831)	17,257,937	13,319,759	74,801	683,438	3,179,939
-	61,049,827	36,677,514	-	1,836,339	22,535,974
-	112,029,964	105,135,084	-	905,914	5,988,966
(101,600)	30,133,278	29,829,226	-	-	304,052
-	683,385	679,374	-	-	4,011
(126,431)	221,154,391	185,640,957	74,801	3,425,691	32,012,942
\$52,428	\$269,724,810	\$230,675,827	\$948,434	\$5,814,983	\$32,285,566

HIGHWAY FUND

COMBINED STATEMENT OF EXPENDITURES BY CHARACTER AND OBJECT

	For the Years Ended June 30,	
	1999	1998
PERSONAL SERVICES		
Salaries and Wages	\$69,517,610	\$65,799,751
Retirement Costs	1,782,407	1,618,056
Health Insurance and Other Fringe Benefits	30,112,092	28,543,457
Unemployment Reimbursements	177,262	172,376
	<hr/> 101,589,371	<hr/> 96,133,640
CONTRACTUAL SERVICES		
Professional Fees and Special Services	5,216,043	4,275,373
Travel Expenses	1,108,479	920,414
Operating State-Owned Vehicles	218,377	476,007
Utility Services	3,758,320	3,229,761
Rents	27,143,218	29,948,791
Repairs and Insurance	2,424,771	1,958,981
General Operating Expenses	5,441,169	4,129,212
	<hr/> 45,310,377	<hr/> 44,938,539
COMMODITIES		
Foods	6,650	4,540
Fuels	241,424	245,033
Materials	10,027,997	8,731,974
Office and Other Supplies	6,807,653	4,650,318
	<hr/> 17,083,724	<hr/> 13,631,865
GRANTS, SUBSIDIES AND PENSIONS		
Cities, Towns and Counties	9,935,045	6,257,747
Pensions and Compensation for Injuries	378,515	403,637
Public and Private	1,249,234	840,477
	<hr/> 11,562,794	<hr/> 7,501,862
CAPITAL OUTLAYS	22,713,413	17,047,074
DEBT SERVICE		
Principal	22,380,000	19,880,000
Interest	7,449,226	7,125,276
	<hr/> 29,829,226	<hr/> 27,005,276
CONTRIBUTIONS and TRANSFERS to OTHER FUNDS	2,586,922	2,558,788
TOTAL EXPENDITURES	<hr/> \$230,675,828	<hr/> \$208,817,043

HIGHWAY FUND**DEBT SERVICE REQUIREMENTS TO MATURITY****HIGHWAYS AND BRIDGES**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2000	\$22,470,000	\$6,862,012
2001	21,820,000	5,619,484
2002	21,375,000	4,466,745
2003	19,290,000	3,279,218
2004	14,090,000	2,374,405
2005	10,635,000	1,667,895
2006	10,585,000	1,134,490
2007	7,055,000	622,718
2008	4,690,000	301,940
2009	1,690,000	92,950
TOTAL HIGHWAY FUND BONDS	\$133,700,000	\$26,421,857

OTHER SPECIAL REVENUE FUNDS

A major portion of the Other Special Revenue Funds are comprised of Federal Funds received by the State. Also included are a grouping of various special purpose funds which have been established on a self-supporting basis. Revenues are generated by taxes, licenses, fees and Federal matching funds and grants. Expenditures of these funds can only be made in accordance with restrictions imposed by the source of the revenues.

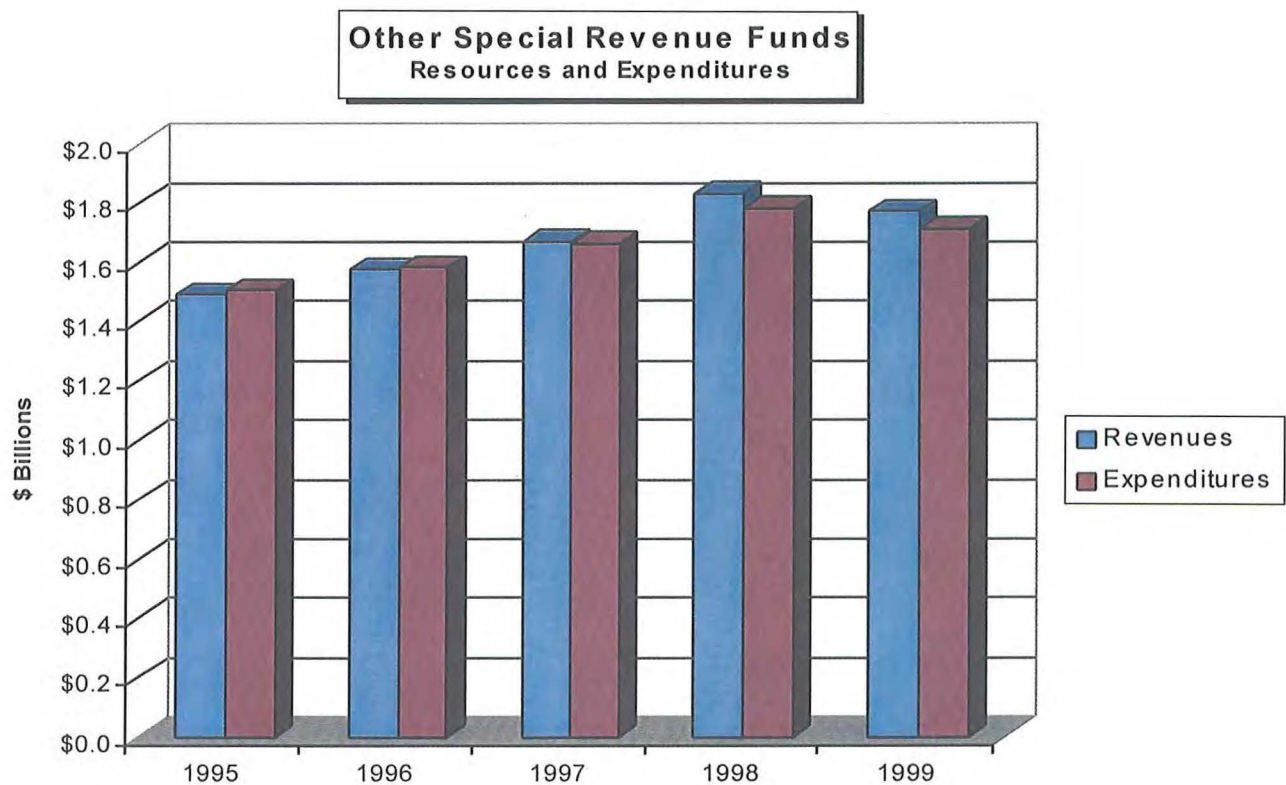


EXHIBIT C-1 OTHER SPECIAL REVENUE FUNDS**COMPARATIVE BALANCE SHEET****For the Years Ended June 30,**

	1999	1998
ASSETS		
Equity in Treasurer's Cash Pool	\$264,364,609	\$136,425,010
Cash - Other	32,385	31,820
Accounts Receivable		
Tax Accounts	10,218,544	37,710,084
Other	19,584,339	24,325,482
Total Accounts Receivable	29,802,883	62,035,566
Less Allowance for Possible Losses	10,392,697	8,663,168
Net Accounts Receivable	19,410,186	53,372,398
Due from Other Funds	-	14,123,863
Other Assets	15,068,436	1,899,316
TOTAL ASSETS	\$298,875,616	\$205,852,406
LIABILITIES AND FUND EQUITY		
LIABILITIES		
Accounts Payable	15,422,739	13,550,944
Due to Other Funds	-	-
Other Liabilities	1,316,823	2,818,755
TOTAL LIABILITIES	16,739,562	16,369,699
Working Capital Advances from General Fund	866,261	891,261
FUND EQUITY		
Encumbrances	61,178,200	48,246,790
Authorized Expenditures (unencumbered)	220,091,594	140,344,656
TOTAL FUND EQUITY	281,269,794	188,591,446
TOTAL LIABILITIES AND FUND EQUITY	\$298,875,617	\$205,852,406

Federal Expenditures	Federal Block Grants	Other Special Revenue
\$12,556,268	\$3,338,383	\$248,469,958
3,500	-	28,885
-	-	10,218,544
8,094,532	-	11,489,808
8,094,532	-	21,708,352
1,157,370	-	9,235,327
6,937,162	-	12,473,025
-	-	-
13,263,011	4,368	1,801,057
\$32,759,941	\$3,342,751	\$262,772,925
12,434,974	91,676	2,896,088
-	-	-
82,087	-	1,234,736
12,517,061	91,676	4,130,825
-	-	866,261
26,481,450	19,744,482	14,952,268
(6,238,570)	(16,493,407)	242,823,571
20,242,880	3,251,075	257,775,839
\$32,759,941	\$3,342,751	\$262,772,925

EXHIBIT C-2 OTHER SPECIAL REVENUE FUNDS**ANALYSIS OF CHANGES IN AVAILABLE FUNDS**

	For the Years Ended June 30,	
	1999	1998
BALANCE at BEGINNING of the YEAR	\$188,591,446	\$125,810,101
ADJUSTMENT of PRIOR YEAR TRANSACTIONS	(4,028,700)	(2,302,113)
	<u>184,562,746</u>	<u>123,507,988</u>
ADDITIONS:		
Revenues	1,772,376,130	1,831,885,473
Transfers from Other Funds (net)	44,668,438	28,908,909
TOTAL ADDITIONS	<u>1,817,044,568</u>	<u>1,860,794,383</u>
DEDUCTIONS:		
Expenditures	1,710,448,335	1,782,596,264
Transfers to Other Funds	9,889,187	13,114,661
TOTAL DEDUCTIONS	<u>1,720,337,522</u>	<u>1,795,710,925</u>
BALANCE at END of the YEAR	<u><u>\$281,269,793</u></u>	<u><u>\$188,591,446</u></u>

Expenditure Fund	Block Grants	Other Special Revenue
\$2,526,814	\$3,617,827	\$182,446,805
169,877	75,984	(4,274,560)
<u>2,696,691</u>	<u>3,693,811</u>	<u>178,172,245</u>
1,249,062,114	128,112,852	395,201,165
5,881,669	-	38,786,769
<u>1,254,943,783</u>	<u>128,112,852</u>	<u>433,987,934</u>
1,234,707,116	121,356,879	354,384,340
2,690,477	7,198,709	-
<u>1,237,397,593</u>	<u>128,555,588</u>	<u>354,384,340</u>
<u>\$20,242,881</u>	<u>\$3,251,074</u>	<u>\$257,775,838</u>

OTHER SPECIAL REVENUE FUNDS

COMPARATIVE STATEMENT OF REVENUES

	For the Years Ended June 30,	
	1999	1998
TAXES		
Property Taxes		
Unorganized Territories Tax	\$2,862,395	\$4,356,480
Real Estate	3,976,082	3,268,004
Sales and Use Tax	45,908,078	39,523,336
Income Taxes	65,936,223	49,971,960
Gasoline Tax	2,566,360	2,863,275
Public Utility Taxes	6,455,706	6,790,295
Inland Fishing, Hunting and Related Taxes	187,797	225,091
Taxes on Specific		
Businesses or Occupations:		
Tobacco Product Tax	3,500,000	28,845,919
Potato Tax	776,512	-
Sardine Tax	90,629	185,767
Insurance Tax	12,905,887	19,095,090
Banks and Banking	4,534,974	3,842,685
Milk Purchases by Dealers	921,271	914,328
Pari-Mutuels	3,533,092	3,052,893
Other	30,938,507	161,850,801
Other Taxes	7,450,266	13,431,342
TOTAL TAXES	192,543,781	338,217,266
FINES, FORFEITS AND PENALITIES	5,400,918	4,502,158
INCOME FROM INVESTMENTS	11,591,451	2,773,639
INTERGOVERNMENTAL REVENUES:		
Federal Government	1,367,532,537	1,329,739,768
Cities, Towns and Counties	9,741,398	5,972,434
REVENUES FROM PRIVATE SOURCES	106,316,788	94,508,328
SERVICE CHARGES FOR CURRENT SERVICES	69,996,310	69,692,899
SALES AND COMPENSATION FOR LOSS OF PROPERTY	2,631,256	2,736,645
CONTRIBUTIONS AND TRANSFERS FROM OTHER FUNDS	6,621,691	(17,009,606)
TOTAL OTHER SPECIAL REVENUES	\$1,772,376,130	\$1,831,133,530

1999 Budget	Federal Expenditure Funds	Federal Block Grants	Other Special Revenue Funds
\$4,980,392	-	-	\$2,862,395
4,350,000	-	-	3,976,082
41,263,834	-	-	45,908,078
54,915,166	(57,343)	-	65,993,567
2,988,366	-	-	2,566,360
6,767,549	-	-	6,455,706
323,340	-	-	187,797
-	-	-	3,500,000
-	-	-	776,512
400,000	-	-	90,629
21,612,788	-	-	12,905,887
3,285,845	-	-	4,534,974
1,302,051	-	-	921,271
4,804,201	-	-	3,533,092
44,339,537	1,683	-	30,936,824
6,644,161	-	-	7,450,266
199,277,230	(55,660)	-	192,599,441
25,729,822	-	-	5,400,918
1,542,539	-	32,191	11,559,260
1,657,529,232	1,229,200,720	134,726,631	3,605,186
9,879,115		10	9,741,389
79,976,321	16,871,682	(6,659,889)	96,104,995
99,629,186	2,874,103	13,909	67,108,298
3,119,648	75,858	-	2,555,398
6,867,903	95,410	-	6,526,280
<u>\$2,083,550,996</u>	<u>\$1,249,062,114</u>	<u>\$128,112,852</u>	<u>\$395,201,165</u>

OTHER SPECIAL REVENUE FUNDS

**COMBINED SUMMARY OF ALLOCATION ACCOUNTS
SHOWING DETAIL OF AMOUNTS AVAILABLE, EXPENDITURES
AND DISPOSITION OF BALANCES**

For the Year Ended June 30, 1999

	Balance Forward July 1, 1998 (Adjusted)	Transfers In/(Out)
GENERAL GOVERNMENT		
Attorney General	\$2,567,330	\$7,008,488
State Auditor	200,910	818,091
Executive Department	8,587,129	5,027,360
Department of Administrative and Financial Services		
Bureau of Taxation - Unorganized Territories Services	4,951,310	4,325,179
Bureau of Public Improvements	363,970	51,304,180
Other	20,805,844	(6,492,564)
Total Administrative and Financial Services	26,121,124	49,136,795
Judicial - Supreme, Superior and District Courts	260,185	3,942,060
Legislature	78,681	24,437
Secretary of State		
Secretary of State	278,101	286,661
Highway Safety	2,071,216	1,973,575
State Archives	45,707	23,838
Total Secretary of State	2,395,024	2,284,074
Treasurer of State		
Municipal Revenue Sharing	637	111,924,140
Other	-	-
Independent Agencies		
Accident Sickness and Health Insurance	290,816	3,190,782
Science and Technology Foundation	380	-
Other	258,751	2,964,572
TOTAL GENERAL GOVERNMENT	40,760,967	186,320,799
ECONOMIC DEVELOPMENT		
Department of Agriculture, Food and Rural Resources	3,305,054	11,066,763
Department of Economic and Community Development	2,053,705	18,019,688
Department of Marine Resources	3,298,735	4,736,379
Department of Professional and Financial Regulation	18,216,971	13,269,777
Independent Agencies		
Regulatory Boards	19,598	16,812
Public Utilities Commission	2,142,399	5,510,601
Blueberry Advisory Board	-	685,101
Maine Sardine Council	-	90,629
Maine Lobster Promotion Council	28,200	297,925
Maine State Housing Authority	68,498	3,976,082
Maine Waste Management	-	-
Finance Authority of Maine	40	-
Worker's Compensation Board	7,748,953	7,605,504
Maine Potato Board	88,256	776,689
Other	426,712	1,047,668
TOTAL ECONOMIC DEVELOPMENT	37,397,120	67,099,618
EDUCATION AND CULTURAL SERVICES		
Department of Education		
Administration	171,889	5,506,666
Local School Nutrition Program	114,073	22,363,565
Education in Unorganized Territory	58,462	209,098

Total Available	Expenditures	Unexpended Balances June 30, 1999	
		Encumbrances Carried	Unencumbered Balances
\$9,575,818	\$6,885,415	\$326,244	\$2,364,159
1,019,001	762,432	11,045	245,524
13,614,489	5,524,456	1,072,037	7,017,996
9,276,489	5,969,813	50,000	3,256,676
51,668,150	3,260,238	1,328,927	47,078,985
14,313,280	1,884,721	23,399	12,405,161
75,257,919	11,114,772	1,402,326	62,740,822
4,202,245	3,795,443	39,189	367,613
103,118	-	-	103,118
564,762	286,339	12,010	266,413
4,044,791	1,178,347	-	2,866,444
69,545	32,308	2,075	35,162
4,679,098	1,496,994	14,085	3,168,019
111,924,777	96,177,766	-	15,747,011
-	-	-	-
3,481,598	1,636,082	156,670	1,688,846
380	-	-	380
3,223,323	117,248	1,888	3,104,187
227,081,766	127,510,608	3,023,484	96,547,675
14,371,817	10,944,371	291,382	3,136,064
20,073,393	18,522,040	11,149,683	(9,598,331)
8,035,114	4,542,437	590,016	2,902,661
31,486,748	13,074,320	957,719	17,454,709
36,410	12,358	-	24,052
7,653,000	5,208,803	963,122	1,481,075
685,101	685,101	-	-
90,629	89,363	-	1,266
326,125	304,075	-	22,050
4,044,580	3,620,941	-	423,639
-	-	-	-
40	-	-	40
15,354,457	6,933,127	3,501	8,417,829
864,945	835,873	-	29,072
1,474,380	1,360,560	52,472	61,348
104,496,739	66,133,370	14,007,895	24,355,474
5,678,555	5,492,474	59,767	126,314
22,477,638	20,167,996	7,943	2,301,699
267,560	214,334	9,389	43,837

OTHER SPECIAL REVENUE FUNDS

COMBINED SUMMARY OF ALLOCATION ACCOUNTS
SHOWING DETAIL OF AMOUNTS AVAILABLE, EXPENDITURES
AND DISPOSITION OF BALANCES

For the Year Ended June 30, 1999

	Balance Forward July 1, 1998 (Adjusted)	Transfers In/(Out)
School Construction Aid	1,092	1,649,418
Vocational Education	155,243	5,804,825
Maine Technical College System	-	575,949
Adult Education	34,669	1,533,413
Other Education Programs	1,105,054	60,121,598
Governor Baxter School for the Deaf	133,349	84,766
Total Department of Education	1,773,831	97,849,298
Maine Historic Preservation Commission	134,888	701,448
Maine Arts Commission	32,469	663,415
State Library	124,774	1,224,060
Museum	90,617	171,943
TOTAL EDUCATION AND CULTURAL SERVICES	2,156,579	100,610,164
HUMAN SERVICES		
Department of Human Services		
Administration	898,215	21,414,841
Bureau of Health	4,224,784	35,991,119
Emergency Medical and Disease Prevention	40,125	788,070
Medical Care Payments	(16,542,839)	761,335,266
Medical Care Administration	1,394,977	25,949,516
Bureau of Social Welfare	3,057,783	32,946,708
Temporary Assistance for Needy Families	15,160,661	120,690,205
Bureau of Child and Family Services	1,150,541	5,553,511
Purchased Social Services	2,389,234	50,057,055
Child Welfare Services	7,863	13,592,151
Bureau of Rehabilitation	(772,588)	8,694,258
Bureau of Maine's Elderly	169,256	6,179,354
Other	134,990	2,932,269
Total Department of Human Services	11,313,003	1,086,124,324
Department of Mental Health, Mental Retardation and Substance Abuse Services		
Community Mental Health	130,501	3,927,185
Title XX Federal Mental Health	6,077	273,865
Food	303	838
Capital Construction, Repairs and Improvement	450,520	177,250
Children's Mental Health Services	15,651	1,943,066
Augusta Mental Health Institute	1,552,894	11,844,944
Bangor Mental Health Institute	3,562,125	11,743,580
Community Mental Retardation Service	82,909	440,877
Title XX Federal Mental Retardation	13,680	909,636
Pineland Center	3,375	86,215
Elizabeth Levinson Center	171	-
Office of Substance Abuse	47,235	9,209,562
Total Department of Mental Health, Mental Retardation and Substance Abuse Services	5,865,440	40,557,018
Department of Corrections	891,005	5,382,353
Independent Agencies		
Human Rights Commission	108,450	400,601

		Unexpended Balances June 30, 1999	
Total Available	Expenditures	Encumbrances Carried	Unencumbered Balances
1,650,510	1,649,426	-	1,084
5,960,068	5,825,167	-	134,901
575,949	575,949	-	-
1,568,082	1,526,338	-	41,744
61,226,652	60,356,081	627,307	243,264
218,115	117,251	-	100,864
99,623,129	95,925,016	704,406	2,993,707
836,336	693,329	15,581	127,426
695,884	490,411	288	205,185
1,348,834	934,128	2,903	411,803
262,560	151,601	2,143	108,816
102,766,743	98,194,485	725,321	3,846,937
22,313,056	21,378,691	573,939	360,426
40,215,903	34,937,680	4,589,093	689,130
828,195	810,141	149,943	(131,889)
744,792,427	747,406,185	441,318	(3,055,076)
27,344,493	25,181,020	7,369,649	(5,206,176)
36,004,491	33,625,768	6,186,006	(3,807,283)
135,850,866	111,218,696	26,198	24,605,972
6,704,052	6,678,868	1,887,830	(1,862,646)
52,446,289	51,557,853	3,324,094	(2,435,658)
13,600,015	13,569,311	3,312,125	(3,281,421)
7,921,670	7,873,014	321,709	(273,053)
6,348,610	6,205,471	277,731	(134,592)
3,067,259	2,923,238	689,058	(545,037)
1,097,437,326	1,063,365,936	29,148,693	4,922,697
4,057,685	3,741,493	690,145	(373,953)
279,942	220,323	59,648	(29)
1,141	-	-	1,141
627,770	466,328	731	160,711
1,958,717	1,853,308	79,731	25,678
13,397,838	13,638,306	100,134	(340,602)
15,305,705	14,192,387	572,253	541,065
523,786	427,811	32,324	63,651
923,316	860,591	90,892	(28,167)
89,590	76,977	-	12,613
171	-	-	171
9,256,796	9,123,309	1,013,474	(879,987)
46,422,458	44,600,833	2,639,332	(817,708)
6,273,358	2,534,598	604,541	3,134,219
509,051	214,802	-	294,249

OTHER SPECIAL REVENUE FUNDS

**COMBINED SUMMARY OF ALLOCATION ACCOUNTS
SHOWING DETAIL OF AMOUNTS AVAILABLE, EXPENDITURES
AND DISPOSITION OF BALANCES**

For the Year Ended June 30, 1999

	Balance Forward July 1, 1998 (Adjusted)	Transfers In/(Out)
Other	1,501,168	1,642,787
TOTAL HUMAN SERVICES	19,679,066	1,134,107,082
LABOR		
Department of Labor		
Employment Security - Administration	2,268,638	52,462,865
Labor Allowance	(50,776)	1,610,285
Labor Development and Training	696,705	1,822,914
Rehab Services	280,656	11,911,362
Labor Relations	17,661	51,819
Benefit Account	1,981	1,221,003
TOTAL LABOR	3,214,865	69,080,248
NATURAL RESOURCES		
Department of Conservation		
Central Administration	391,214	420,608
Bureau of Forestry	845,043	2,376,587
Bureau of Geology	118,266	109,751
Land Use Regulation Commission	53,442	931
Bureau of Parks and Recreation	424,669	625,964
Bureau of Public Lands	3,701,275	3,114,897
Boating Facilities Fund	2,665,252	1,520,858
Snowmobile Trail Fund	654,561	1,991,706
Maine State Parks Fund	617,466	988,270
Other	309,066	349,045
Total Department of Conservation	9,780,254	11,498,617
Department of Environmental Protection		
Administration	256,537	4,499,576
Bureau of Air Quality	28,555	499,864
Bureau of Land Quality	1,984,529	1,691,071
Bureau of Water Quality	62,866	492,043
Waste Treatment Planning	352,767	2,146,365
Maine Coastal Protection Fund	15,689,004	24,709,272
Low Level Waste Site Fund	52,918	10,000
Other	270,335	4,393,375
Total Department of Environment Protection	18,697,510	38,441,567
Department of Inland Fisheries and Wildlife		
Administration, Warden & Biology Services	3,591,075	5,793,029
White Water Rafting	142,339	76,726
Non-Game Wildlife Fund	1,823,431	1,106,273
Atlantic Sea Run Salmon Management	71,982	636,049
Total Department of Inland Fisheries and Wildlife	5,628,827	7,612,077
Independent Agencies		
Baxter State Park Authority	144,415	2,399,198
Maine Forest Authority	16,677	-
Other	-	23,112
TOTAL NATURAL RESOURCES	34,267,683	59,974,570

Total Available	Expenditures	Unexpended Balances June 30, 1999	
		Encumbrances Carried	Unencumbered Balances
3,143,955	1,620,039	17,089	1,506,827
1,153,786,148	1,112,336,208	32,409,656	9,040,284
54,731,503	52,943,223	2,499,258	(710,978)
1,559,509	1,554,339	-	5,170
2,519,619	2,047,748	280,242	191,628
12,192,019	11,619,670	123,751	448,597
69,480	65,350	-	4,130
1,222,984	1,174,367	-	48,617
72,295,113	69,404,697	2,903,252	(12,835)
811,822	434,393	54,696	322,733
3,221,630	2,536,086	291,361	394,183
228,017	151,428	26,922	49,667
54,373	1,496	7,090	45,787
1,050,633	505,778	406,120	138,735
6,816,172	3,127,751	194,969	3,493,452
4,186,110	1,661,204	386,856	2,138,050
2,646,267	1,762,725	269,957	613,585
1,605,736	1,196,678	176,721	232,337
658,111	369,859	26,704	261,548
21,278,871	11,747,398	1,841,396	7,690,077
4,756,113	4,255,786	307,258	193,069
528,419	506,106	40,083	(17,770)
3,675,600	2,012,544	35,068	1,627,988
554,909	475,472	71,250	8,187
2,499,132	2,009,658	114,276	375,198
40,398,277	21,344,340	2,155,070	16,898,867
62,918	-	-	62,918
4,663,710	4,300,459	511,786	(148,535)
57,139,077	34,904,364	3,234,791	18,999,922
9,384,104	5,792,441	534,174	3,057,489
219,065	65,995	-	153,070
2,929,704	1,200,152	126,793	1,602,759
708,031	549,829	526,684	(368,482)
13,240,904	7,608,417	1,187,651	4,444,836
2,543,613	2,312,363	-	231,250
16,677	-	-	16,677
23,112	23,112	-	-
94,242,253	56,595,653	6,263,838	31,382,762

OTHER SPECIAL REVENUE FUNDS

**COMBINED SUMMARY OF ALLOCATION ACCOUNTS
SHOWING DETAIL OF AMOUNTS AVAILABLE, EXPENDITURES
AND DISPOSITION OF BALANCES**

For the Year Ended June 30, 1999

	Balance Forward July 1, 1998 (Adjusted)	Transfers In/(Out)
PUBLIC PROTECTION		
Department of Defense, Veterans and Emergency Mgmt.		
Administration	497,106	6,182,970
Maine Emergency Management's Hazardous Mitigation	6,585	230,564
Veterans' Memorial Cemetery	54,714	148,239
Bureau of Civil Emergency Preparedness	586,138	17,189,518
Total Department of Defense, Veterans and Emergency Mgmt.	1,144,543	23,751,291
Department of Public Safety		
State Police	2,184,968	11,973,643
Emergency 911 System	1,980,093	3,526,251
Maine Criminal Justice Academy	384,324	784,523
State Fire Marshall	953,897	1,518,308
Drug Enforcement Agency	16,839	1,689,840
Other	29,542	23,748
Total Department of Public Safety	5,549,663	19,516,313
TOTAL PUBLIC PROTECTION	6,694,206	43,267,604
TRANSPORTATION		
Department of Transportation		
Transportation Services	11,775,287	17,512,892
Administration Costs	110,208	43,272
Construction of Highways	(120,539)	123,179,435
Maintenance of Highways	148,881	11,146,590
Bureau of Aeronautics	-	-
Other	3,728,831	3,697,249
TOTAL TRANSPORTATION	15,642,668	155,579,437
TOTAL OTHER SPECIAL REVENUE FUNDS	159,813,155	1,816,039,522
DETAIL OF:		
Federal Expenditure Fund	(3,431,429)	1,252,423,183
Federal Block Grant	3,586,014	120,990,126
Other Special Revenue	159,658,570	442,626,213
TOTAL OTHER SPECIAL REVENUE FUNDS	\$159,813,155	\$1,816,039,522

Total Available	Expenditures	Unexpended Balances June 30, 1999	
		Encumbrances Carried	Unencumbered Balances
6,680,076	6,326,271	326,228	27,577
237,149	227,839	-	9,310
202,953	127,113	14,873	60,967
<u>17,775,655</u>	<u>17,295,261</u>	<u>129,048</u>	<u>351,346</u>
24,895,833	23,976,484	470,149	449,200
14,158,611	11,727,968	552,597	1,878,046
5,506,344	383,864	377,545	4,744,935
1,168,847	700,945	21,328	446,574
2,472,205	1,521,107	15,000	936,098
1,706,679	1,529,367	-	177,312
<u>53,290</u>	<u>13,353</u>	<u>1,292</u>	<u>38,645</u>
25,065,976	15,876,604	967,762	8,221,610
49,961,809	39,853,088	1,437,911	8,670,810
29,288,179	6,055,907	334,720	22,897,552
153,480	194,619	-	(41,139)
123,058,896	120,865,259	-	2,193,637
11,295,470	10,663,788	-	631,683
0	-	-	-
<u>7,426,080</u>	<u>2,640,653</u>	<u>72,124</u>	<u>4,713,303</u>
171,222,105	140,420,226	406,844	30,395,036
<u>1,975,852,677</u>	<u>1,710,448,335</u>	<u>61,178,200</u>	<u>204,226,142</u>
1,248,991,754	1,234,707,116	26,481,450	(12,196,812)
124,576,140	121,356,879	19,744,482	(16,525,221)
<u>602,284,783</u>	<u>354,384,340</u>	<u>14,952,268</u>	<u>232,948,174</u>
<u>\$1,975,852,677</u>	<u>\$1,710,448,335</u>	<u>\$61,178,200</u>	<u>\$204,226,141</u>

OTHER SPECIAL REVENUE FUNDS**COMBINED STATEMENT OF EXPENDITURES BY CHARACTER AND OBJECT**

	For the Years Ended June 30,	
	1999	1998
PERSONAL SERVICES		
Salaries and Wages	\$140,058,651	\$135,458,026
Retirement Costs	12,458,389	12,071,504
Health Insurance and Other Fringe Benefits	43,640,361	41,154,895
Unemployment Reimbursements	176,365	230,882
	196,333,767	188,915,306
CONTRACTUAL SERVICES		
Professional Fees and Special Services	66,071,436	66,376,614
Traveling Expenses	4,472,197	4,544,456
Operating State-Owned Vehicles	1,045,885	679,022
Utility Services	6,667,885	6,943,827
Rents	16,679,455	18,977,723
Repairs and Insurance	4,486,236	4,385,064
General Operating Expenses	15,199,952	14,036,601
	114,623,046	115,943,308
COMMODITIES		
Foods	305,728	376,350
Fuels	455,903	468,795
Materials	672,170	2,712,847
Office and Other Supplies	10,891,685	9,840,824
	12,325,486	13,398,816
GRANTS, SUBSIDIES AND PENSIONS		
To Federal Government	-	178
To Cities, Towns and Counties	216,311,670	209,233,132
To Public and Private Organizations	112,215,586	117,497,401
To Individuals:		
Temporary Assistance for Needy Families	124,184,263	113,013,632
Assistance and Medical Care	809,841,508	911,134,719
Unemployment Compensation Benefits	1,645,672	2,473,999
Pensions and Compensation for Injuries	84,442	86,880
Other	2,835,572	3,702,873
	1,267,118,713	1,357,142,813
CAPITAL OUTLAYS		
Contract Payments	97,848,543	83,680,354
Other	17,121,014	19,713,595
	114,969,557	103,393,949
CONTRIBUTIONS AND TRANSFERS TO OTHER FUNDS	5,077,765	3,802,071
TOTAL EXPENDITURES	<u>\$1,710,448,335</u>	<u>\$1,782,596,264</u>

CAPITAL PROJECTS FUND

The Capital Projects Fund is used to account for financial resources used for the acquisition or construction of major capital facilities other than those financed by proprietary funds.

CAPITAL PROJECTS FUNDS**COMPARATIVE BALANCE SHEET**

	For the Years Ended June 30,	
	1999	1998
ASSETS		
Equity in Treasurer's Cash Pool	\$65,987,835	\$69,148,975
Other Assets	-	-
TOTAL ASSETS	<u>\$65,987,835</u>	<u>\$69,148,975</u>
LIABILITIES AND FUND EQUITY		
LIABILITIES		
Accounts Payable	\$168,768	\$2,977,723
Due to Other Funds	-	-
TOTAL LIABILITIES	<u>168,768</u>	<u>2,977,723</u>
FUND EQUITY		
Encumbered	10,406,773	5,630,255
Unencumbered	55,412,294	60,540,997
TOTAL FUND EQUITY	<u>65,819,067</u>	<u>66,171,252</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$65,987,835</u>	<u>\$69,148,975</u>

CAPITAL PROJECTS FUND

**COMBINED SUMMARY OF APPROPRIATION ACCOUNTS
SHOWING DETAIL OF AMOUNTS AVAILABLE, EXPENDITURES
AND DISPOSITION OF BALANCES**

For the Year Ended June 30, 1999

	Balance Forward July 1, 1998 (Adjusted)	Revenue Transfers and Other Resources
GENERAL GOVERNMENT		
Debt Service	\$1,538,726	(\$247,800)
Land for Maine's Future	579,112	-
Energy Conservation - State Buildings	655,445	-
Bureau of Public Improvements - Asbestos Bond	1,928,221	-
Recycling	475,399	-
Maine Science and Technology Foundation	-	4,500,000
TOTAL GENERAL GOVERNMENT	5,176,903	4,252,200
ECONOMIC DEVELOPMENT		
Maine State Housing Authority	1	-
FAME	2,500,000	-
TOTAL ECONOMIC DEVELOPMENT	2,500,001	-
EDUCATION AND CULTURAL SERVICES		
Vocational Technical Colleges	726,600	-
University of Maine System	5,000,000	3,300,000
Acquisition of School Buses	46,208	-
Technology Equipment	3,124,113	3,007,033
Other	817,183	5,000,000
TOTAL EDUCATION AND CULTURAL SERVICES	9,714,104	11,307,033
HUMAN SERVICES		
Drinking Water	2,500,000	1,500,000
Correctional Facilities	621,300	-
TOTAL HUMAN SERVICES	3,121,300	1,500,000
NATURAL RESOURCES		
Conservation Department		
Bureau of Parks and Recreation	2,374,643	9,655
Inland Fisheries and Wildlife	3,312	208
Environmental Protection		
Hazardous Waste Clean Up	2,404,344	1,750,000
Pollution Abatement	5,361,592	6,675,000
Solid Waste	5,715,409	4,569,278
TOTAL NATURAL RESOURCES	15,859,300	13,004,141
TRANSPORTATION		
Airport Improvements	2,220,789	1,000,000
Public Safety 911	1,635,341	-
Highways and Bridges	17,472,037	27,404,046
Ports and Marine	6,707,695	8,980,000
Rail Transportation	4,150,187	3,450,000
Other	-	235,000
TOTAL TRANSPORTATION	32,186,049	41,069,046
TOTAL CAPITAL PROJECTS FUND	\$68,557,657	\$71,132,420

Total Available	Expenditures	Unexpended Balance June 30, 1999	
		Encumbrances Carried	Unencumbered Balances
\$1,290,926	\$ -	\$ -	\$1,290,926
579,112	81,987	4,500	492,625
655,445	579,478	25,208	50,759
1,928,221	1,928,220	-	1
475,399	114,699	223,673	137,027
4,500,000	-	-	4,500,000
9,429,103	2,704,384	253,381	6,471,338
1	-	-	1
2,500,000	1,500,000	-	1,000,000
2,500,001	1,500,000	-	1,000,001
726,600	511,843	-	214,757
8,300,000	3,760,631	-	4,539,369
46,208	-	-	46,208
6,131,146	605,346	839,443	4,686,357
5,817,183	5,123,141	-	694,042
21,021,137	10,000,961	839,443	10,180,733
4,000,000	2,500,000	-	1,500,000
621,300	248,936	34,659	337,705
4,621,300	2,748,936	34,659	1,837,705
2,384,298	1,575,271	261,653	547,374
3,520	-	-	3,520
4,154,344	1,252,688	194,910	2,706,746
12,036,592	2,690,977	7,263,657	2,081,958
10,284,687	7,853,361	1,336,576	1,094,750
28,863,441	13,372,297	9,056,796	6,434,348
3,220,789	1,475,258	-	1,745,531
1,635,341	839,571	222,494	573,276
44,876,083	29,542,233	-	15,333,850
15,687,695	6,682,480	-	9,005,215
7,600,187	2,850,887	-	4,749,300
235,000	15,403	-	219,597
73,255,095	41,405,832	222,494	31,626,769
\$139,690,077	\$71,732,410	\$10,406,773	\$57,550,894

CAPITAL PROJECTS FUNDS**DEBT SERVICE REQUIREMENTS TO MATURITY****SELF-LIQUIDATING BONDS**

Fiscal Year	Principal	Interest
2000	\$175,000	\$85,450
2001	175,000	71,575
2002	165,000	57,445
2003	155,000	44,215
2004	155,000	31,910
2005	130,000	19,605
2006	70,000	9,375
2007	70,000	4,125
2008	20,000	750
TOTAL CAPITAL PROJECTS SELF-LIQUIDATING BONDS	\$1,115,000	\$324,450

DEBT SERVICE FUND

The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest. During fiscal year 1999, the State retired \$78,636,543 in debt and paid \$26,959,743 in interest.

EXHIBIT E-1

DEBT SERVICE FUNDS**COMPARATIVE BALANCE SHEET**

For the Years Ended June 30,

	1999	1998
ASSETS		
Equity in Treasurer's Demand		
Cash and/or Investments	\$1,291,198	\$1,538,912
Cash - Other	655,957	655,957
TOTAL ASSETS	\$1,947,156	\$2,194,870
LIABILITIES AND FUND EQUITY		
Bonds Matured - Not Presented for Payment	\$15,000	\$15,000
Interest Matured - Not Presented for Payment	640,957	640,957
Fund Equity	1,291,198	1,538,912
TOTAL LIABILITIES AND FUND EQUITY	\$1,947,156	\$2,194,870

EXHIBIT E-2

**COMPARATIVE STATEMENT OF REVENUES,
EXPENDITURES AND FUND EQUITY**

For the Years Ended June 30,

	1999	1998
REVENUES		
Contribution from:		
Vocational Technical Colleges	\$ 131,886	\$ 204,023
Maine Veterans Home	142,525	149,700
Income from Investments	3,035,112	2,901,175
Transfers from Other Funds:		
General Fund	72,159,914	70,905,858
Highway Fund	29,879,135	27,005,276
TOTAL REVENUE	105,348,572	101,166,033
EXPENDITURES		
Redemption of Bonds	79,790,000	77,916,005
Interest on Bonds	25,806,286	24,725,993
TOTAL EXPENDITURES	105,596,286	102,641,998
EXCESS TO FUND EQUITY	-247,713	(1,475,965)
FUND BALANCE JULY 1, 1998	1,538,912	3,014,877
FUND BALANCE JUNE 30, 1999	\$1,291,199	\$1,538,912

Detail of This Year

General Fund Issues	Highway Fund Issues	Other Issues
\$1,290,927	\$ -	\$272
448,092	96,713	111,153
<u>\$1,739,018</u>	<u>\$96,713</u>	<u>\$111,425</u>
<u><u>\$1,739,018</u></u>	<u><u>\$96,713</u></u>	<u><u>\$111,425</u></u>
\$5,000	\$ -	\$10,000
443,092	96,713	101,153
1,290,927		272
<u>\$1,739,018</u>	<u>\$96,713</u>	<u>\$111,425</u>
<u><u>\$1,739,018</u></u>	<u><u>\$96,713</u></u>	<u><u>\$111,425</u></u>

Detail of This Year

General Fund Issues	Highway Fund Issues	Other Issues
\$ -	\$ -	\$ 131,886
-	-	142,525
3,035,112	-	-
72,159,914	-	-
-	29,879,135	-
<u>75,195,026</u>	<u>29,879,135</u>	<u>274,411</u>
57,235,000	22,380,000	175,000
18,207,825	7,499,135	99,325
<u>75,442,825</u>	<u>29,879,135</u>	<u>274,325</u>
(247,799)	-	86
1,538,726	-	186
<u>\$1,290,927</u>	<u>\$ -</u>	<u>\$272</u>
<u><u>\$1,290,927</u></u>	<u><u>\$ -</u></u>	<u><u>\$272</u></u>

ENTERPRISE FUNDS

ENTERPRISE FUNDS are used to account for operations that are financed and operated in a manner similar to private business, where the intent of the State is that the costs of providing goods or services to the General Public on a continuing basis be financed or recovered primarily through user charges; or where the State has decided that periodic determination of net income is appropriate for accountability purposes. The State uses the following Enterprise Funds:

The *Alcoholic Beverages Fund* was established to license and regulate the sale of alcoholic beverages. Net profit from the fund is transferred to the State's General Fund and is used for general Governmental purposes.

The *Community Industrial Fund* is used to assist local development corporations to construct community industrial buildings by loaning money when the projects can reasonably be expected to create new employment. Preference is given to projects in economically deprived areas.

The *Forest Nursery Fund* accounts for the self-supporting operation of State nurseries. The nurseries propagate, maintain and distribute plants for conservation purposes.

The *Marine Ports Fund* is used to account for the operation and maintenance of port facilities within the jurisdiction of the Department of Transportation.

The *Lottery Fund* was established to account for all operations of the Maine State Lottery. This includes the Tri-State Lotto Commission which was established in 1985 and is a joint venture between the states of Maine, New Hampshire and Vermont. The Commission is authorized and empowered to promulgate rules and regulations regarding the conduct of lottery games, including the price or prices of tickets, the number and size of prizes for winning tickets and the licensing of agents.

The *Potato Marketing Improvement Fund* provides low interest loans to Maine potato growers for the modernization of storage facilities and improvements in the marketing of the product.

The *Prison Industries Fund* accounts for a self-supporting program of job training through the employment of inmates in manufacturing and selling products.

The *Seed Potato Board Fund* is used for the growing of seed for sale to potato growers, for research in disease control, and for the development of new product varieties.

The *State Airport Fund* accounts for all operations and maintenance of the Maine State Airport.

The *State Ferry Service Fund* provides for the operation of ferry services between the mainland and various islands for the purpose of transporting vehicles, freight and passengers to and from those islands.

ENTERPRISE FUNDS

COMBINING BALANCE SHEET

For the Year Ended June 30, 1999

	Fund Total	Community Industrial	Potato Marketing Improvement	State Ferry Service
ASSETS				
Equity in Treasurer's Cash Pool	\$15,736,285	-	\$2,530,413	\$1,454,823
Receivables, (net of allowance for uncollectibles):	-	-	-	-
Loans	6,633,414	-	6,618,125	-
Other Receivables	8,552,080	-	138,507	104,678
Due from Other Funds	8,874	-	-	4,590
Inventories	3,844,269	-	-	210,727
Property and Equipment	53,946,804	-	-	19,641,980
Other Assets	362,561	-	(93)	3
TOTAL ASSETS	\$89,084,287	\$ -	\$9,286,952	\$21,416,801
LIABILITIES, FUND EQUITY and OTHER CREDITS				
LIABILITIES				
Accounts Payable	\$8,460,703	\$ -	\$105	\$52,873
Accrued Payroll	341,516	-	-	91,179
Compensated Absences	428,427	-	-	115,451
Due to Other Funds	3,610,952	-	-	-
Due to Component Units	937,313	-	937,313	-
Deferred Revenue	371,482	39,229	-	-
Lottery Prizes Payable	-	-	-	-
Loans Payable	-	-	-	-
Other Accrued Liabilities	4,363,481	-	37,749	-
Working Capital Advances Payable	1,000,000	-	-	-
TOTAL LIABILITIES	19,513,874	39,229	975,167	259,503
FUND EQUITY AND OTHER CREDITS				
Contributed Capital	56,586,375	-	5,000,000	18,986,912
Retained Earnings	12,984,038	(39,229)	3,311,785	2,170,386
TOTAL FUND EQUITY and OTHER CREDITS	69,570,413	(39,229)	8,311,785	21,157,298
TOTAL LIABILITIES, FUND EQUITY and OTHER CREDITS	\$89,084,287	\$ -	\$9,286,952	\$21,416,801

State Airport	Marine Ports	Alcoholic Beverages	Prison Industries	Seed Potato Board	Risk Pool	Lottery
\$170,528	\$832,345	\$4,799,808	\$230,654	5,487	5,308,822	\$403,405
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	15,289	-	-	-	-
-	-	571,746	17,811	22,012	13,604	7,683,722
1,000	-	-	2,858	-	426	-
860,690	-	2,491,364	280,838	650	-	-
5,635,160	26,602,678	1,120,057	(14,298)	908,072	-	53,155
-	-	1,289	-	-	52,462	308,900
<u>\$6,667,378</u>	<u>\$27,435,023</u>	<u>\$8,999,553</u>	<u>\$517,863</u>	<u>\$936,221</u>	<u>\$5,375,314</u>	<u>\$8,449,182</u>
\$ -	\$3,486	\$7,333,304	\$24,059	\$266	\$25,649	\$1,020,961
-	-	191,534	-	-	-	58,803
-	-	240,882	-	-	-	72,094
-	-	44,534	91,418	-	-	3,475,000
-	-	-	-	-	-	-
-	-	-	-	-	37,376	294,877
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	181,649	(10)	26,814	530,882	3,586,397
-	-	1,000,000	-	-	-	-
<u>-</u>	<u>3,486</u>	<u>8,991,903</u>	<u>115,467</u>	<u>27,080</u>	<u>593,907</u>	<u>8,508,132</u>
6,265,439	26,130,474	-	203,550	-	-	-
401,939	1,301,063	7,650	198,846	909,141	4,781,407	(58,950)
<u>6,667,378</u>	<u>27,431,537</u>	<u>7,650</u>	<u>402,396</u>	<u>909,141</u>	<u>4,781,407</u>	<u>(58,950)</u>
<u>\$6,667,378</u>	<u>\$27,435,023</u>	<u>\$8,999,553</u>	<u>\$517,863</u>	<u>\$936,221</u>	<u>\$5,375,314</u>	<u>\$8,449,182</u>

ENTERPRISE FUNDS

COMBINING STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN RETAINED EARNINGS

For the Year Ended June 30, 1999

	Fund Total	Community Industries	Potato Marketing Improvement	State Ferry Service
OPERATING REVENUES				
Charges for Services	\$226,611,524	\$ -	\$11,402	\$2,571,800
Other Operating Income	147,562	-	45,515	-
TOTAL OPERATING REVENUES	<u>226,759,086</u>	<u>-</u>	<u>56,917</u>	<u>2,571,800</u>
OPERATING EXPENSES				
General Operations	166,612,515	-	115,722	4,408,180
Depreciation	2,935,701	-	344	877,826
Interest	49,647	-	49,646	-
Claims	536,677	-	-	-
TOTAL OPERATING EXPENSES	<u>170,134,540</u>	<u>-</u>	<u>165,712</u>	<u>5,286,006</u>
OPERATING INCOME (loss)	56,624,546	-	(108,795)	(2,714,206)
NONOPERATING REVENUES (expenses)	<u>1,548,218</u>	<u>-</u>	<u>511,201</u>	<u>109,098</u>
INCOME (loss) BEFORE OPERATING TRANSFERS	<u>58,172,764</u>	<u>-</u>	<u>402,406</u>	<u>(2,605,108)</u>
OPERATING TRANSFERS				
Transfers In	2,859,250	-	-	2,322,653
Transfers Out	(62,018,259)	-	-	-
TOTAL OPERATING TRANSFERS	<u>(59,159,009)</u>	<u>-</u>	<u>-</u>	<u>2,322,653</u>
NET INCOME	(986,245)	-	402,406	(282,455)
Add Back Depreciation on Assets				
Acquired with Contributed Capital	2,323,341	-	-	833,046
INCREASE IN RETAINED EARNINGS	<u>1,337,096</u>	<u>-</u>	<u>402,406</u>	<u>550,591</u>
RETAINED EARNINGS (deficits) at July 1, 1998 as RESTATED	<u>11,646,940</u>	<u>(39,229)</u>	<u>2,909,378</u>	<u>1,619,796</u>
RETAINED EARNINGS (deficits) at June 30, 1999	<u>\$12,984,036</u>	<u>(\$39,229)</u>	<u>\$3,311,784</u>	<u>\$2,170,387</u>
CONTRIBUTED CAPITAL at July 1, 1998	54,394,263	-	5,000,000	19,795,889
Add: Capital Contributions	4,515,453	-	-	24,068
Less: Depreciation of Fixed Assets				
Acquired with Contributed Capital	(2,323,341)	-	-	(833,046)
CONTRIBUTED CAPITAL at June 30, 1999	<u>\$56,586,375</u>	<u>\$ -</u>	<u>\$5,000,000</u>	<u>\$18,986,911</u>

State Airport	Marine Ports	Alcoholic Beverages	Prison Industries	Seed Potato Board	Risk Pool	Lottery
\$102,683 2,596	\$552,956 9,664	\$73,778,137 -	\$1,089,671 9	\$216,904 89,777	\$740,068 1	\$147,547,903 -
105,279	562,620	73,778,137	1,089,680	306,681	740,069	147,547,903
332,549 573,919 - -	327,793 944,384 - -	52,514,104 408,467 1 -	1,207,474 59,070 - -	514,754 53,520 - -	376,090 - - 536,677	106,815,849 18,171 - -
906,468	1,272,177	52,922,572	1,266,544	568,274	912,767	106,834,020
(801,189)	(709,557)	20,855,565	(176,864)	(261,593)	(172,698)	40,713,883
9,378	62,442	5,880	14,216	6,487	343,662	485,854
(791,811)	(647,115)	20,861,445	(162,648)	(255,106)	170,964	41,199,737
208,424 -	93,090 -	- (20,743,521)	- -	235,083 -	- -	- (41,274,738)
208,424	93,090	(20,743,521)	-	235,083	-	(41,274,738)
(583,387)	(554,025)	117,924	(162,648)	(20,023)	170,964	(75,001)
566,732	923,563	-	-	-	-	-
(16,655)	369,538	117,924	(162,648)	(20,023)	170,964	(75,001)
418,593	931,526	(110,275)	361,494	929,165	4,610,443	16,049
\$401,938	\$1,301,064	\$7,649	\$198,846	\$909,142	\$4,781,407	(\$58,952)
6,390,784	23,004,040	-	203,550	-	-	-
441,388	4,049,997	-	-	-	-	-
(566,732)	(923,563)	-	-	-	-	-
\$6,265,440	\$26,130,474	\$-	\$203,550	\$-	\$-	\$-

INTERNAL SERVICE FUNDS

INTERNAL SERVICE FUNDS are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the Government and to other Government units, on a cost reimbursement basis. The State uses the following Internal Service Funds:

The Central Fleet Management is responsible for administering a uniform program for the operation and maintenance of all state vehicles except for the Department of Transportation.

The Division of Data Processing provides major data processing services including computer operations, programming and applications systems development, technical support and networking services.

The Office of Information Services is responsible for providing information services in data processing and telecommunications and for assuring the coordination of data processing throughout State Government.

The Space Management Division provides uniform procedures and a standard policy for the leasing of State-owned facilities, maintains records of State Agency property, leasing needs and all available space owned, leased and potentially available for lease, making this information available to all State Agencies. It also monitors market prices for real estate property leases, establishes rates to be charged to State Agencies, and holds all property leases to ensure they are negotiated and managed to the best economic advantage of the State.

The Division of Motor Transport Services provides for all the equipment and vehicle needs of the Department of Transportation.

The Division of Purchase's Postal, Printing and Supply is responsible for the purchase of all services, supplies, materials and equipment required by any State department or agency, to purchase and contract for all postal and mailing services, duplicating needs, and the disposal of State and Federal surplus property.

The Risk Management Division provides insurance advice and services for all forms of insurance except health and workers' compensation. This includes insurance for automobile, fire, liability and any other type of coverage which may be necessary to protect the State from financial loss.

The Division of Telecommunications Services provides for all voice and data communication services to State departments and agencies.

INTERNAL SERVICE FUNDS**COMBINING BALANCE SHEET**

For the Year Ended June 30, 1999

	Total	Motor Transport Service	Postal Printing and Supply
ASSETS			
Equity in Treasurer's Cash Pool	\$45,724,867	\$6,106,784	\$100,018
Cash with Fiscal Agent	1,816,963	853,916	-
Receivables (net of allowance for uncollectibles)	953,396	2,093	58,670
Due from Other Funds	9,188,300	771,066	1,529,964
Inventories	5,040,516	3,748,086	1,271,358
Fixed Assets (net of accumulated depreciation)	44,506,886	28,456,832	127,849
Other Assets	404,551	14,006	7,694
TOTAL ASSETS	\$107,635,479	\$39,952,783	\$3,095,553
LIABILITIES, FUND EQUITY OTHER CREDITS			
LIABILITIES			
Accounts Payable	\$4,240,639	\$569,344	\$953,499
Accrued Payroll	883,279	295,612	97,596
Compensated Absences	1,071,746	399,606	124,178
Due to Other Funds	347,571	-	224,320
Deferred Revenue	5,799,980	-	-
Certificates of Participation and Other Financing Arrangements	20,789,322	7,969,498	-
Claims Payable	685,359,661	-	-
Other Accrued Liabilities	200,199	-	122
Working Capital Advances Payable	355,179	69,179	111,000
TOTAL LIABILITIES	719,047,576	9,303,239	1,510,715
FUND EQUITY and OTHER CREDITS			
Contributed Capital	27,171,550	15,905,032	68,692
Retained Earnings (deficits)	(638,583,647)	14,744,512	1,516,146
TOTAL FUND EQUITY (deficit) and OTHER CREDITS	(611,412,097)	30,649,544	1,584,838
TOTAL LIABILITIES, FUND EQUITY and OTHER CREDITS	\$107,635,479	\$39,952,783	\$3,095,553

Information Services	Risk Management	Workers Compensation	Central Fleet Management	Leased Space	Revenue Services	Retiree Health
\$7,100,815	\$6,591,544	\$6,582,427	\$1,140,900	(\$191,984)	\$175,000	\$18,119,363
-	-	-	963,047	-	-	-
880,461	211	-	2,335	9,626	-	-
4,576,230	398,335	608,865	589,634	714,206	-	-
-	-	-	21,072	-	-	-
5,133,179	9,881	2,423	10,773,131	3,591	-	-
2,402	55,411	325,038	-	-	-	-
<u>\$17,693,087</u>	<u>\$7,055,382</u>	<u>\$7,518,753</u>	<u>\$13,490,119</u>	<u>\$535,439</u>	<u>\$175,000</u>	<u>\$18,119,363</u>
\$2,165,252	\$71,497	\$131,319	\$52,358	\$292,120	-	\$5,250
417,227	8,036	34,266	24,345	6,197	-	-
490,047	13,868	13,445	30,602	-	-	-
55,269	-	67,982	-	-	-	-
5,277,276	457,737	-	64,967	-	-	-
3,317,582	-	2,921	9,499,321	-	-	-
-	2,914,813	89,444,848	-	-	-	593,000,000
51,040	100	-	148,937	-	-	-
-	-	-	-	-	175,000	-
<u>11,773,693</u>	<u>3,466,051</u>	<u>89,694,781</u>	<u>9,820,530</u>	<u>298,317</u>	<u>175,000</u>	<u>593,005,250</u>
301,835	226,775					10,669,216
5,617,559	3,362,556	(82,176,028)	3,669,589	237,122	-	(585,555,103)
5,919,394	3,589,331	(82,176,028)	3,669,589	237,122	-	(574,885,887)
<u>\$17,693,087</u>	<u>\$7,055,382</u>	<u>\$7,518,753</u>	<u>\$13,490,119</u>	<u>\$535,439</u>	<u>\$175,000</u>	<u>\$18,119,363</u>

INTERNAL SERVICE FUNDS**COMBINING STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN RETAINED EARNINGS**

For the Year Ended June 30, 1999

	Total	Motor Transport Service	Postal, Printing and Supply
OPERATING REVENUES			
Charges for Services	\$131,501,122	\$25,327,116	\$16,291,583
TOTAL OPERATING REVENUES	<u>131,501,122</u>	<u>25,327,116</u>	<u>16,291,583</u>
OPERATING EXPENSES			
General Operations	101,983,341	18,164,238	15,774,280
Depreciation and Amortization	8,758,715	4,808,890	897
Financing Expense-Interest	942,003	451,157	-
Claims	606,886,730	-	-
Miscellaneous	-	-	-
TOTAL OPERATING EXPENSES	<u>718,570,789</u>	<u>23,424,285</u>	<u>15,775,177</u>
OPERATING INCOME (loss)	<u>(587,069,667)</u>	<u>1,902,831</u>	<u>516,406</u>
NONOPERATING REVENUES (expenses)	<u>1,864,508</u>	<u>89,170</u>	<u>6,011</u>
NET INCOME	<u>(585,205,159)</u>	<u>1,992,001</u>	<u>522,417</u>
RETAINED EARNINGS (deficits) at JULY 1, 1998	<u>(53,378,488)</u>	<u>12,752,514</u>	<u>993,730</u>
RETAINED EARNINGS (deficits) at JUNE 30, 1999	<u>(\$638,583,647)</u>	<u>\$14,744,515</u>	<u>\$1,516,147</u>
CONTRIBUTED CAPITAL at July 1, 1998	\$27,330,014	\$15,875,032	\$68,692
Add: Capital Contributions	180,000	30,000	-
Less: Depreciation of Fixed Assets acquired with Contributed Capital	-	-	-
CONTRIBUTED CAPITAL at June 30, 1999	<u>\$27,510,014</u>	<u>\$15,905,032</u>	<u>\$68,692</u>

Information Services	Risk Management	Workers Compensation	Central Fleet Management	Leased Space	Retiree Health
\$30,678,200	\$2,120,117	\$13,684,161	\$5,127,166	\$13,099,679	\$25,173,100
30,678,200	2,120,117	13,684,161	5,127,166	13,099,679	25,173,100
30,146,248	782,307	1,867,510	2,595,980	13,037,606	19,615,172
2,309,665	7,060	-	1,632,203	-	-
78,530	-	29,355	382,961	-	-
-	1,752,617	12,134,113	-	-	593,000,000
-	-	-	-	-	-
32,534,443	2,541,984	14,030,978	4,611,144	13,037,606	612,615,172
(1,856,243)	(421,867)	(346,817)	516,022	62,073	(587,442,072)
501,185	377,985	442,080	205,538	19,759	222,780
(1,355,058)	(43,882)	95,263	721,560	81,832	(587,219,292)
6,972,617	3,406,438	(82,271,291)	2,948,027	155,288	1,664,189
\$5,617,559	\$3,362,556	(\$82,176,028)	\$3,669,587	\$237,120	(\$585,555,103)
\$490,299	\$226,775	\$ -	\$ -	\$ -	\$10,669,216
150,000	-	-	-	-	-
(338,464)	-	-	-	-	-
\$301,835	\$226,775	\$ -	\$ -	\$ -	\$10,669,216

TRUST AND AGENCY FUNDS

TRUST AND AGENCY FUNDS are fiduciary in nature and are maintained to account for assets held by the State acting in the capacity as trustee or agent.

Expendable Trust Funds account for assets held by the State in a trustee capacity where the principal and income may be expended in the course of the funds' designated operations. They include:

Employment Security Fund pays claims for unemployment to eligible recipients through employer contributions, employer reimbursements and Federal Grants.

Abandoned Property accounts for unclaimed property receipts. Agencies must annually report these properties to the Treasurer, who will honor claims indefinitely.

Deferral Compensation Plan consists of before tax employee contributions and earnings on investments.

There are many other small Expendable Trust Funds throughout State agencies and accounted for by the State Treasurer.

Nonexpendable Trust Funds account for assets held by the State in a trustee capacity where only income derived from the trust principal may be expended for designated operations. The principal must be preserved intact. They include:

Baxter Park Trust Fund, a gift to the State of Maine by former Governor Baxter, calls for principal to be maintained intact and income to be used for operations.

Lands Reserved Trust Funds were established from revenue derived from the sale of timber from public lands and from appreciation on investments. The income is to be used for school purposes by townships when they become organized towns or plantations.

Other Trust Funds are composed of numerous small Trust Funds which have been combined for reporting purposes.

Agency Funds account for assets held by the State as agent for other funds, Governmental units, organizations, or individuals. They include:

Payroll Tax and Deductions Fund holds all payroll tax and deduction funds needed to pay the Federal Government, other State agencies, and payroll vendors.

Treasurer's Agency Fund accounts for funds of quasi-governmental units placed in the Treasurer's Cash Pool for investment purposes.

TRUST AND AGENCY FUNDS**COMBINING BALANCE SHEET**

For the Year Ended June 30, 1999

	<u>Total</u>	<u>Expendable Trust</u>	<u>Nonexpendable Trust</u>	<u>Agency</u>
ASSETS				
Cash and Short-Term Investments	\$98,956,719	\$390,026	\$95,208	\$98,471,485
Cash with Fiscal Agent	1,514	-	-	1,514
Investments	255,701,616	235,183,239	20,518,377	-
Assets Held in Trust	44,282,505	4,052,785	-	40,229,720
Unemployment Deposits with US Treasury	217,934,465	217,934,465	-	-
Receivables, (net of allowance for uncollectibles)	2,163,223	2,163,223	-	-
Due from Other Funds	3,467	3,467	-	-
Inventory	-	-	-	-
Other Assets	21,763	-	21,090	673
TOTAL ASSETS	<u>\$619,065,272</u>	<u>\$459,727,205</u>	<u>\$20,634,675</u>	<u>\$138,703,392</u>
LIABILITIES, FUND EQUITY and OTHER CREDITS				
LIABILITIES				
Accounts Payable	\$503,131	\$67,999	\$-	\$435,132
Due to Other Funds	-	-	-	-
Deferred Revenue	2,147,492	2,147,492	-	-
Agency Liabilities	138,242,283	-	-	138,242,283
Other Accrued Liabilities	318,572	271,505	21,090	25,977
TOTAL LIABILITIES	<u>141,211,478</u>	<u>2,486,996</u>	<u>21,090</u>	<u>138,703,392</u>
FUND EQUITY and OTHER CREDITS				
Fund Balances (Deficits)				
Reserved for Nonexpendable Trusts	20,019,688	-	20,019,688	-
Reserved for Unemployment Benefits	216,901,839	216,901,839	-	-
Reserved for Encumbrances	7,006	7,006	-	-
Deferred Compensation Assets Held in Trust	183,362,957	183,362,957	-	-
Unreserved and Undesignated	57,562,304	56,968,407	593,897	-
TOTAL FUND EQUITY (Deficit) and OTHER CREDITS	<u>477,853,794</u>	<u>457,240,209</u>	<u>20,613,585</u>	<u>-</u>
TOTAL LIABILITIES, FUND EQUITY and OTHER CREDITS	<u>\$619,065,272</u>	<u>\$459,727,205</u>	<u>\$20,634,675</u>	<u>\$138,703,392</u>

EXPENDABLE TRUST FUNDS

COMBINING BALANCE SHEET

For the Year Ended June 30, 1999

	Total	Deferred Compensation	Employment Security	Abandoned Property	Baxter	Reserve for Nonexpendable Trust
ASSETS						
Cash and Short-Term Investments	\$390,026	\$ -	(\$885,750)	\$115,244	\$873,192	\$287,340
Investments	235,183,239	183,362,957	-	-	51,820,282	-
Assets Held in Trust	4,052,785	-	-	4,052,785	-	-
Unemployment Deposits	-	-	-	-	-	-
with U S Treasury	217,934,465	-	217,934,465	-	-	-
Receivables (net of allowance for uncollectibles)	2,163,223	-	2,163,223	-	-	-
Due from Other Funds	3,467	-	3,467	-	-	-
Other Assets	-	-	-	-	-	-
TOTAL ASSETS	\$459,727,205	\$183,362,957	\$219,215,405	\$4,168,029	\$52,693,474	\$287,340
LIABILITIES, FUND EQUITY and OTHER CREDITS						
LIABILITIES						
Accounts Payable	\$67,999	\$ -	\$ -	\$67,999	-	-
Due to Other Funds	-	-	-	-	-	-
Deferred Revenue	2,147,492	-	2,147,492	-	-	-
Other Accrued Liabilities	271,505	-	166,074	(3,632)	-	109,063
TOTAL LIABILITIES	2,486,996	-	2,313,566	64,367	-	109,063
FUND EQUITY and OTHER CREDITS						
Fund Balances (deficits)						
Reserved for Unemployment Benefits	216,901,839	-	216,901,839	-	-	-
Reserved for Encumbrances	7,006	-	-	7,006	-	-
Assets Held in Trust	183,362,957	183,362,957	-	-	-	-
Unreserved and Undesignated	56,968,407	-	-	4,096,656	52,693,474	178,277
TOTAL FUND EQUITY (deficits) and OTHER CREDITS	457,240,209	183,362,957	216,901,839	4,103,662	52,693,474	178,277
TOTAL LIABILITIES, FUND EQUITY and OTHER CREDITS	\$459,727,205	\$183,362,957	\$219,215,405	\$4,168,029	\$52,693,474	\$287,340

EXPENDABLE TRUST FUNDS**COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES**

For the Year Ended June 30, 1999

	Total	Deferred Compensation	Employment Security	Abandoned Property	Baxter	Reserve for Nonexpendable Trust
REVENUES						
Taxes	\$125,056,912	\$ -	\$125,056,912	\$ -	\$ -	\$ -
Licenses Fines and Fees	-	-	-	-	-	-
Investment Income	35,502,330	18,973,614	13,430,855	183,805	2,914,056	-
Other Revenues	22,355,014	14,828,643	354,780	5,193,149	-	1,978,442
TOTAL REVENUES	<u>182,914,256</u>	<u>33,802,257</u>	<u>138,842,547</u>	<u>5,376,954</u>	<u>2,914,056</u>	<u>1,978,442</u>
EXPENDITURES						
General Government	10,137,425	9,611,033	-	347,876	-	178,516
Labor	85,450,628	-	85,450,628	-	-	-
Natural Resources	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>95,588,053</u>	<u>9,611,033</u>	<u>85,450,628</u>	<u>347,876</u>	<u>-</u>	<u>178,516</u>
REVENUES OVER (Under) EXPENDITURES	<u>87,326,203</u>	<u>24,191,224</u>	<u>53,391,919</u>	<u>5,029,078</u>	<u>2,914,056</u>	<u>1,799,926</u>
OTHER FINANCING SOURCES (Uses)						
Operating Transfers In (Out)	(6,802,264)	-	-	(4,900,000)	-	(1,902,264)
TOTAL OTHER FINANCING SOURCES (Uses)	<u>(6,802,264)</u>	<u>-</u>	<u>-</u>	<u>(4,900,000)</u>	<u>-</u>	<u>(1,902,264)</u>
EXCESS of REVENUES and OTHER SOURCES OVER (Under) EXPENDITURES and OTHER USES	<u>80,523,939</u>	<u>24,191,224</u>	<u>53,391,919</u>	<u>129,078</u>	<u>2,914,056</u>	<u>(102,338)</u>
FUND BALANCES (Deficits) at June 30, 1998	<u>376,716,267</u>	<u>159,171,733</u>	<u>163,509,919</u>	<u>3,974,582</u>	<u>49,779,418</u>	<u>280,615</u>
FUND BALANCES (Deficits) at June 30, 1999	<u><u>\$457,240,206</u></u>	<u><u>\$183,362,957</u></u>	<u><u>\$216,901,838</u></u>	<u><u>\$4,103,660</u></u>	<u><u>\$52,693,474</u></u>	<u><u>\$178,277</u></u>

NONEXPENDABLE TRUST FUNDS**COMBINING BALANCE SHEET**

For the Year Ended June 30, 1999

	<u>Total</u>	<u>Baxter</u>	<u>Lands Reserved</u>	<u>Other Trusts</u>
ASSETS				
Cash and Short-Term Investments	\$95,208	\$ -	\$93,508	\$1,700
Cash with Fiscal Agent	-	-	-	-
Investments	20,518,377	4,724,277	8,504,235	7,289,865
Other Assets	21,090	-	21,090	-
TOTAL ASSETS	<u>\$20,634,675</u>	<u>\$4,724,277</u>	<u>\$8,618,833</u>	<u>\$7,291,565</u>
LIABILITIES, FUND EQUITY and OTHER CREDITS				
LIABILITIES				
Other Accrued Liabilities	\$21,090	-	\$21,090	-
TOTAL LIABILITIES	<u>21,090</u>	<u>-</u>	<u>21,090</u>	<u>-</u>
FUND EQUITY AND OTHER CREDITS				
Fund Balances (Deficits)				
Reserved for nonexpendable Trusts	20,019,688	4,130,380	8,597,743	7,291,565
Unreserved and Undesignated	593,897	593,897	-	-
TOTAL FUND EQUITY (Deficit) and OTHER CREDITS	<u>20,613,585</u>	<u>4,724,277</u>	<u>8,597,743</u>	<u>7,291,565</u>
TOTAL LIABILITIES, FUND EQUITY and OTHER CREDITS	<u>\$20,634,675</u>	<u>\$4,724,277</u>	<u>\$8,618,833</u>	<u>\$7,291,565</u>

EXHIBIT H-5 **NONEXPENDABLE TRUST FUNDS**

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES

For the Year Ended June 30, 1999

	<u>Total</u>	<u>Baxter</u>	<u>Lands Reserved</u>	<u>Other Trusts</u>
OPERATING REVENUES				
Investment Income	\$2,044,505	\$204,800	\$1,043,914	\$795,791
TOTAL OPERATING REVENUES	<u>2,044,505</u>	<u>204,800</u>	<u>1,043,914</u>	<u>795,791</u>
 OPERATING INCOME (Loss)	 2,044,505	 204,800	 1,043,914	 795,791
INCOME (Loss) BEFORE OPERATING TRANSFERS	<u>2,044,505</u>	<u>204,800</u>	<u>1,043,914</u>	<u>795,791</u>
 OPERATING TRANSFERS				
Transfers Out	-	-	-	-
TOTAL OPERATING TRANSFERS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 NET INCOME	 <u>2,044,505</u>	 <u>204,800</u>	 <u>1,043,914</u>	 <u>795,791</u>
 RETAINED EARNINGS				
(Deficits) at July 1, 1998	<u>18,569,080</u>	<u>4,519,477</u>	<u>7,553,829</u>	<u>6,495,774</u>
 RETAINED EARNINGS				
(Deficits) at June 30, 1999	<u><u>\$20,613,585</u></u>	<u><u>\$4,724,277</u></u>	<u><u>\$8,597,743</u></u>	<u><u>\$7,291,565</u></u>

AGENCY FUNDS

COMBINING BALANCE SHEET

For the Year Ended June 30, 1999

	Total	Payroll Deductions	Custodial Accounts	Other Agencies	Escrow Funds
ASSETS					
Cash and Short-Term					
Investments	\$98,471,485	\$433,305	\$1,245,316	\$689,151	\$96,103,713
Cash with Fiscal Agent	1,514	-	1,514	-	-
Assets Held in Trust	40,229,720	-	40,229,720	-	-
Due from Other Funds	-	-	-	-	-
Inventory	-	-	-	-	-
Other Assets	673	-	501	172	-
TOTAL ASSETS	\$138,703,392	\$433,305	\$41,477,051	\$689,323	\$96,103,713
LIABILITIES, FUND EQUITY and OTHER CREDITS					
LIABILITIES					
Accounts and Notes Payable	\$435,132	\$406,536	(\$889)	\$29,485	-
Due to Other Funds	-	-	-	-	-
Agency Liabilities	138,242,283	-	41,478,705	659,865	96,103,713
Other Accrued Liabilities	25,977	26,769	(765)	(27)	-
TOTAL LIABILITIES	\$138,703,392	\$433,305	\$41,477,051	\$689,323	\$96,103,713

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

For the Year Ended June 30, 1999

	Balance July 1, 1998	Additions	Deletions	Balance July 1, 1999
PAYROLL DEDUCTIONS				
ASSETS				
Cash	\$2,191,269	\$286,497,398	\$288,255,362	\$433,305
TOTAL ASSETS	\$2,191,269	\$286,497,398	\$288,255,362	\$433,305
LIABILITIES				
Accounts Payable	\$2,191,269	\$286,497,398	\$288,255,362	\$433,305
TOTAL LIABILITIES	\$2,191,269	\$286,497,398	\$288,255,362	\$433,305
CUSTODIAL ACCOUNTS				
ASSETS				
Assets Held in Trust	\$38,587,203	\$6,984,118	\$4,094,269	\$41,477,052
TOTAL ASSETS	\$38,587,203	\$6,984,118	\$4,094,269	\$41,477,052
LIABILITIES				
Agency Liability	\$38,587,203	\$6,984,118	\$4,094,269	\$41,477,052
TOTAL LIABILITIES	\$38,587,203	\$6,984,118	\$4,094,269	\$41,477,052
OTHER AGENCIES				
ASSETS				
Cash	\$690,801	\$3,333,427	\$3,334,905	\$689,323
TOTAL ASSETS	\$690,801	\$3,333,427	\$3,334,905	\$689,323
LIABILITIES				
Agency Liability	\$690,801	\$4,842,557	\$4,844,035	\$689,323
TOTAL LIABILITIES	\$690,801	\$4,842,557	\$4,844,035	\$689,323
ESCROW FUNDS				
ASSETS				
Cash	\$81,783,774	\$209,351,345	\$195,031,406	\$96,103,713
TOTAL ASSETS	\$81,783,774	\$209,351,345	\$195,031,406	\$96,103,713
LIABILITIES				
Agency Liability	\$81,783,774	\$209,351,345	\$195,031,406	\$96,103,713
TOTAL LIABILITIES	\$81,783,774	\$209,351,345	\$195,031,406	\$96,103,713
TOTAL - ALL AGENCY FUNDS				
ASSETS				
Cash	\$84,665,844	\$499,182,170	\$486,621,673	\$97,226,341
Assets Held in Trust	38,587,203	6,984,118	4,094,269	41,477,052
TOTAL ASSETS	\$123,253,047	\$506,166,288	\$490,715,942	\$138,703,393
LIABILITIES				
Accounts Payable	\$2,191,269	\$286,497,398	\$288,255,362	\$433,305
Agency Liability	121,061,778	221,178,020	203,969,710	138,270,088
TOTAL LIABILITIES	\$123,253,047	\$507,675,418	\$492,225,072	\$138,703,393

GENERAL LONG-TERM OBLIGATIONS

The General Long-Term Obligations account group is utilized to account for the long-term liabilities which are intended to be repaid by appropriations, income from short-term investments and student fees.

The General Long-Term Obligations outstanding at June 30, 1999 totaled \$469,540,000.

GENERAL LONG TERM DEBT**COMPARATIVE BALANCE SHEET**

	For the Years Ended June 30,	
ASSETS AND AMOUNTS TO BE PROVIDED	1999	1998
FOR THE RETIREMENT OF GENERAL BONDS		
Amount to be Provided from Future		
Revenue for Retirement of Bonds:		
General Fund	\$334,725,000	\$337,575,000
Highway Fund	133,700,000	139,180,000
Student Housing and Dining Facilities	485,000	570,000
Maine Veterans' Home	630,000	720,000
TOTAL ASSETS AND AMOUNTS TO BE PROVIDED	\$469,540,000	\$478,045,000
LIABILITIES AND RESERVES		
Bonds Payable		
General Fund	\$334,725,000	\$337,575,000
Highway Fund	133,700,000	139,180,000
Student Housing and Dining Facilities	485,000	570,000
Maine Veterans' Homes	630,000	720,000
TOTAL LIABILITIES AND RESERVES	\$469,540,000	\$478,045,000

EXHIBIT J-2

(Dollars in Thousands)

Loan Used for:	Date of Issue	Interest Rate %	Amount of Issue	Balance at 07/01/98	New Bonds Issued	Amount Matured	Outstanding Balance 06/30/99
GENERAL FUND							
GENERAL PURPOSES							
	April 1, 1980	8.00	\$560	\$80	\$ -	\$40	\$40
	May 15, 1981	9.00	595	595	-	215	380
	May 15, 1981	9.00	855	855	-	285	570
	December 15, 1982	7.50	4,385	3,645	-	740	2,905
	March 1, 1983	8.50	3,000	2,000	-	1,000	1,000
		6.50	3,000	3,000	-	-	3,000
	May 1, 1984	8.00	3,945	3,945	-	665	3,280
	December 15, 1988	6.00	1,945	1,945	-	1,945	-
	May 15, 1990	6.75	2,725	2,725	-	1,325	1,400
	June 1, 1991	6.00	15,210	7,605	-	7,605	-
		6.10	7,605	7,605	-	-	7,605
		6.25	7,605	7,605	-	-	7,605
		6.30	7,565	7,565	-	-	7,565
		6.40	3,925	3,925	-	-	3,925
		6.50	3,925	3,925	-	-	3,925
		6.60	3,925	3,925	-	-	3,925
		6.70	7,695	7,695	-	-	7,695
		8.80	335	335	-	335	-
		8.85	335	335	-	-	335
		8.90	335	335	-	-	335
		8.95	320	320	-	-	320
	November 1, 1991	5.60	1,060	1,060	-	1,060	-
		5.70	1,060	1,060	-	-	1,060
		5.80	1,060	1,060	-	-	1,060
		5.90	1,120	1,120	-	-	1,120
	March 2, 1992	5.25	2,435	2,435	-	2,435	-
		5.40	2,435	2,435	-	-	2,435
		5.60	2,435	2,435	-	-	2,435
		5.75	2,440	2,440	-	-	2,440
		5.88	1,710	1,710	-	-	1,710
	September 1, 1992	6.45	1,890	1,890	-	1,890	-
		6.60	1,880	1,880	-	-	1,880
		7.00	1,880	1,880	-	-	1,880
		7.15	1,880	1,880	-	-	1,880
		7.15	2,360	2,360	-	-	2,360
	September 1, 1992	4.63	6,595	6,595	-	6,595	-
		4.90	4,355	4,355	-	-	4,355
		5.10	4,355	4,355	-	-	4,355
		5.20	4,370	4,370	-	-	4,370
		5.30	8,575	8,575	-	-	8,575
	May 1, 1993	4.00	4,750	4,750	-	4,750	-
		4.30	5,190	5,190	-	-	5,190
		4.40	5,190	5,190	-	-	5,190
		4.50	5,190	5,190	-	-	5,190
		4.63	5,540	5,540	-	-	5,540
		4.75	3,120	3,120	-	-	3,120

EXHIBIT J-2

(Dollars in Thousands)

Loan Used for:	Date of Issue	Interest Rate %	Amount of Issue	Balance at 07/01/98	New Bonds Issued	Amount Matured	Outstanding Balance 06/30/99
GENERAL FUND							
GENERAL PURPOSES							
	April 12, 1994	6.65	700	700	-	700	-
		6.75	705	705	-	-	705
		7.00	710	710	-	-	710
		7.10	710	710	-	-	710
		7.20	710	710	-	-	710
		7.30	710	710	-	-	710
	April 12, 1994	4.70	2,335	2,335	-	2,335	-
		4.80	1,615	1,615	-	-	1,615
		4.90	1,615	1,615	-	-	1,615
		5.00	1,615	1,615	-	-	1,615
		5.10	1,615	1,615	-	-	1,615
		5.25	1,615	1,615	-	-	1,615
	June 1, 1995	7.25	1,300	1,300	-	1,300	-
		7.00	1,300	1,300	-	-	1,300
		6.70	1,300	1,300	-	-	1,300
		6.80	1,300	1,300	-	-	1,300
		6.85	1,300	1,300	-	-	1,300
		6.90	1,300	1,300	-	-	1,300
		6.95	1,300	1,300	-	-	1,300
		7.00	1,300	1,300	-	-	1,300
	June 1, 1995	4.50	4,670	4,670	-	4,670	-
		4.60	4,670	4,670	-	-	4,670
		4.70	4,670	4,670	-	-	4,670
		4.80	3,000	3,000	-	-	3,000
		5.50	3,000	3,000	-	-	3,000
		5.50	3,000	3,000	-	-	3,000
		5.50	3,000	3,000	-	-	3,000
	May 10, 1996	4.20	5,340	5,340	-	5,340	-
		4.30	5,340	5,340	-	-	5,340
		4.50	5,340	5,340	-	-	5,340
		4.60	3,900	3,900	-	-	3,900
		4.70	3,900	3,900	-	-	3,900
		5.25	3,900	3,900	-	-	3,900
		5.38	3,900	3,900	-	-	3,900
		5.38	3,900	3,900	-	-	3,900
	May 10, 1996	7.00	750	750	-	750	-
		7.00	750	750	-	-	750
		6.70	750	750	-	-	750
		6.90	350	350	-	-	350
		6.90	350	350	-	-	350
		6.90	350	350	-	-	350
		6.95	350	350	-	-	350
		6.95	350	350	-	-	350

EXHIBIT J-2

(Dollars in Thousands)

Loan Used for:	Date of Issue	Interest Rate %	Amount of Issue	Balance at 07/01/98	New Bonds Issued	Amount Matured	Outstanding Balance 06/30/99
GENERAL FUND							
GENERAL PURPOSES							
	June 5, 1997	5.00	3,960	3,960	-	3,960	-
		5.00	3,960	3,960	-	-	3,960
		5.00	3,960	3,960	-	-	3,960
		5.00	3,960	3,960	-	-	3,960
		4.88	2,180	2,180	-	-	2,180
		4.88	2,180	2,180	-	-	2,180
		4.88	2,180	2,180	-	-	2,180
		4.88	2,180	2,180	-	-	2,180
		5.00	2,180	2,180	-	-	2,180
	June 5, 1997	7.50	900	900	-	900	-
		7.25	900	900	-	-	900
		7.00	900	900	-	-	900
		6.80	900	900	-	-	900
		6.90	500	500	-	-	500
		7.00	500	500	-	-	500
		7.00	500	500	-	-	500
		7.10	500	500	-	-	500
		7.13	500	500	-	-	500
	June 25, 1998	4.50	4,215	4,215	-	4,215	-
		4.50	4,215	4,215	-	-	4,215
		5.00	4,215	4,215	-	-	4,215
		5.00	4,215	4,215	-	-	4,215
		4.00	4,215	4,215	-	-	4,215
		5.00	3,725	3,725	-	-	3,725
		4.20	3,725	3,725	-	-	3,725
		4.25	3,725	3,725	-	-	3,725
		4.25	3,725	3,725	-	-	3,725
		4.38	3,380	3,380	-	-	3,380
		0.00	345	345	-	-	345
	June 25, 1998	4.50	1,480	1,480	-	1,480	-
		4.50	1,480	1,480	-	-	1,480
		4.00	1,480	1,480	-	-	1,480
		4.10	1,480	1,480	-	-	1,480
		4.00	1,480	1,480	-	-	1,480
		4.20	1,480	1,480	-	-	1,480
		4.20	1,480	1,480	-	-	1,480
		4.25	1,480	1,480	-	-	1,480
		5.25	1,480	1,480	-	-	1,480
		4.38	1,480	1,480	-	-	1,480
	June 22, 1999	4.50	5,855	-	5,855	-	5,855
		4.75	5,855	-	5,855	-	5,855
		4.75	5,855	-	5,855	-	5,855
		5.00	5,855	-	5,855	-	5,855
		4.20	5,860	-	5,860	-	5,860

EXHIBIT J-2

(Dollars in Thousands)

Loan Used for:	Date of Issue	Interest Rate %	Amount of Issue	Balance at 07/01/98	New Bonds Issued	Amount Matured	Outstanding Balance 06/30/99
GENERAL FUND							
GENERAL PURPOSES							
		4.20	2,720	-	2,720	-	2,720
		5.00	2,720	-	2,720	-	2,720
		4.50	2,720	-	2,720	-	2,720
		5.00	2,720	-	2,720	-	2,720
		4.63	2,725	-	2,725	-	2,725
June 22, 1999		6.00	1,150	-	1,150	-	1,150
		6.75	1,150	-	1,150	-	1,150
		6.75	1,150	-	1,150	-	1,150
		6.75	1,150	-	1,150	-	1,150
		6.63	1,150	-	1,150	-	1,150
		6.45	1,150	-	1,150	-	1,150
		6.52	1,150	-	1,150	-	1,150
		6.57	1,150	-	1,150	-	1,150
		6.59	1,150	-	1,150	-	1,150
		6.64	1,150	-	1,150	-	1,150
TOTAL GENERAL PURPOSES			397,975	333,765	54,385	56,535	331,615
GENERAL FUND							
UNIVERSITY OF MAINE SYSTEM							
Orono							
June 1, 1960		3.50	2,575	150	-	150	-
		1.00	155	155	-	-	155
August 1, 1961		3.50	2,155	360	-	115	245
		1.00	125	125	-	-	125
April 1, 1963		3.20	1,550	345	-	80	265
		0.25	95	95	-	-	95
February 1, 1964		3.30	1,510	425	-	80	345
		0.10	95	95	-	-	95
February 15, 1966		3.50	4,605	1,455	-	225	1,230
		0.10	555	555	-	-	555
TOTAL UNIVERSITY OF MAINE SYSTEM			13,420	3,760	-	650	3,110
STATE COLLEGES and VOCATIONAL INSTITUTIONS							
Student Housing & Dining Facilities							
March 1, 1969		3.00	380	50	-	50	-
TOTAL STATE COLLEGE and VOCATIONAL INSTITUTIONS			380	50	-	50	-
TOTAL GENERAL FUND			411,775	337,575	54,385	57,235	334,725
HIGHWAY FUND							
Bangor-Brewer Bridge							
August 1, 1952		1.75	1,500	350	-	50	300

EXHIBIT J-2

(Dollars in Thousands)

Loan Used for:	Date of Issue	Interest Rate %	Amount of Issue	Balance at 07/01/98	New Bonds Issued	Amount Matured	Outstanding Balance 06/30/99
Highways and Bridges							
	April 1, 1980	8.00	9,100	1,300	-	650	650
	May 15, 1981	9.00	1,260	1,260	-	420	840
	March 15, 1982	9.25	3,450	2,300	-	575	1,725
	December 15, 1982	7.50	6,945	5,780	-	1,165	4,615
	March 1, 1983	8.50	840	560	-	280	280
		6.50	785	785	-	-	785
	May 1, 1984	8.00	3,690	3,690	-	615	3,075
	December 15, 1988	6.00	1,600	1,600	-	1,600	-
	June 1, 1991	6.00	3,790	1,895	-	1,895	-
		6.10	1,895	1,895	-	-	1,895
		6.25	1,895	1,895	-	-	1,895
		6.30	1,895	1,895	-	-	1,895
		6.40	1,895	1,895	-	-	1,895
		6.50	1,895	1,895	-	-	1,895
		6.60	1,895	1,895	-	-	1,895
		6.70	3,760	3,760	-	-	3,760
	March 2, 1992	5.25	1,670	1,670	-	1,670	-
		5.40	1,670	1,670	-	-	1,670
		5.60	1,670	1,670	-	-	1,670
		5.75	1,640	1,640	-	-	1,640
	August 20, 1992	4.63	3,640	3,640	-	3,640	-
		4.90	3,640	3,640	-	-	3,640
		5.10	3,640	3,640	-	-	3,640
		5.20	3,645	3,645	-	-	3,645
		8.00	3,875	3,875	-	-	3,875
	May 1, 1993	4.00	600	600	-	600	-
		4.30	600	600	-	-	600
		4.40	600	600	-	-	600
		4.50	600	600	-	-	600
		4.63	600	600	-	-	600
		4.75	600	600	-	-	600
	April 12, 1994	4.70	2,220	2,220	-	2,220	-
		4.80	2,220	2,220	-	-	2,220
		4.90	2,220	2,220	-	-	2,220
		5.00	2,220	2,220	-	-	2,220
		5.10	2,220	2,220	-	-	2,220
		5.25	2,240	2,240	-	-	2,240
	June 1, 1995	4.50	1,000	1,000	-	1,000	-
		4.60	1,000	1,000	-	-	1,000
		4.70	1,000	1,000	-	-	1,000
		4.80	1,000	1,000	-	-	1,000
		4.90	1,000	1,000	-	-	1,000
		4.90	1,000	1,000	-	-	1,000
		5.00	1,000	1,000	-	-	1,000
		5.10	1,000	1,000	-	-	1,000

EXHIBIT J-2

(Dollars in Thousands)

Loan Used for:	Date of Issue	Interest Rate %	Amount of Issue	Balance at 07/01/98	New Bonds Issued	Amount Matured	Outstanding Balance 06/30/99
HIGHWAY FUND							
Highways and Bridges							
	May 10, 1996	4.20	2,500	2,500	-	2,500	-
		4.30	2,500	2,500	-	-	2,500
		4.50	2,500	2,500	-	-	2,500
		4.60	2,500	2,500	-	-	2,500
		4.70	2,500	2,500	-	-	2,500
		5.25	2,500	2,500	-	-	2,500
		5.38	2,500	2,500	-	-	2,500
		5.38	2,500	2,500	-	-	2,500
	June 5, 1997	4.30	500	500	-	500	-
		4.50	500	500	-	-	500
		4.60	500	500	-	-	500
		4.70	500	500	-	-	500
		4.75	500	500	-	-	500
		4.80	500	500	-	-	500
		4.85	500	500	-	-	500
		4.90	500	500	-	-	500
		4.95	500	500	-	-	500
	June 25, 1998	4.50	3,000	3,000	-	3,000	-
		4.50	3,000	3,000	-	-	3,000
		4.00	3,000	3,000	-	-	3,000
		4.10	3,000	3,000	-	-	3,000
		4.00	3,000	3,000	-	-	3,000
		4.20	3,000	3,000	-	-	3,000
		4.20	3,000	3,000	-	-	3,000
		4.25	3,000	3,000	-	-	3,000
		5.25	3,000	3,000	-	-	3,000
		4.38	3,000	3,000	-	-	3,000
		4.50	1,690	-	1,690	-	1,690
		4.00	1,690	-	1,690	-	1,690
		4.00	1,690	-	1,690	-	1,690
		4.10	1,690	-	1,690	-	1,690
		4.13	1,690	-	1,690	-	1,690
		4.25	1,690	-	1,690	-	1,690
		4.38	1,690	-	1,690	-	1,690
		4.50	1,690	-	1,690	-	1,690
		4.60	1,690	-	1,690	-	1,690
		5.50	1,690	-	1,690	-	1,690
TOTAL HIGHWAY FUND			169,520	139,180	16,900	22,380	133,700

SELF-LIQUIDATING

STATE COLLEGES and VOCATIONAL INSTITUTIONS Student Housing & Dining Facilities

April 1, 1980	8.00	1,190	170	-	85	85
	8.30	400	400	-	-	400
TOTAL STATE COLLEGE and VOCATIONAL INSTITUTIONS		1,590	570	-	85	485

MAINE VETERANS' HOME

EXHIBIT J-2

(Dollars in Thousands)

Loan Used for:	Date of Issue	Interest Rate %	Amount of Issue	Balance at 07/01/98	New Bonds Issued	Amount Matured	Outstanding Balance 06/30/99
	May 15, 1981	9.00	30	30	-	10	20
	March 15, 1982	9.25	60	40	-	10	30
	December 15, 1982	7.50	720	650	-	70	580
					-		
TOTAL MAINE VETERANS' HOME			810	720	-	90	630
TOTAL SELF-LIQUIDATING			2,400	1,290	-	175	1,115
TOTAL GENERAL LONG-TERM DEBT			\$583,694	\$478,045	\$84,500	\$79,790	\$469,540

Maine State Seal

The seal of the State shall be a shield in silver, on it is a pine tree with a moose lying at the foot of it; on the left side of the shield is a farmer resting on a scythe; on the right side, a seaman, resting on an anchor.

In the foreground, representing sea and land, and under the shield, shall be the name of the State in large Roman capitals: MAINE



The whole shall be surrounded by a crest, the North Star. The motto, in small Roman capitals, shall be in a label resting between the shield and the crest reading: DIRIGO (I lead).

Maine became a state on March 15, 1820 and the Legislature adopted the language governing its design on June 9. The description had been drafted by a short-lived Committee under the direction of first Senate President William Moody; Colonel Isaac G. Reed of Waldoboro is credited with the Seal's description and explanation.

The actual appearance of the Seal has varied over the years, all the variations based on the language above. The first sketch of the Seal was markedly different from the above; the "moose" looked like a deer, the shield was more

conventional, the scythe was held with the blade on the ground. Later variations included the scythe being held behind the husbandman's head, and in one case, the inexplicable substitution of a sextant for the mariner's anchor. There is little statutory guidance for coloring the Seal other than the description of the blue-background State Flag in Title 1 sec. 206. The present design was fixed by the Legislature in 1919.

**NOTES TO
THE
FINANCIAL SECTION**

STATE OF MAINE

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NOTES TO THE FINANCIAL STATEMENTS

June 30, 1999

Annual Report on the Budgetary Basis

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The State of Maine publishes two annual financial reports each year. One report is on a budgetary basis and the other is on a GAAP basis. The budgetary report presents all funds of the primary government as they are recorded on the official accounting system maintained in the Bureau of Accounts and Control, Department of Administrative and Financial Services. The combining financial statements for all funds and State statistical and economic information are also presented.

Component Units are not included in this budgetary report, but are an integral part of the audited GAAP financial statements of the State (GAAP report) expected to be published in March 2000. Component units are legally separate organizations for which the State is financially accountable, or for which the relationship with the State is such that exclusion would cause the State's financial statements to be misleading or incomplete.

The GAAP report presents financial information on the accrual basis of accounting, recognizing amounts owed by and due to the State at the end of the fiscal year, June 30. Accruals conform to standards set by the Governmental Accounting Standards Board.

Contact the State Controller's Office at 207-287-4600 to request either the budgetary or GAAP report.

Basis of Presentation - Fund Accounting

The State reports its financial position and results of operations in funds and account groups. Each fund's purpose is to carry on specific activities or attain certain objectives in accordance with special regulations, restrictions or statutes. Transactions between funds, if any, are not prohibited.

A *fund* is a separate accounting entity with a self-balancing set of accounts. Cash and other financial resources and all related liabilities, residual equities, balances and changes therein, are recorded for each fund and segregated.

Account groups are accounting entities used to provide accountability for the State's general fixed assets and general long-term obligations. They are not considered funds because they do not report resources available to finance current operations or debt that requires use of current resources.

The State has established the following fund categories, further divided by fund types and account groups:

Governmental Funds:

These funds account for the general governmental activities of the State.

The *General Fund* is the primary operating fund. It is used to account for all governmental transactions not accounted for in another fund.

Special Revenue Funds account for specific revenue sources and uses, other than expendable trusts or major capital projects that are legally restricted to expenditures for specified purposes. Special revenue funds include the following:

Highway Fund is used to account for revenues derived from registration of motor vehicles, operator licenses, gasoline tax, and other dedicated revenues (except for federal matching funds and bond

proceeds used for capital projects). The Legislature allocates this fund for the operation of various Department of Transportation programs including construction and maintenance of highways and bridges, for a portion of state police administration, and for other state programs.

Other Special Revenue Funds are primarily used to receive federal matching and grant funds. Also included in this fund category are various special purpose funds that have been established on a self-supporting basis, including taxes, licenses and fees. Expenditures from these funds can only be made in accordance with restrictions imposed by the source of the revenues.

The *Debt Service Fund* is used to account for the accumulation of resources to pay general obligation bond principal and interest from governmental funds, and revenues collected from the Maine Veterans' Home and the Maine Technical College System to pay principal and interest on revenue bonds.

Capital Project Fund is used to acquire or construct major capital assets other than those financed by proprietary funds. These resources are derived primarily from proceeds of general obligation bonds. Also included in this fund type are proceeds from bond issues for uses other than major capital facilities.

Proprietary Funds:

These funds are used to account for ongoing activities that are similar to those found in the private sector. Measurement focus is on the determination of net income rather than the disclosure of current expendable financial resources. Proprietary funds include the following two fund types:

Enterprise Funds are related to resources received and used to finance self-supporting activities. These activities offer products and services to the general public on a user-charge basis.

Internal Service Funds are related to the financing and sale of goods or services between state agencies. The costs associated with these goods or services are billed to the recipient agency as user charges.

Fiduciary Funds:

These funds are used to account for assets held by the State acting as either a trustee or an agent for individuals, organizations or other funds. The fiduciary funds include:

Expendable Trust Funds are assets held in a trustee capacity by the State. The principal and income from the trusts may be expended in the course of the funds' designated operations.

Nonexpendable Trust Funds are assets held in a trustee capacity by the State, but only income derived from the trust principal may be expended for designated operations. The principal must be preserved intact.

Agency Funds are assets the State holds on behalf of other public sector entities. Agency funds are custodial in nature and do not involve measurement of operations.

Account Groups:

General Long-Term Obligations Account Group is used to show the liability for outstanding general obligation bonds.

General Fixed Assets Account Group is used to show assets acquired by governmental fund types.

Measurement Focus and Basis of Accounting

Governmental and expendable trust funds are accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available. "Available" means earned and collected or expected to be collected within the current period of 60 days from the billing date, or soon enough thereafter to be used to pay liabilities of the current period

The major taxes subject to accrual are individual income tax, corporate income tax, and sales tax. Property tax on telecommunications equipment must be recognized as revenue in the fiscal year levied. The tax on telecommunications equipment is recorded at the time of levy, some of which relates to a tax year two years in the future.

A reserve amount for uncollectible accounts is determined for individual income taxes based upon an aging schedule.

Revenues from other sources are recognized when Treasury receives the cash deposits, submitted by various agencies. Expenditures are recognized when the related cash disbursement occurs.

Proprietary fund types and nonexpendable trust funds are accounted for on a flow of economic resources measurement focus and the accrual basis of accounting. With this measurement focus, revenues are recorded when earned and expenses are recorded when incurred. This measurement focus emphasizes the determination of net income. For all proprietary funds, the State applies all applicable Financial Accounting Standards Board (FASB) pronouncements issued on or prior to November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

Agency Fund assets and liabilities are reported using the modified accrual basis of accounting. They are custodial in nature and do not measure results of operations or have a measurement focus.

Equity in Treasurer's Cash Pool

The State follows the practice of pooling and investing cash not currently needed for operations. Cash pool investments consist of both short-term, highly liquid investments that are both readily convertible to cash or are within 30 days of maturity, and U.S. Treasury obligations including agencies with maturities up to two years. Investments are comprised primarily of commercial paper, U.S. Treasury Agency obligations, bank Certificates of Deposit, and repurchase agreements. The pooled investments with maturities of 30 days or less are reported at cost, which approximates market value. Longer maturities, i.e. U.S. Treasury Agency obligations, trade in the secondary market and are reported at fair market value. Interest earned on pooled cash is allocated to the various funds based on their average equity balances in the cash pool. "Cash - Other" includes petty cash and cash with the fiscal agent that will be used for bond payments.

Other Investments

Other investments are carried at the lower of cost or market, except for investments of the Deferred Compensation Plan, which are carried at market value. Donated investments are stated at fair market value at the date of donation.

Deposits with United States Treasury

These deposits represent unemployment tax receipts deposited with the United States Treasury. Funds are drawn down as benefits are paid.

Receivables

Governmental and expendable trust funds receivables consist primarily of the accrual of taxes due, amounts due back from service providers for various reasons, payments required to be made into the unemployment security trust fund, and amounts due from private persons or organizations for goods and services furnished by the State.

Enterprise funds receivables are primarily amounts due but not yet remitted from lottery sales by agents and payments due on low interest agricultural loans made for the construction and modernization of storage facilities. All receivables are stated net of estimated allowances for uncollectible amounts, which are determined, based upon aging of the accounts and past collection experience.

Interfund Transactions

During the course of operations, the State has numerous transactions between funds to finance operations, provide services, and construct assets. To the extent that certain transactions between funds were not completed as of June 30, 1999, interfund receivables or payables have been accrued and recorded. Receivables and payables resulting from transactions between funds are classified as "Due from Other Funds" or "Due to Other Funds" on the balance sheet. "Due to Other Funds" and "Due from Other Funds" will not balance because accruals have been made to proprietary funds but not to governmental funds.

"Advances To/From Other Funds" are long-term operating advances made to one fund from another. The advances are offset by a fund balance reserve. These funds also will not balance because of accruals made to proprietary funds that are not made to governmental funds.

Inventories

The cost of materials and supplies of the governmental funds are reported as expenditures when purchased. Inventories of materials and supplies in the proprietary funds are determined by physical counts and by perpetual inventory systems. Proprietary fund inventories are stated at cost or average cost, except for the Bureau of Alcoholic Beverages which maintains its inventory on a current replacement cost basis.

Fixed Assets

For governmental funds, fixed asset acquisitions are recorded as expenditures in the acquiring fund and capitalized in the General Fixed Asset Account Group. General fixed assets are recorded at historical cost or at estimated historical cost if the actual cost is not available. Donated fixed assets are recorded at fair market value at the date of donation. For financial reporting purposes the state uses a threshold of \$10,000 for fixed assets in the General Fixed Assets.

Fixed assets of proprietary funds are accounted for in the acquiring fund. Depreciation is recorded on a straight-line basis over the assets' estimated useful lives, which are 2-25 years for equipment and 30-50 years for real property such as buildings.

Accrued Liabilities

Accounts payable consist primarily of amounts due outside vendors for goods and services provided. Other liabilities in the governmental funds consist of miscellaneous loans payable and amounts in suspense awaiting identification. Other liabilities of proprietary funds include accrued payroll, compensated absences, deferred revenue, lottery prizes payable, actuarial liabilities of the workers' compensation and risk management funds, amounts owed pursuant to Certificates of Participation and other financing arrangements for fixed assets.

Long-Term Obligations

Long-term bonded debt of governmental funds is recorded in the General Long-Term Obligations Account Group. Long-term debt and other obligations financed by proprietary funds, as well as the related interest payments, are recorded as liabilities in the appropriate funds.

Fund Balances

Fund balances are reported as reserved whenever there are legal restrictions on future use. Otherwise, these balances are considered unreserved. The State has the following reservations:

Reserved for Encumbrances and Authorized Expenditures identifies unexpended amounts in appropriations and encumbrances that the Legislature has specifically authorized to be carried into the next fiscal year.

Working Capital Advances to Other Funds identifies an amount relating to a long-term receivable that cannot be appropriated.

Reserved for Nonexpendable Trusts identifies the nonexpendable amount of trusts' principal.

Reserved for Unemployment Benefits identifies amounts reserved for payment of unemployment compensation.

Reserved for Tax Relief for Maine Residents indicates the amount to be used to increase the personal exemption amount.

Designated for Other Purposes identifies the amount of fund balance reserved for other specified purposes including working capital needs, long-term loans to other funds, and contingency funds from which the Governor may allocate sums for various purposes.

The *Rainy Day Fund* creates a reserve for operating deficits or other emergencies. Fifty percent of the excess of general fund revenues received over accepted estimates in a fiscal year goes from the unappropriated surplus of the general fund to the rainy day fund. The maximum amount allowed, by law, is six percent of the total general fund revenues received in the immediately preceding fiscal year.

Total Column - Memorandum Only

Total columns included in certain statements are captioned "Memorandum Only" because they do not represent consolidated financial information and are presented for information only. Interfund eliminations have not been made in the aggregation of this data.

Accounting Disclosures

Risk management activities are presented in two funds. State risk management activities are accounted for in an Internal Service Fund. The State provides risk management insurance advice and services to public instrumentalities other than state agencies. The activities of the State administered risk pool are accounted for in an Enterprise Fund. In fiscal year 1997 these two funds were reported as one.

The State is self-insured for property, vehicle, boat and aircraft, tort, civil rights, employee bonds, police professionals, and workers' compensation for state employees and state agencies.

NOTE 2 BUDGETARY PROCESS

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

Once passed and signed, the budget becomes the financial plan for the State through the next biennium. It includes estimated expenditures for all departments and agencies, interest and debt redemption charges, and expenditures for capital projects to be undertaken and executed during each fiscal year. The budget also includes projected revenues and any other means of financing expenditures. In 1995, the Revenue Forecasting Committee was established. The Committee submits revenue projections for the General Fund and Highway Fund for the upcoming fiscal biennium and recommends adjustments to the current biennial budget revenues.

Budgetary control is maintained at the program and line category level at which appropriations and allocations are approved by the Legislature, principally through a quarterly allotment system. The State Budget Officer and the Governor must approve budget revisions during the year, reflecting program changes or intradepartmental administrative transfers. Except in specific instances, only the Legislature may transfer

appropriations between departments. Requests for increases in appropriations, allocations, or funding for new programs, requested by agencies, are presented to the Legislature as a supplemental budget. In order to provide sufficient funding for programs during the year ended June 30, 1998, supplemental appropriations of \$145.7 million were required.

Encumbrance accounting, which requires that purchase orders, contracts, and other commitments be recorded to reserve a portion of an appropriation or allocation for expenditure, is employed as an extension of formal budgetary control. Appropriated and allocated balances are available for subsequent expenditure to the extent that encumbrances have been approved by the end of a fiscal year. Encumbrances outstanding at year-end are reported as reservations of fund balances representing those portions of fund balances that are not available for allocation or expenditure, or that are legally segregated for specific future uses. Unencumbered appropriations in the General Fund and in the Highway Fund lapse at year-end unless by law they are carried forward to a subsequent year.

NOTE 3 DEPOSITS AND INVESTMENTS

The deposit and investment policies of the State of Maine, Office of the Treasurer are governed by Title 5 of the Maine Revised Statutes Annotated, specifically 5 M.R.S.A. § 135. The Treasurer of State may deposit State funds, including trust funds of the State, in any of the banking institutions that meet certain criteria. Specifically, a trust company, State savings and loan association, or mutual savings bank organized under the laws of Maine, or any national bank or federal savings and loan association located in the State.

The Treasurer of State may invest funds that exceed current obligations of the State, with the concurrence of the State Controller or the Commissioner of Administrative and Financial Services, and the consent of the Governor. Authorized investments include:

- U.S. Treasury Bills, Notes, Bonds, and other obligations of the United States and its agencies that mature within 24 months of the investment.
- Repurchase agreements secured by obligations of the United States and its agencies that mature within the succeeding 24 months.
- High grade commercial paper, tax-exempt obligations, and banker's acceptances.
- Shares of an investment company registered under the federal Investment Company Act of 1940, if the investments of the company are limited to obligations of the United States or any agency... or repurchase agreements secured by obligations of the United States or any agency or instrumentality...of the United States.

Investment policies of the permanent trust funds are governed by 5 M.R.S.A. § 138. The Treasurer of State, with the approval of the Commissioner of Administrative and Financial Services, the Superintendent of Banking, and the Attorney General, may invest all permanent funds held in trust by the State in such securities as are legal investments for savings banks under Title 9-B, M.R.S.A. The investments need not be segregated to the separate trust funds but the identity of each separate trust fund must be maintained. The State may enter into custodial contracts or agreements negotiated in accordance with the laws of this State for the handling of funds held in escrow.

In concert with the Finance Authority of Maine, the State Treasurer participates in a restricted deposit program to encourage banks to provide loans at two percent below market rates to agricultural enterprises and small businesses. The Treasurer may invest up to \$8 million in lending institutions at a 2 percent lower-than-market rate provided the lenders pass the rate reduction on to the designated borrowers. This program earmarks \$4 million dollars of this program are earmarked for loans to agricultural enterprises and \$4 million is designated for commercial entities.

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

Investments of the Treasurer's Cash Pool

(Dollars in Thousands)

June 30, 1999

<u>Investment Description</u>	<u>Amount Invested</u>
Certificates of Deposit	\$ 20,118
U.S. Government and Agency Obligations	387,414
High Grade Commercial Paper	<u>494,784</u>
Total	<u>\$902,316</u>

NOTE 4 LONG-TERM OBLIGATIONS

Liability for General Obligation bonds is recorded in the General Long-Term Obligations Account Group. However, outstanding Certificates of Participation, Capital Leases, liability for compensated employee absences and other financing arrangements of Governmental Funds are recognized as the related cash payments are made with no entry recorded for the debt or asset on the Balance Sheet.

General Obligation Bonds

Bonds are issued pursuant to Sections 14, 14-A, 14-B, 14-C, and 14-D of Article IX of the Maine State Constitution. Bonds issued pursuant to Section 14 have been authorized by two-thirds of the House and Senate and by the citizens of Maine through bond referenda. General obligation bonds are backed by the full faith and credit of the State. These bonds are retired through the use of legislative appropriations and are repaid in annual installments beginning not more than one year after issuance. Debt service including principal and interest payments for General Fund and Highway Fund bonds are appropriated and paid from the General Fund and Highway Fund, respectively. Self-liquidating bonds are general obligation bonds issued for quasi-state agencies. Transfers from the Maine Veterans' Home and the Maine Technical College System cover the required debt service for self-liquidating bonds. In June 1999, the State issued \$71.3 million of general obligation bonds, \$54.4 million of which will be repaid from the General Fund and \$17 million of which will be appropriated and repaid from the Highway Fund.

The following schedule presents the changes in general obligation bonds:

Changes in General Obligation Bonds

(Dollars in Thousands)

June 30, 1999

	<u>Balance July 1, 1998</u>	<u>Retirements</u>	<u>Additions</u>	<u>Balance June 30, 1999</u>
General Fund	\$ 337,575	\$ 57,235	\$ 54,385	\$ 334,725
Highway Fund	139,180	22,380	16,900	133,700
Self-Liquidating	<u>1,290</u>	<u>175</u>	<u>-</u>	<u>1,115</u>
Total	<u>\$ 478,045</u>	<u>\$ 79,790</u>	<u>\$ 71,285</u>	<u>\$ 469,540</u>

The future debt service requirements for the bonds are as follows:

Future Debt Service on General Obligation Bonds

(Dollars in Thousands)

June 30, 1999

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	80,889	24,444	105,333
2001	78,184	19,868	98,052
2002	72,159	15,563	87,722
2003	63,834	11,387	75,221
2004	43,019	8,079	51,098
Thereafter	<u>131,455</u>	<u>12,600</u>	<u>144,055</u>
Total	<u>\$ 469,540</u>	<u>\$ 91,941</u>	<u>\$ 561,481</u>

Authorized Unissued Bonds

Any authorized bonds not issued within five years of the date of ratification may not be issued after that date. Within two years after expiration of the five-year period, the Legislature may extend, by a majority vote, the five-year period for an additional five years or may deauthorize the bonds. If the Legislature fails to take action within those two years, the authorized but unissued bonds are deauthorized. At June 30, 1999, general obligations bonds authorized but unissued totaled \$46.5 million.

Bond and Tax Anticipation Notes

During fiscal year 1999, there were two Bond Anticipation Note (BAN) issues. In August 1998, \$5.7 million in BAN's were issued followed by \$33.7 in January 1999. The \$5.7 million August 1998 issue was paid off at the time of the second issue in January 1999. Interest rates ranged from 3.5% to 5.5%. There were no BAN's outstanding at June 30, 1999.

Certificates of Participation and Other Financing Arrangements

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

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

Future debt service on Certificates of Participation, Capital Leases, and other financing arrangements are recorded in the Internal Service Funds. There is no record of future debt service on these financing arrangements in Governmental funds, since payments are expensed when made.

The following is a summary of the future minimum rental payments for the lease purchase financing capital assets of the governmental and proprietary funds:

**Future Debt Service on Certificates of Participation, Capital Leases,
and Other Financing Arrangements**

(Dollars in Thousands)

June 30, 1999

<u>Year Ended June 30,</u>	<u>Minimum Payments</u>	
	<u>Governmental Funds</u>	<u>Internal Service Funds</u>
2000	\$2,081	\$7,957
2001	1,940	4,517
2002	216	3,634
2003	182	1,894
2004	182	692
Thereafter	<u>22</u>	<u>1,104</u>
Total Minimum Payments	4,623	19,798
Less: Interest Amount	<u>(341)</u>	<u>(272)</u>
Present Value of Future Minimum Payments	\$ <u>4,282</u>	\$ <u>19,526</u>

NOTE 5 FIXED ASSETS

The following schedule details fixed assets that are recorded in the Proprietary Funds and the General Fixed Assets Account Group:

Summary of Fixed Assets

(Dollars in Thousands)

June 30, 1999

	<u>Enterprise Funds</u>	<u>Internal Service Funds</u>	<u>General Fixed Asset Account Group</u>
Land	\$ 5,520	\$ 243	\$ 272,541
Buildings	25,141	5,310	168,668
Equipment	41,483	118,534	48,962
Improvement other than Buildings	7,548	66	-
Construction in Progress	3,123	-	116
Less: Accumulated Depreciation	<u>(28,011)</u>	<u>(79,769)</u>	<u>-</u>
Total Fixed Assets	\$ <u>54,804</u>	\$ <u>44,385</u>	\$ <u>490,287</u>

NOTE 6 MAINE STATE RETIREMENT SYSTEM

Plan Description

The Maine State Retirement System is the administrator of multiple-employer, defined benefit public employee retirement system established and administered under the Maine State Retirement System Laws, Title 5 M.R.S.A., C. 421, 423, and 425. The System is a component unit of the State. Financial information for the System is included on the combined balance sheet and in the statement of changes in net assets available for pension benefits in the General Purpose Financial Statements of the State, which are prepared on a GAAP basis. Certain information is provided in the Budgetary Report that might be of interest to readers.

The System provides pension, death, and disability benefits to its members, which include employees of the State, public school employees who are defined by Maine law as teachers for whom the State is the employer for retirement contribution purposes. Employees of approximately 250 local municipalities and other public entities in Maine, each of which contracts for participation in the System under provisions of relevant statutes are also included in this definition. At June 30, 1999, the membership consisted of:

Active vested and nonvested members	49,765
Terminated vested participants	1,859
Retirees and benefit recipients	<u>28,509</u>
Total	<u>80,133</u>

The System's retirement programs provide retirement benefits based on members' average final compensation and creditable service. Vesting occurs upon the earning of ten years of service credit (effective October 1, 1999, the ten-year requirement was reduced to five years by legislative action) or the earning of one year of service credit immediately preceding retirement at or after normal retirement age. Normal retirement age is age 60 or 62, determined by whether the member had at least 10 years of creditable service on June 30, 1993. The monthly benefit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. Death and disability benefits, which are established by statute for state and public school employees, are provided by the System and by contract with other participating employers under applicable statutory provisions.

Upon termination of membership, members' accumulated employee contributions are refundable, with interest. Withdrawal of accumulated contributions results in forfeiture of all benefits. The annual rate of interest credited to members' accounts that are refunded is set by the System's Board of Trustees and is currently 6 percent.

In the event that a participating entity withdraws from the System, its individual employee-members can terminate membership or remain contributing members. The participating entity remains liable for contributions sufficient to fund benefits for its already retired former employee-members, for its terminated vested members, and for those active employees, whether or not vested, who remain contributing System members.

Retirement benefits are funded by contributions from members and employers and earnings from investments. Disability and death benefits are funded by employer contributions and investment earnings. Member and employer contributions are a percentage of applicable member compensation. Member contribution rates are defined by law and depend on the terms of the plan under which a member is covered. Employer contribution rates are determined by annual actuarial valuations.

Total funds managed by the System are constitutionally restricted, held in trust for the payment of pension and related benefits to its members. The System's Board of Trustees, in its fiduciary capacity, establishes the System's investment policies and oversees implementation. The System maintains separate reserves and accounts for each participating entity and performs separate actuarial valuations for each participating entity's respective plan. Because there is no legal requirement that any portion of the total assets managed by the System be accumulated and utilized solely for the benefit of certain classes of members or for members who are employees of certain participating entities, the System is regarded as administering a single plan for reporting purposes. Each of the System's participating entities is responsible for the funding of benefits related to that entity.

The System also provides group life insurance under a plan that is administered by a third party insurance company. Premiums paid on behalf of covered participants are set and collected by the System. The insurance company makes payments in its capacity as administrator. Payments in the amount of Benefits paid out by the System and additional payments representing administrative fees are remitted to the insurance company.

Funding Policy

The Maine Constitution, Maine Statutes and the System's funding policy provide for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate adequate assets to pay benefits when due. Employer contribution rates at a level percentage of payroll are determined using the entry age normal actuarial funding method. The System also uses the level percentage of payroll method to amortize the unfunded liability of the State and teacher plans over a closed 25-year period from June 30, 1998. For participating local districts, either the level percentage of payroll method or the level dollar method is used, depending on plan structure, status of the participating local district, nature of the unfunded liability (i.e., separate or pooled) and the amount of the unfunded liability. Amortization periods range from 2 years to 28 years.

The State of Maine is required to remit 25% of its budgetary surplus at the end of its fiscal year to the System, in order to reduce any unfunded pension liability for state employees and teachers. Accordingly, for the year ended June 30, 1999 the state recorded \$19,654,339 in a reserve account for that purpose.

The annual required contribution for the current year was determined as part of the June 30, 1999 actuarial valuation using the entry age normal cost method based on a level percentage of covered payrolls. The actuarial assumptions included (a) an annual 8% return on investments, (b) projected salary increases of 5.5% to 9.5% per year, including inflation of 5.5% and (c) post retirement benefit increases of 4% per annum.

The actuarially determined contribution rates in effect for 1999 for participating entities are as follows:

<u>State:</u>	
Employees ¹	7.65-8.65%
Employer	16.68%
<u>Teachers:</u>	
Employees	7.65%
Employer	19.30%
<u>Participating Local Entities:</u>	
Employees	6.5%
Employer ¹	4.7-19%

¹ Contribution rates vary depending on specific terms of plan benefits for certain classes of employees or benefit plan options selected by a particular participating local entity. Withdrawn entities' contributions are set in dollar amounts, not as rates.

NOTE 7 OTHER POSTEMPLOYMENT BENEFITS

Post Retirement Health Care Benefits

The State of Maine funds health care benefits for most retirees. Pursuant to 5 M.R.S.A., § 285, most retired state employees, Legislators, and retired employees of the Maine Turnpike Authority, the Maine Technical College System, the Maine Maritime Academy, and the Maine State Retirement System are eligible for this benefit. Specifically excluded (5 M.R.S.A., § 285 1-B) are members of other component units, the Maine Municipal Association and the Maine Teachers Association, and employees of counties and municipalities and related instrumentalities.

Effective January 1, 1999, the State will pay 30 percent of health insurance premiums for retired teachers, rather than Benefits for retired teachers are addressed in 20-A M.R.S.A., § 13451 et seq.

The State pays 100 percent of post retirement health insurance premiums for retirees who were first employed before July 1, 1991. A pro rata portion, ranging from zero percent for retirees with less than 5 years participation to 100 percent for retirees with 10 or more years of participation, is paid for eligible individuals first employed after July 1, 1991. Retirees eligible for Medicare are covered under supplemental

insurance policies. The retiree must pay for Medicare Part B coverage to be eligible to participate in the State-funded Companion Plan. Coverage for retirees who are not eligible for Medicare includes basic hospitalization, supplemental major medical and prescription drugs, and costs for treatment of mental health, alcoholism, and substance abuse.

Prior to Fiscal Year 1999, retiree health care benefits had been funded on a pay-as-you-go basis. The amounts contributed were reported as expenditures/expense in each of the various funds. In fiscal year 1999, the State began funding retiree health care benefits using actuarially determined rates. The amount of the liability for current and future retirees, as of July 1, 1998, was \$583 million. This includes benefits for 14,292 current retirees as well as 39,727 currently active employees expected to retire in the future. It does not consider employees not yet hired as of July 1, 1998.

Post Retirement Life Insurance Benefits

The Maine State Retirement System (MSRS) provides certain life insurance benefits for retirees who, as active employees, participated in the Group Life Insurance Program for a minimum of 10 years. Payments of claims are made by the MSRS from a fund containing a percentage of the life insurance premiums of active state employees and teachers, plus earnings on the investments of the fund. In addition to the cost of claims, the State pays a monthly retention fee to a life insurance company. Retired state employee claims totaled \$1.5 million and retired teacher claims totaled \$1.2 million for the fiscal year ended June 30, 1999. The number of participants eligible to receive benefits at fiscal year end cannot be readily determined.

Financial information about the Maine State Retirement System may be obtained by writing them at 46 State House Station, Augusta, ME 04332.

NOTE 8 SELF-INSURANCE

Risk Management

The State maintains several types of self-insurance plans and accounts for them in an Internal Service Fund. Coverage includes property, vehicle, boat and aircraft, tort, civil rights, employee bonds, and police professionals. The plans recover the cost of providing claims servicing and claims payment by charging a premium to each agency based on a review of past losses and estimated losses for the current period. All risk financing liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

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

Commercial insurance is purchased for losses that exceed the following limits: buildings, \$1 million per occurrence subject to a \$2 million annual aggregate, after which a \$100,000 per occurrence retention applies; boat hulls, \$100,000; aircraft, \$50,000; and boat liability, \$10,000. Aircraft liability is insured from the first dollar.

At June 30, 1999, \$3.2 million was reported as the estimated claims payable for the State's self-insurance plan from the Internal Service Fund. The discounted amount was \$2.9 million. The pooled insurance fund within the Enterprise Fund reported \$580,000 as the estimated claims payable at June 30, 1999. The discounted value was \$531,000.

Unemployment Insurance

The State is self-insured for unemployment compensation. As a direct reimbursement employer, the State recognizes all costs for unemployment compensation as claims are paid. These costs totaled \$730,000 for the fiscal year ended June 30, 1999.

Workers' Compensation

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

Based on previous year assumptions, the State is liable for unfunded claims, and incurred but not reported claims, of approximately \$89.4 million. The discounted amount, \$70.3 million, is recorded on the financial statements.

Health Care

The State of Maine's health insurance plan provides insurance coverage for the active employees of the State and several quasi-governmental agencies, including the Maine Technical College System and the Maine Turnpike Authority. The State is insured as a group plan under a policy from a commercial insurer.

Rates were set to generate working premiums totaling \$91.5 million, of which the State's share was 93 percent. The contract agreement with Blue Cross/Blue Shield was effective from July 1, 1996 through December 31, 1997. This contract was extended through March 31, 1998. At the end of the contract period the final settlement amount was \$2.1 million.

The current contract with Healthsource Maine is effective from April 1, 1998 through March 31, 2000. Under this contract the carrier assumes all risk of any loss.

For the fiscal years 1995 and 1996, contracts were not fully insured and contract settlements exceeded insurance coverage as follows:

<u>Fiscal Year</u>	<u>Cumulative Deficit (Dollars in Millions)</u>
1995	\$5.1
1996	\$0.6

Medicare contributions have been required for all employees hired since April 1986.

Disability

State law allows confidential employees who become temporarily disabled to receive 66.67 percent of their salary for up to 335 calendar days. There were a total of 987 confidential employees at June 30, 1999. The expenditure amount for this benefit cannot be reasonably determined.

NOTE 9 SEGMENT INFORMATION

The State has nine enterprise funds that have been created to provide various services to the general public and are described below:

The *Alcoholic Beverages Fund* was established to license and regulate the sale of alcoholic beverages. The net profit from the fund is transferred to the State's General Fund and is used for general government purposes.

The *Lottery Fund* was established to account for all operations of the Maine State Lottery. This includes the Tri-State Lotto Commission, which was established in 1985, and is a joint venture between the states of Maine, New Hampshire, and Vermont. The Commission is authorized and empowered to promulgate rules and regulations regarding the conduct of lottery games, including the price or prices of tickets, the number and size of prizes for winning tickets, and the licensing of agents.

The *Potato Marketing Improvement Fund* provides low interest loans to potato growers for the modernization of storage facilities and improvements in the handling of the product.

The *Seed Potato Board Fund* accounts for the growing of nuclear seed for sale to potato growers, for research in disease control, and the development of new product varieties.

The *State Ferry Service Fund* accounts for the operation of ferry services between the mainland and various islands for the purpose of transporting vehicles, freight, and passengers to and from the islands.

The *State Airport Fund* accounts for all operations and maintenance of the Maine State Airport located in Augusta. The State, through the Department of Transportation, entered into a lease/purchase agreement with the City of Augusta to operate and eventually own the airport.

The *Marine Ports Fund* is used to account for the operation and maintenance of port facilities within the jurisdiction of the Department of Transportation.

The *Prison Industries Fund* accounts for a self-supporting program of job training through the employment of inmates in manufacturing and selling of products.

The *Community Industrial Building Fund* is used to assist local development corporations to construct a community industrial building by loaning money when the project can reasonably be expected to create new employment. Preference is given to projects in economically deprived areas.

Segment Information

(Dollars in Thousands)

June 30, 1998

	State Lottery <u>Bureau</u>	Bureau Of Alcoholic <u>Beverages</u>	Transportation <u>Related</u>	Agriculture <u>Related</u>	Other Enterprise <u>Funds</u>	Total Enterprise <u>Funds</u>
Operating Revenues	\$ 147,548	\$ 73,778	\$ 3,227	\$ 228	\$ 1,090	\$ 225,871
Depreciation Expense	18	408	2,396	54	59	2,936
Operating Income (Loss)	40,714	20,856	(4,225)	(370)	(177)	56,797
Net Nonoperating Revenues	-	-	12	135	-	148
Net Income (Loss)	(75)	(118)	(1,420)	382	(163)	(1,157)
Operating Transfers in (out)	(41,275)	(20,744)	2,624	235	-	(59,159)
Additions (Deletions) to				36		
Property, Plant and Equipment	11	822	3,732		(3)	4,599
Total Assets	8,449	9,000	55,519	10,223	518	83,709
Total Long-Term Liabilities	-	1,000	-	-	-	1,000
Total Liabilities	8,508	8,992	263	1,002	155	18,920
Total Equity	(59)	8	3,873	4,221	160	8,203
Net Working Capital	(112)	(128)	3,376	1,695	377	5,209
Current Capital Contributions	-	-	4,515	-	-	4,515

NOTE 10 JOINT VENTURES

Joint ventures are independently constituted entities, generally created by two or more governments for a specific purpose. The only material joint venture in which the State participates is the Tri-State Lotto Commission.

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

The Commission is composed of one member from each of the participating states. Each member state's commission appoints one of its members to serve on the Commission. Each member holds office at the pleasure of his or her appointing authority. The Commission annually elects a chairman from among its members.

The Commission has designated that 50 percent of its operating revenue be aggregated in a common prize pool. A prize award liability is established when the winning ticket number is selected. If no winning ticket is selected, the available jackpot is carried over to the following drawing. The Tri-State Lotto Compact requires that prizes not claimed within one year from the date of the drawing are forfeited. All unclaimed prizes are credited to future prize pools. The Commission funds its jackpots through annuity contracts purchased from insurance companies and zero-coupon U.S. Government Treasury Strips.

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

The financial statements of the Tri-State Lotto Commission may be obtained from the Bureau of Alcoholic Beverages and Lottery Operations, 8 State House Station, Augusta, ME 04333.

As of and for the year ended June 30, 1999, the following selected financial information was reported in the audited financial statements of the Tri-State Lotto Commission:

Tri-State Lotto Commission

(Dollars in Thousands)

June 30, 1999

Current Assets	\$	42,772
Noncurrent Assets		<u>219,248</u>
Total Assets	\$	<u>262,020</u>
Current Liabilities		\$35,557
Long-term Liabilities		<u>206,879</u>
Total Liabilities		242,436
Designated Prize Reserves		4,996
Unrealized Gain on Investments Held for Installment		
Prize Obligations		<u>20,442</u>
Total Retained Earnings		20,284
Total Liabilities and Retained Earnings	\$	<u>262,720</u>
Total Revenue	\$	79,603
Total Expenses	\$	52,100
Allocation of Funds to Member States	\$	28,077
Increase in Retained Earnings	\$	(5,154)

NOTE 11 COMMITMENTS AND CONTINGENCIES

Federal Grants

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

Municipal Solid Waste Landfills

Title 38 M.R.S.A., § 1310-F, establishes within the Department of Environmental Protection (DEP) a cost-sharing program for the closure and remediation of municipal solid waste landfills that pose an actual or potential hazard to the environment and public health. The State's obligation to provide cost sharing to municipalities is subject to the availability of general obligation bond funds approved for that purpose. After January 1, 2000, the State has no liability for the costs relating to the closure of municipal solid waste landfills. However, the commissioner may make grants or payments up to 30% if they are incurred pursuant to an alternative closure schedule approved by DEP prior to January 1, 2000. Remediation funding, subject to the availability of funds, will continue for 90% of the cost of remediation of municipal solid waste landfills.

During the 1999 fiscal year, \$8.2 million of general obligation bond funds were expended for solid waste landfill closure projects. At June 30, 1999, DEP estimates the State's share of unfunded obligations relating to the postclosure and closure of landfills to be \$2.5 million.

Sand and Salt Storage Program

The State estimates the potential aggregate cost to comply with the environmental requirements associated with the sand and salt storage program to be \$35-45 million through the year 2003. This consists of approximately \$15-20 million for State owned facilities and \$20-25 million for the State's share, under a cost

sharing arrangement, for municipal facilities. The amount of the potential commitment may be less, if the Legislature enacts statutory changes to the program.

Pollution Abatement Program

Title 38 M.R.S.A. §411 establishes within DEP a cost-sharing program for pollution abatement projects. Subject to funding by the legislature and the approval of the Commissioner, the State may contribute to the design, engineering and construction of municipal pollution abatement facilities. During the 1999 fiscal year, \$2.7 million of general obligation bond funds were expended for pollution abatement projects. As of June 30, 1999 the State's contractual commitment for pollution abatement projects totaled \$7.2 million. DEP estimates the total cost (federal, State, and local) of future projects to be \$281 million. At June 30, 1999, general obligation bonds authorized for these projects, but not yet encumbered or expended, totaled \$7.6 million.

Construction Commitments

A portion of the payment that is made to municipalities for General Purpose Aid to Local Schools is allocated for debt service. This portion represents the subsidy for debt service resulting from local outstanding indebtedness for school construction and renovation projects. As of June 30, 1999, outstanding commitments by municipalities for school bond issues that are eligible for state subsidy totaled \$698.5 million.

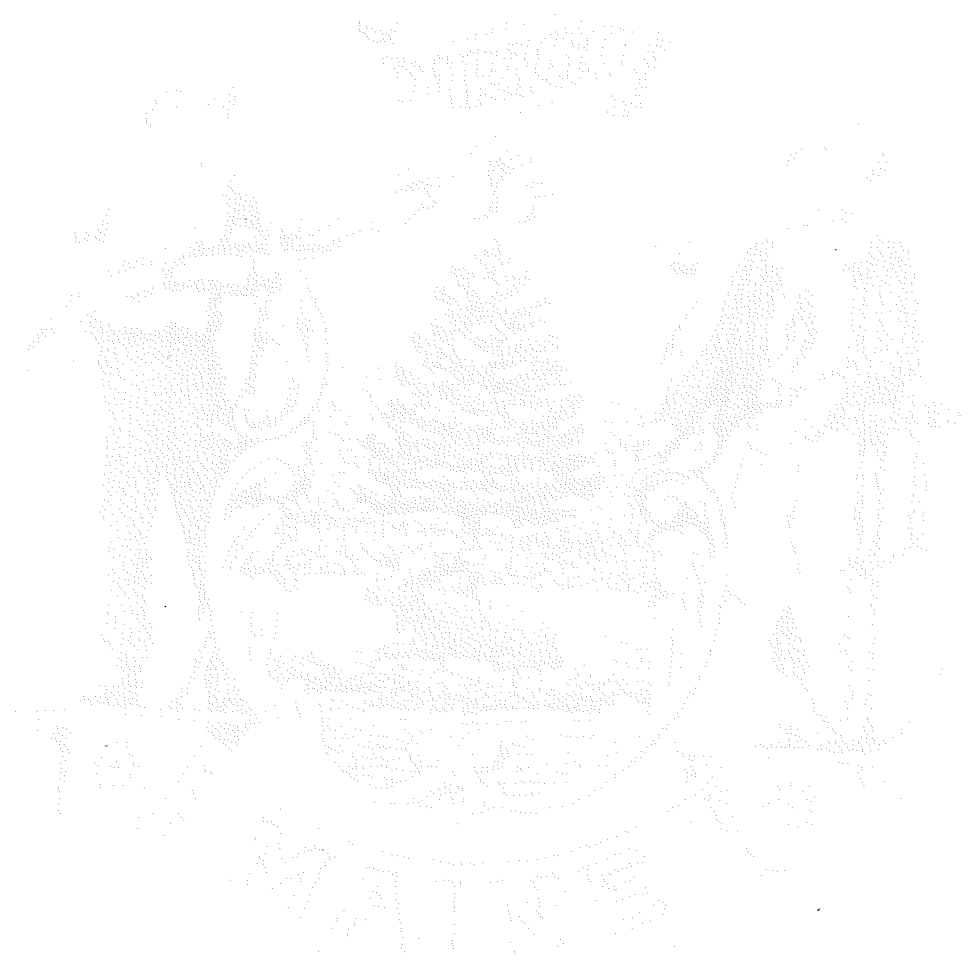
At June 30, 1999, the Department of Transportation had contractual commitments of approximately \$86.1 million for construction of various highway projects. The State's share of that amount is expected to be approximately \$15.7 million. Funding for these future expenditures is expected to be provided from federal funds, state funds, and bond proceeds.

Pollution Abatement Program

Title 38 M.R.S.A. §411 establishes within DEP a cost-sharing program for pollution abatement projects. Subject to funding by the legislature and the approval of the Commissioner, the State may contribute to the design, engineering and construction of municipal pollution abatement facilities. During the 1999 fiscal year, \$2.7 million of general obligation bond funds were expended for pollution abatement projects. As of June 30, 1999 the State's contractual commitment for pollution abatement projects totaled \$7.2 million. DEP estimates the total cost (federal, State, and local) of future projects to be \$281 million. At June 30, 1999, general obligation bonds authorized for these projects, but not yet encumbered or expended, totaled \$7.6 million.

Treatment of Wastewater from the State's Correctional Facilities

At June 30, 1998, the Department of Corrections (DOC) had a contractual commitment with the Warren Sanitary District to provide treatment of wastewater from the State's correctional facilities located in Warren, Maine. Under the terms of the agreement, the DOC is required to make annual payments to the District for the DOC's prorated share of capital costs, debt service, and operation and maintenance costs. Fiscal year 1999 expenditures totaled \$385 thousand. The agreement with the District shall be in effect for as long as the DOC uses the wastewater treatment facility. If the DOC ceases its use, the agreement is in effect until (a) the DOC has paid off its share of the local capital costs of the project and (b) another user acceptable to the Warren Sanitary District assumes the DOC's share of the operations and maintenance costs.





STATISTICAL

SECTION

STATE OF MAINE

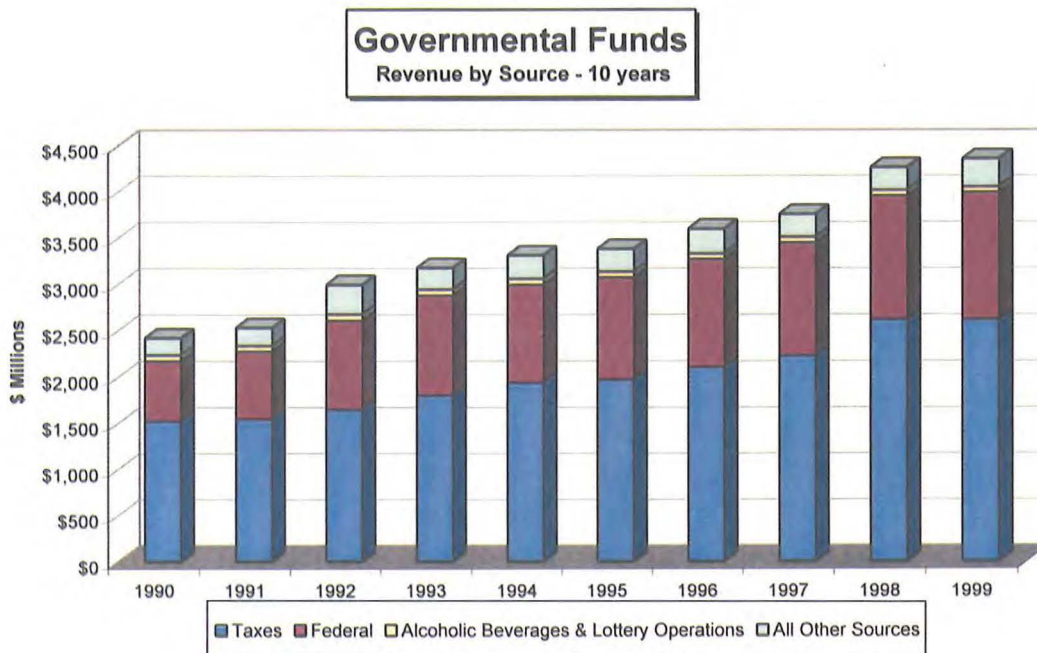
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GOVERNMENTAL FUNDS

TOTAL REVENUES BY SOURCE (EXPRESSED IN THOUSANDS)

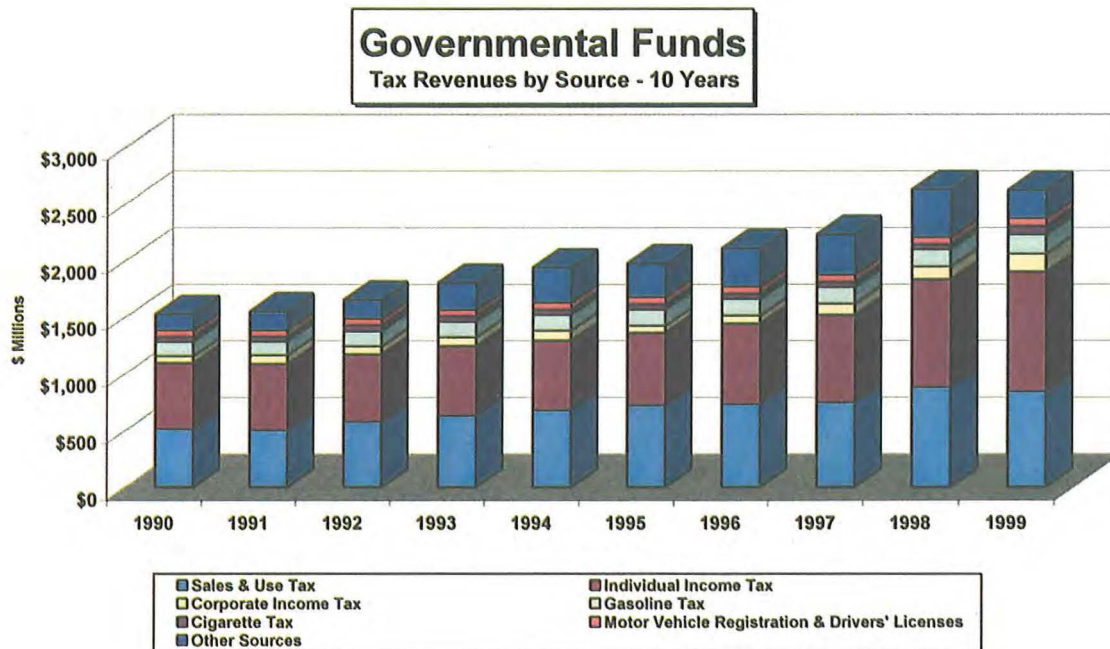
	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
Taxes	\$1,520,455	\$1,545,488	\$1,648,405	\$1,798,651	\$1,934,966	\$1,970,227	\$2,103,155	\$2,226,630	\$2,619,991	\$2,615,561
Federal Government	652,892	729,911	961,931	1,081,174	1,059,253	1,104,096	1,168,803	1,221,712	1,335,165	1,375,969
Cities, Towns & Counties	4,721	3,709	4,059	3,586	5,144	4,551	3,649	6,173	6,057	9,787
Service Charges	63,931	84,206	98,085	111,980	105,504	99,730	131,968	95,537	89,555	93,519
Alcoholic Beverages	34,194	34,820	31,282	29,796	21,977	20,128	21,447	20,662	20,546	19,795
Lottery Operations	30,548	29,371	35,434	36,538	45,393	41,185	37,737	40,937	40,742	39,601
Other Sources	114,523	106,272	216,129	116,766	139,572	141,697	131,958	144,907	150,389	202,107
Total Revenues	<u>\$2,421,264</u>	<u>\$2,533,777</u>	<u>\$2,995,325</u>	<u>\$3,178,491</u>	<u>\$3,311,809</u>	<u>\$3,381,614</u>	<u>\$3,598,717</u>	<u>\$3,756,558</u>	<u>\$4,262,445</u>	<u>\$4,356,338</u>



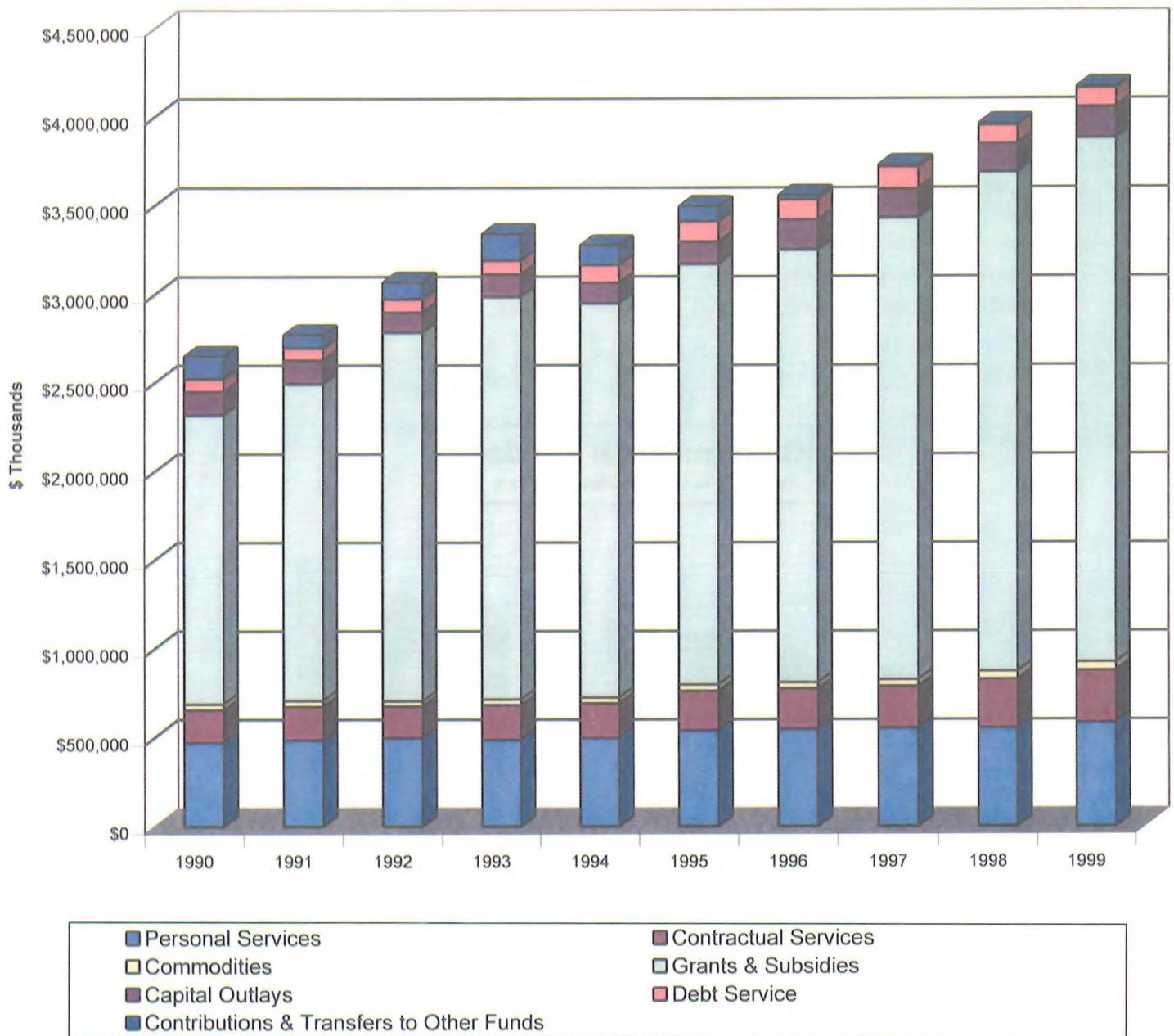
GOVERNMENTAL FUNDS

TAX REVENUES BY SOURCE (EXPRESSED IN THOUSANDS)

	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
Sales & Use Tax	\$508,980	\$497,069	\$573,428	\$625,429	\$673,755	\$716,199	\$726,821	\$741,947	\$873,279	\$837,635
Individual Income Tax	580,562	582,794	591,476	614,171	611,826	637,516	709,491	771,847	952,728	1,058,221
Corporate Income Tax	57,658	76,053	69,927	75,700	90,208	63,032	71,062	97,146	112,601	157,116
Gasoline Tax	129,425	121,458	135,257	137,698	140,258	144,193	147,140	147,897	153,213	169,326
Cigarette Tax	44,311	45,610	55,322	51,978	48,675	48,632	47,602	48,048	45,524	77,750
Registration & Drivers' Licenses	55,198	55,138	57,821	53,542	59,795	62,558	61,329	61,804	62,387	65,880
Other Sources	144,321	167,366	165,174	240,133	310,449	298,097	339,710	357,941	420,260	249,634
Total Tax Revenue	<u>\$1,520,455</u>	<u>\$1,545,488</u>	<u>\$1,648,405</u>	<u>\$1,798,651</u>	<u>\$1,934,966</u>	<u>\$1,970,227</u>	<u>\$2,103,155</u>	<u>\$2,226,630</u>	<u>\$2,619,992</u>	<u>\$2,615,561</u>



Governmental Funds Expenditures by Type - 10 Years



G O V E R N M E N T A L F U N D S

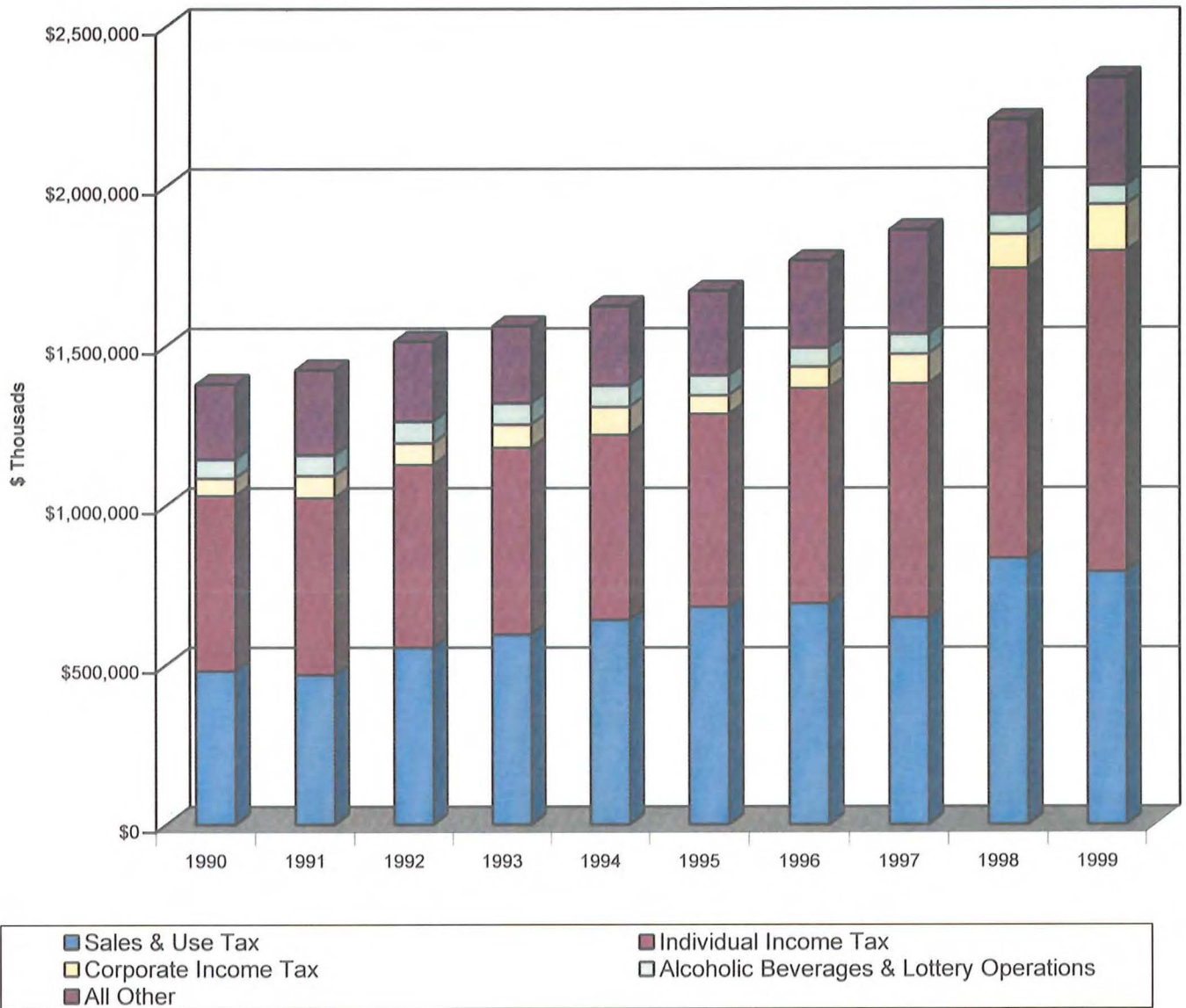
EXPENDITURES BY POLICY AREA (EXPRESSED IN THOUSANDS)

	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
General Government	\$304,635	\$329,895	\$269,650	\$281,083	\$310,065	\$362,172	\$352,450	\$365,027	\$389,468	\$456,902
Economic Development	74,474	76,767	76,434	101,195	81,407	92,459	96,049	94,543	94,459	105,518
Education & Cultural Services	886,776	834,034	892,672	958,295	901,229	959,367	974,989	985,952	1,060,406	1,117,639
Human Services	944,719	1,069,892	1,299,089	1,383,513	1,445,823	1,536,796	1,553,781	1,680,462	1,792,527	1,837,093
Labor	38,332	48,632	116,660	152,423	103,161	62,407	54,529	77,794	83,613	82,008
Natural Resources	73,681	87,710	80,331	98,514	84,911	115,906	109,259	107,109	103,908	113,822
Public Protection	51,194	50,360	56,815	53,627	56,597	56,640	56,733	63,357	86,748	81,630
Transportation	276,401	273,528	275,179	310,590	291,631	308,040	356,164	353,030	347,227	371,753
Total Expenditures	<u>\$2,650,212</u>	<u>\$2,770,818</u>	<u>\$3,066,830</u>	<u>\$3,339,240</u>	<u>\$3,274,824</u>	<u>\$3,493,787</u>	<u>\$3,553,954</u>	<u>\$3,727,274</u>	<u>\$3,958,356</u>	<u>\$4,166,365</u>

EXPENDITURES BY TYPE (EXPRESSED IN THOUSANDS)

	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
Personal Services	\$469,186	\$484,763	\$496,429	\$486,769	\$495,205	\$537,972	\$545,539	\$550,821	\$552,685	\$582,390
Contractual Services	186,261	190,692	179,747	196,818	198,379	224,724	230,087	237,793	276,397	294,820
Commodities	33,464	31,668	29,716	31,561	32,284	34,760	33,233	37,893	43,597	46,866
Grants & Subsidies	1,630,268	1,787,597	2,079,244	2,270,785	2,223,323	2,373,108	2,442,251	2,602,675	2,813,701	2,951,760
Capital Outlays	132,643	134,271	114,533	126,917	116,333	125,146	167,417	162,235	160,132	174,357
Debt Service	70,342	67,038	73,561	78,150	100,294	114,226	113,852	124,441	102,570	105,564
Contributions & Transfers to Other Funds	128,048	74,789	93,600	148,240	109,006	83,851	21,575	10,416	9,276	10,608
Total Expenditures	<u>\$2,650,212</u>	<u>\$2,770,818</u>	<u>\$3,066,830</u>	<u>\$3,339,240</u>	<u>\$3,274,824</u>	<u>\$3,493,787</u>	<u>\$3,553,954</u>	<u>\$3,726,274</u>	<u>\$3,958,357</u>	<u>\$4,166,365</u>

General Fund Revenue by Source - 10 Years



G E N E R A L F U N D

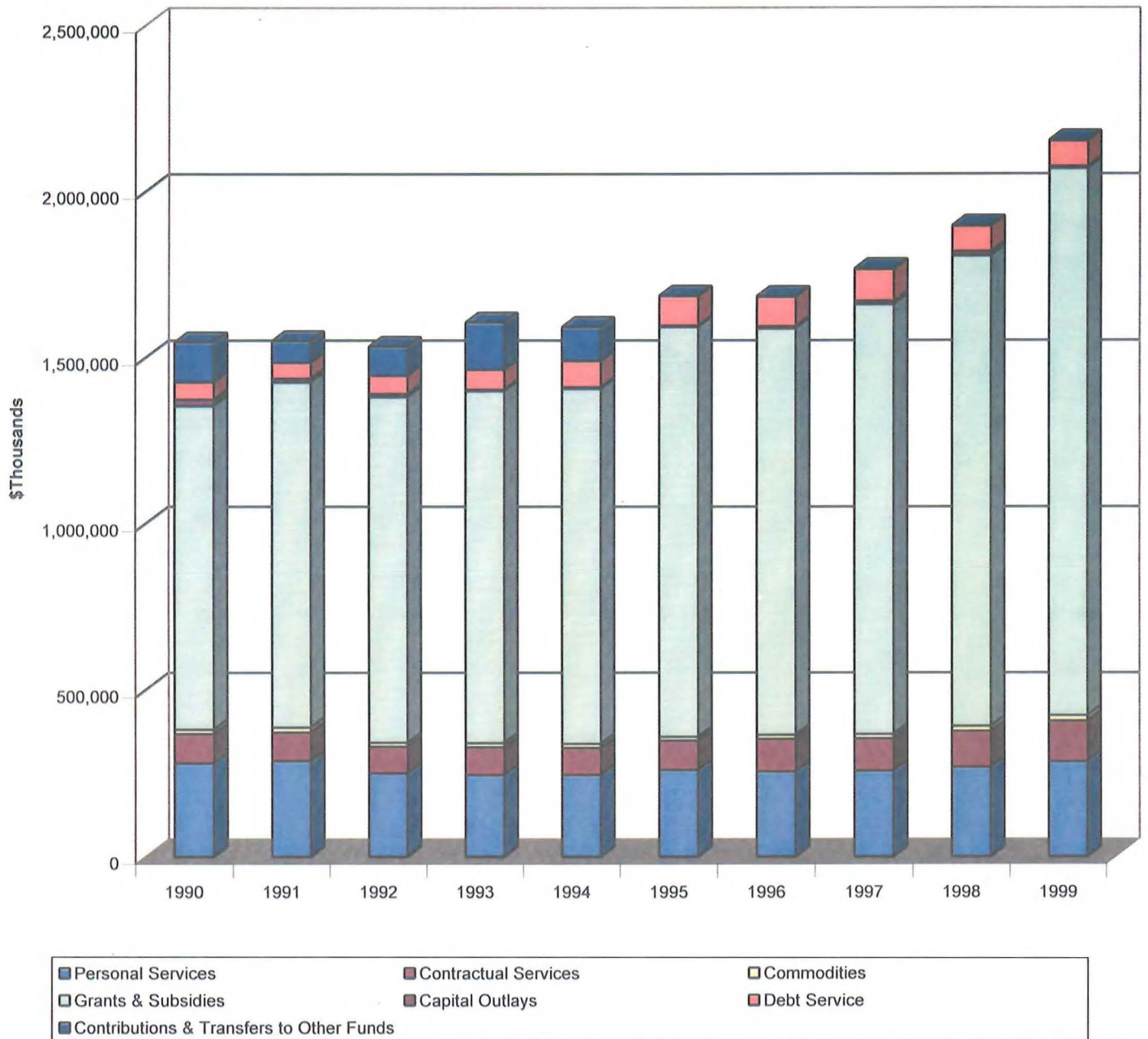
TOTAL REVENUES BY SOURCE (EXPRESSED IN THOUSANDS)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Taxes	\$1,234,030	\$1,279,404	\$1,371,354	\$1,419,437	\$1,487,951	\$1,536,581	\$1,622,932	\$1,727,670	\$2,068,489	\$2,189,816
Federal Government	1,800	7,173	6,125	5,560	3,846	6,262	16,767	6,043	5,425	8,436
Cities, Towns & Counties	178	97	28	166	223	282	318	104	85	45
Service Charges	28,263	27,664	29,296	33,211	26,081	20,693	20,003	15,426	14,363	17,779
Alcoholic Beverages	28,828	34,820	31,282	29,796	21,977	20,128	21,447	20,662	20,546	19,795
Lottery Operations	30,547	29,371	35,434	36,538	45,394	41,185	37,737	40,937	40,742	39,601
Other Sources	55,812	45,556	38,944	36,695	38,416	46,605	47,197	52,244	56,514	60,648
Total Revenues	\$1,379,458	\$1,424,085	\$1,512,463	\$1,561,403	\$1,623,888	\$1,671,736	\$1,766,401	\$1,863,086	\$2,206,164	\$2,336,121

TAX REVENUES BY SOURCE (EXPRESSED IN THOUSANDS)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Sales & Use Tax	\$480,019	\$468,830	\$554,463	\$596,160	\$641,610	\$682,130	\$692,502	\$648,558	\$833,756	\$791,727
Individual Income Tax	551,232	555,250	574,036	585,677	580,610	604,958	674,508	733,067	907,981	1,004,457
Corporate Income Tax	54,951	69,735	67,985	72,335	86,805	58,404	67,345	92,817	107,375	144,943
Cigarette Tax	44,311	45,610	55,322	51,978	48,675	48,632	47,602	48,048	45,524	77,750
Public Utilities Tax	21,776	33,699	23,871	23,558	26,930	27,907	28,853	28,601	29,335	29,671
Insurance Company Tax	44,785	34,973	45,102	38,779	36,742	35,949	35,519	39,643	39,153	37,743
Other Sources	36,956	71,307	50,575	50,950	66,579	78,601	76,603	136,936	105,364	103,526
Total Tax Revenues	\$1,234,030	\$1,279,404	\$1,371,354	\$1,419,437	\$1,487,951	\$1,536,581	\$1,622,932	\$1,727,670	\$2,068,488	\$2,189,816

General Fund Expenditures by Type - 10 Years



G E N E R A L F U N D

EXPENDITURES BY POLICY AREA (EXPRESSED IN THOUSANDS)

	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
General Government	\$178,984	\$177,320	\$172,103	\$175,645	\$193,450	\$216,224	\$224,279	\$235,210	\$241,437	\$301,979
Economic Development	34,318	36,383	33,952	30,010	23,700	27,925	30,643	30,290	31,587	37,775
Education & Cultural Services	804,822	750,233	795,444	854,091	800,836	854,864	868,288	891,458	964,506	1,009,444
Human Services	465,299	523,955	467,629	492,642	523,778	531,713	506,056	545,415	578,091	722,008
Labor	6,407	5,642	5,485	5,339	4,552	6,250	4,308	11,274	13,021	12,603
Natural Resources	24,609	39,092	36,867	34,435	32,936	36,592	37,564	38,892	40,459	43,854
Public Protection	22,291	14,537	14,577	11,745	11,247	11,310	11,304	13,336	22,760	21,559
Transportation	10,130	3,803	7,787	2,713	2,305	2,120	2,765	2,778	6,514	4,286
Total Expenditures	<u>\$1,546,860</u>	<u>\$1,550,965</u>	<u>\$1,533,844</u>	<u>\$1,606,620</u>	<u>\$1,592,804</u>	<u>\$1,686,998</u>	<u>\$1,685,207</u>	<u>\$1,768,653</u>	<u>\$1,898,375</u>	<u>\$2,153,508</u>

EXPENDITURES BY TYPE (EXPRESSED IN THOUSANDS)

	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
Personal Services	\$279,461	\$286,723	\$249,714	\$244,303	\$244,254	\$259,490	\$254,518	\$257,102	\$267,636	\$284,467
Contractual Services	88,324	86,016	79,641	83,361	81,136	87,959	98,119	96,970	108,849	122,594
Commodities	13,438	14,931	12,465	12,928	12,516	11,920	11,740	12,784	14,562	15,996
Grants & Subsidies	974,504	1,038,945	1,040,396	1,060,010	1,069,456	1,233,127	1,223,736	1,293,325	1,415,918	1,645,739
Capital Outlays	19,078	11,396	9,557	3,889	3,753	3,754	6,312	10,218	12,935	6,097
Debt Service	51,942	47,419	54,548	59,926	78,784	89,001	88,530	95,885	75,565	75,685
Contributions & Transfers to Other Funds	120,113	65,535	87,523	142,203	102,905	1,747	2,252	2,368	2,908	2,930
Total Expenditures	<u>\$1,546,860</u>	<u>\$1,550,965</u>	<u>\$1,533,844</u>	<u>\$1,606,620</u>	<u>\$1,592,804</u>	<u>\$1,686,998</u>	<u>\$1,685,207</u>	<u>\$1,768,652</u>	<u>\$1,898,373</u>	<u>\$2,153,508</u>

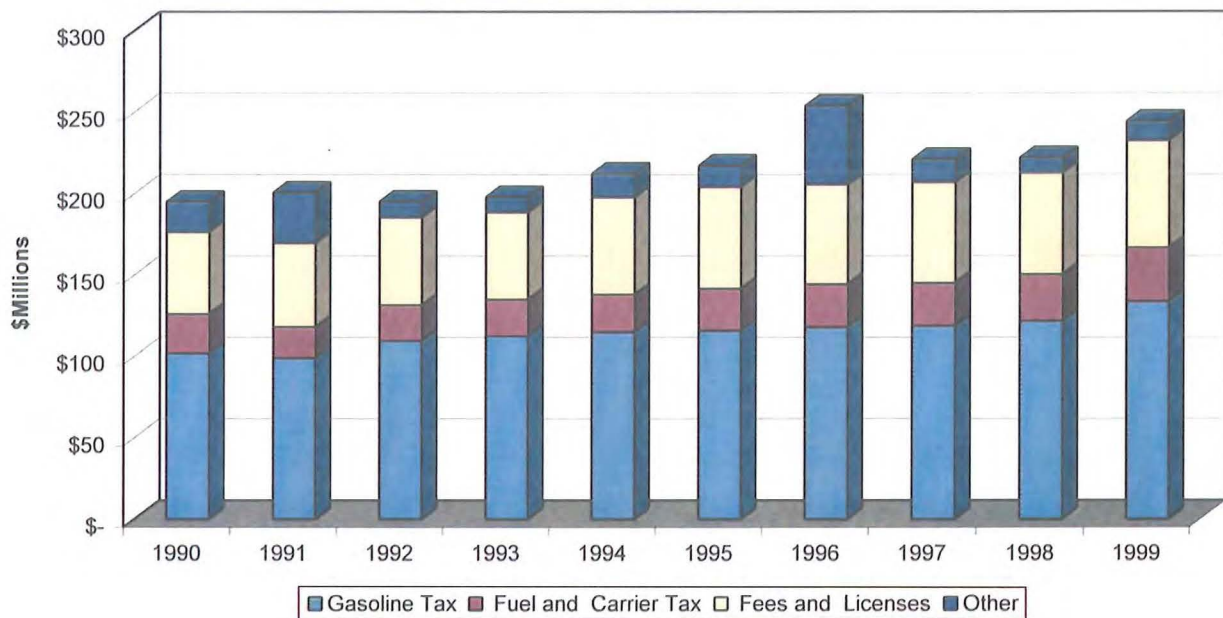
Exhibit S-5

H I G H W A Y F U N D

TOTAL REVENUES BY SOURCE (EXPRESSED IN THOUSANDS)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Gasoline Tax	\$101,818	\$98,820	\$109,540	\$112,427	\$114,811	\$115,650	\$117,680	\$118,472	\$121,456	\$133,571
Fuel and Carrier Tax	24,120	19,296	21,920	22,522	23,181	25,966	26,704	26,706	28,894	33,188
Fees and Licenses	50,541	51,514	54,005	53,542	59,795	62,558	61,329	61,804	62,387	65,880
Other Sources	18,396	30,879	9,574	9,263	14,318	12,813	47,897	13,961	9,140	11,525
Total Revenues	\$194,876	\$200,509	\$195,039	\$197,754	\$212,105	\$216,988	\$253,609	\$220,943	\$221,876	\$244,164

Highway Fund
Revenue by Source - 10 years



HIGHWAY FUND

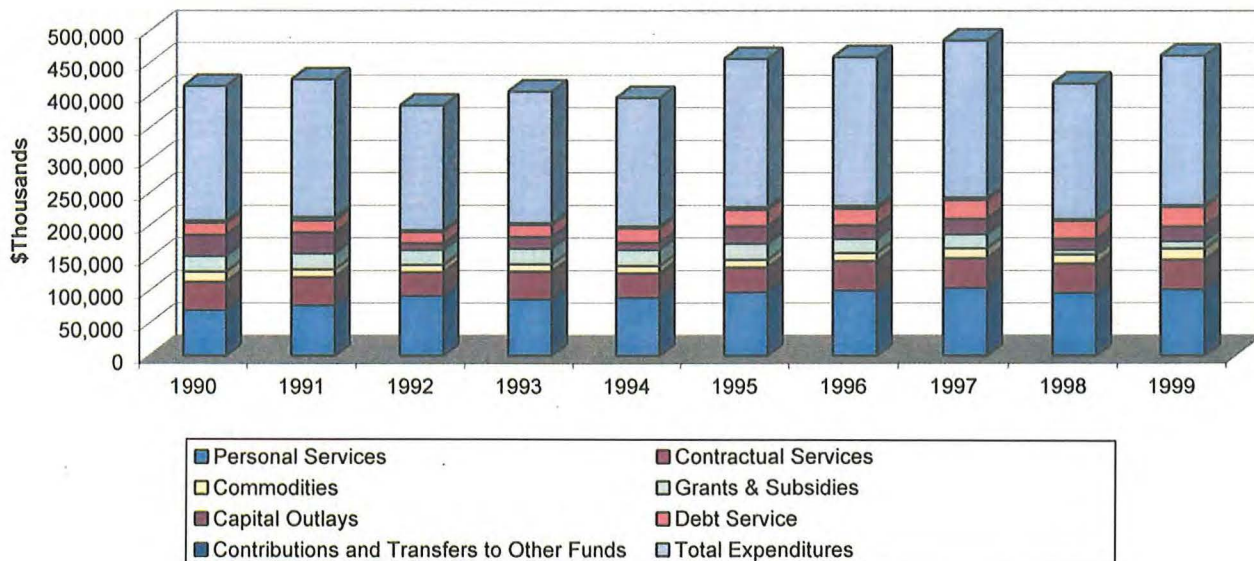
EXPENDITURES BY POLICY AREA (EXPRESSED IN THOUSANDS)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
General Government	\$14,571	\$15,385	\$17,261	\$15,746	\$19,873	\$22,576	\$22,751	\$23,999	\$23,076	\$24,708
Economic Development	110	123	145	163	152	162	155	162	1	109
Public Protection	13,420	19,595	19,891	21,941	22,338	23,922	24,219	22,759	17,616	20,218
Transportation	178,922	177,097	154,596	165,017	155,398	181,142	182,293	195,215	168,123	185,641
Total Expenditures	\$207,023	\$212,200	\$191,893	\$202,866	\$197,761	\$227,801	\$229,418	\$242,135	\$208,817	\$230,676

EXPENDITURES BY TYPE (EXPRESSED IN THOUSANDS)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Personal Services	\$69,198	\$77,447	\$91,336	\$86,348	\$88,850	\$97,696	\$100,066	\$103,776	\$96,134	\$101,589
Contractual Services	43,582	42,483	36,423	41,966	37,078	37,381	44,701	45,546	44,939	45,261
Commodities	15,515	12,082	11,106	11,745	11,284	11,853	12,450	15,149	13,632	17,084
Grants & Subsidies	24,197	24,605	23,049	24,065	24,806	25,061	21,654	21,877	7,502	11,563
Capital Outlays	32,538	32,514	10,628	18,336	11,472	26,356	21,089	23,550	17,047	22,713
Debt Service	18,401	17,546	16,971	18,224	21,499	25,226	25,321	28,557	27,005	29,879
Contributions and Transfers to Other Funds	3,591	5,523	2,379	2,182	2,771	4,228	4,137	3,681	2,559	2,587
Total Expenditures	\$207,023	\$212,200	\$191,893	\$202,866	\$197,761	\$227,801	\$229,418	\$242,135	\$208,817	\$230,676

Highway Fund
Expenditures by Type - 10 Years



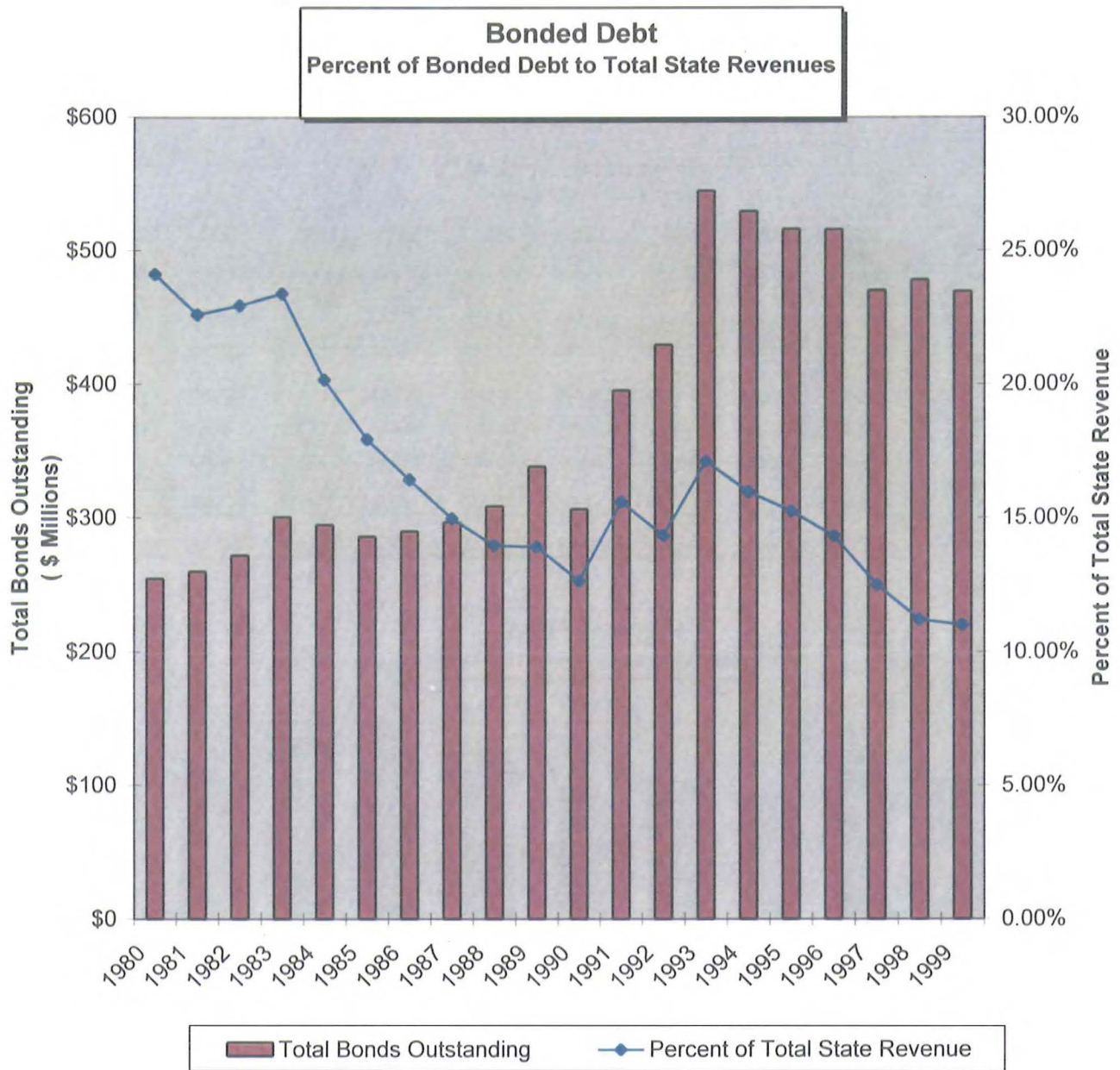


EXHIBIT S-7

BONDED DEBT - ALL FUNDS

(EXPRESSED IN THOUSANDS)

Bonds Outstanding at June 30, 1999

Year Ended	General Fund	Highway Fund	University of Maine	Other	Total	Governmental Fund Revenues	Bonds Outstanding as a Percent of Governmental Fund Revenues
1980	\$169,370	\$59,145	\$12,835	\$13,025	\$254,375	\$1,054,219	24.1%
1981	172,835	62,105	12,450	12,450	259,840	1,149,030	22.6%
1982	178,662	67,745	12,060	13,255	271,722	1,183,744	23.0%
1983	185,097	90,260	11,655	13,310	300,322	1,282,795	23.4%
1984	175,899	94,830	11,245	12,590	294,564	1,459,558	20.2%
1985	170,084	93,185	10,805	11,860	285,934	1,592,926	18.0%
1986	177,110	91,240	10,360	11,120	289,830	1,762,469	16.4%
1987	183,990	92,365	9,895	10,325	296,575	1,979,718	15.0%
1988	201,160	88,170	9,420	9,525	308,275	2,205,527	14.0%
1989	221,645	98,850	8,930	8,675	338,100	2,428,486	13.9%
1990	202,405	87,610	8,435	7,825	306,275	2,421,264	12.6%
1991	277,710	102,870	7,910	6,930	395,420	2,533,777	15.6%
1992	308,890	107,395	7,380	6,015	429,680	2,995,325	14.3%
1993	405,822	136,320	-	2,563	544,705	3,178,491	17.1%
1994	383,618	143,355	-	2,312	529,285	3,311,809	16.0%
1995	377,055	136,950	-	2,055	516,060	3,381,332	15.3%
1996	369,458	144,440	-	1,792	515,690	3,598,717	14.3%
1997	339,620	129,060	-	1,530	470,210	3,756,558	12.5%
1998	337,575	139,180	-	1,290	478,045	4,262,446	11.2%
1999	334,725	133,700	-	1,115	469,540	4,262,446	11.0%

MAINE FINANCIAL INSTITUTION DEPOSITS

For the Years 1994 to 1998
(Expressed in Thousands)

	1994		1995		1996		1997		1998	
	<u>No.</u>	<u>Bank Deposits</u>	<u>No.</u>	<u>Bank Deposits</u>	<u>No.</u>	<u>Bank Deposits</u>	<u>No.</u>	<u>Bank Deposits</u>	<u>No.</u>	<u>Bank Deposits</u>
Trust Companies	14	\$4,909,550	14	\$5,484,431	14	\$5,396,641	13	\$2,790,194	12	\$2,660,193
National Banks	6	1,744,084	5	1,051,103	5	1,032,321	6	3,433,699	5	2,915,927
State Savings Banks	17	4,523,302	17	4,856,487	17	5,062,377	17	5,307,205	17	6,497,694
Federal Savings Banks	5	473,484	4	405,567	4	428,519	4	556,835	4	613,691
State Savings & Loans	4	101,595	3	76,042	3	83,630	3	88,399	3	91,170
Federal Savings & Loans	5	216,956	5	233,024	5	243,010	4	168,591	4	173,879
State Credit Unions	13	341,875	13	352,500	12	368,532	11	380,613	12	422,629
Federal Credit Unions	84	1,404,583	83	1,463,185	82	1,579,902	80	1,650,747	77	1,721,696
Total Institutions	148	\$13,715,429	144	\$13,922,339	142	\$14,194,932	138	14,376,283	134	15,097,079
State Chartered	48	9,876,322	47	10,769,460	46	10,911,180	44	8,566,411	44	9,671,886
Federally Chartered	100	3,839,107	97	3,152,879	96	3,283,752	94	5,809,872	90	5,425,193
Total Chartered	148	\$13,715,429	144	\$13,922,339	142	\$14,194,932	138	14,376,283	134	15,097,079

Source: Bureau of Banking, Maine Department of Professional and Financial Regulation.

CIVILIAN LABOR FORCE

Employed and Unemployed by Labor Market Area, Not Seasonally Adjusted
June 1999

AREA	CIVILIAN LABOR FORCE(1)		EMPLOYED(2)		UNEMPLOYED(3)		UNEMPLOYMENT RATE(4)	
	June 99	June 98	June 99	June 98	June 99	June 98	June 99	June 98
LABOR MARKET AREAS								
Augusta	45,515	45,280	43,475	43,210	2,040	2,070	4.5 %	4.6 %
Bangor MSA	50,578	48,500	49,283	47,000	1,295	1,400	2.6	3
Bath-Brunswick	33,215	33,480	32,160	32,460	1,055	1,020	3.2	3
Belfast	15,791	15,110	15,188	14,510	603	600	3.8	4
Biddeford	40,971	39,540	40,025	38,570	946	970	2.3	2.5
Boothbay Harbor	10,064	9,760	9,872	9,560	192	200	1.9	2.1
Bucksport	5,404	5,180	5,173	4,940	231	240	4.3	4.6
Calais	5,233	5,070	4,677	4,530	556	530	10.6	10.5
Dexter-Pittsfield	13,305	12,620	12,245	11,710	1,060	910	8	7.2
Dover-Foxcroft	7,695	7,260	7,184	6,830	511	420	6.6	5.8
Ellsworth-Bar Harbor	22,575	21,210	21,641	20,430	934	780	4.1	3.7
Farmington	16,839	16,700	15,536	15,390	1,303	1,310	7.7	7.8
Fort Kent	3,800	3,610	3,236	3,140	564	470	14.8	13.1
Greenville	1,045	1,040	960	970	85	80	8.1	7.3
Houlton	6,852	6,650	6,391	6,160	461	480	6.7	7.3
Jonesport-Milbridge	4,240	3,970	3,860	3,620	380	350	9	8.9
Kittery-York (5)	19,990	19,490	19,708	19,290	282	200	1.4	1
Lewiston-Auburn MSA	52,920	51,200	50,681	48,800	2,239	2,300	4.2	4.5
Lincoln-Howland	6,193	5,830	5,691	5,410	502	420	8.1	7.1
Machias-Eastport	6,908	6,780	6,329	6,160	579	620	8.4	9.2
Madawaska	4,235	5,130	4,028	3,900	207	220	4.9	5.4
Millinocket-East Millinocket	5,510	5,280	5,068	4,860	442	420	8	7.9
Norway-Paris	12,087	11,600	11,358	10,940	729	660	6	5.7
Outer Bangor	8,500	7,850	8,019	7,440	481	410	5.7	5.2
Patten-Island Falls	2,050	1,960	1,777	1,730	273	230	13.3	11.9
Portland	138,150	132,400	135,054	129,200	3,096	3,200	2.2	2.4
Presque Isle-Caribou	20,108	19,890	19,091	18,570	1,017	1,310	5.1	6.6
Rockland	24,816	23,920	24,109	23,210	707	710	2.8	3
Rumford	9,994	9,940	9,101	9,220	893	720	8.9	7.2
Sanford	23,955	22,560	22,865	21,690	1,090	880	4.6	3.9
Sebago Lakes Region	14,212	14,260	13,533	13,790	679	460	4.8	3.2
Skowhegan	17,454	16,820	16,170	15,660	1,284	1,160	7.4	6.9
Stonington	5,841	5,460	5,679	5,320	162	140	2.8	2.6
Van Buren	1,577	1,520	1,462	1,420	115	110	7.3	6.9
Waterville	25,134	24,510	23,826	23,080	1,308	1,430	5.2	5.9
MAINE	682,758	660,300	654,455	632,800	28,303	27,500	4.1	4.2
UNITED STATES (000)	140,666	137,498	134,395	131,253	6,271	6,245	4.5	4.5

1. Civilian labor force, employed, and unemployed estimates are by place of residence. Items may not add due to rounding. All data exclude members of the Armed Forces. MSA stands for Metropolitan Statistical Area.

2. Total employment includes nonfarm wage and salary workers, agricultural workers, unpaid family workers, domestics, the self employed, and workers involved in labor disputes.

3. People are classified as unemployed, regardless of their eligibility for unemployment benefits or public assistance, if they meet all of the following: they were not employed during the survey week; they were available for work at that time; and they made specific efforts to find employment some time during the prior four weeks. Persons laid off from their former jobs and awaiting recall and those expecting to report to a job within 30 days need not be looking for work to be counted as unemployed.

4. The unemployment rate is calculated by dividing the total number of unemployed by the total civilian labor force, and is expressed as a percent.

5. Kittery-York is the five-town Maine portion of the Portsmouth-Rochester PMSA which includes towns in both Maine and New Hampshire.

Source: Maine Department of Labor, Labor Market Information Services, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

TOP FIFTY MAINE COMPANIES

As of December, 1998

(Ranked by Number of Employees in Maine)

	Company	Number of Employees *
1	L.L. Bean, Inc.	9,800
2	Bath Iron Works Corporation	7,400
3	Hannaford Brothers Company	7,000
4	Wal Mart Associates, Inc.	4,800
5	Maine Medical Center Foundation	4,000
6	UNUM Insurance Company	3,600
7	Shaw's Supermarkets	3,200
8	Eastern Maine Medical Center	2,600
9	MBNA New England	2,200
10	Manpower	2,000
11	S. D. Warren	1,800
12	Central Maine Power Company	1,600
13	Great Northern Paper, Inc.	1,600
14	Pratt & Whitney Aircraft Group	1,600
15	Ames Department Stores	1,400
16	Champion International Corporation	1,400
17	Irving Oil Corporation	1,400
18	Mead Oxford Corporation	1,400
19	New England Telephone Company	1,400
20	Central Maine Medical Center	1,200
21	Dexter Shoe Company	1,200
22	International Paper Company	1,200
23	Maine Blue Cross/Blue Shield	1,200
24	Rite-Aid of Maine	1,200
25	Community Health and Counseling Services	1,000
26	Fairchild Semiconductor Corporation	1,000
27	Fraser Papers, LTD	1,000
28	Maine General Medical Center - Waterville	1,000
29	People's Heritage Savings Bank	1,000
30	Sears, Roebuck and Company	1,000
31	Sunday River Skiway Corp. (now American Skiing Co.)	1,000
32	United Parcel Service	1,000
33	Attendant Services, Inc.	800
34	Blethen Maine Newspapers, Inc.	800
35	Bowdoin College	800
36	C.N. Brown Co.	800
37	Dead River Company	800
38	Jackson Laboratory	800
39	KeyBank National Association	800
40	MaineGeneral Medical Center - Augusta	800
41	Mercy Hospital	800
42	New Balance Athletic Shoe, Inc.	800
43	People's Heritage Financial Groups	800
44	Southern Maine Medical Center	800
45	University of New England	800
46	Vencor Nursing Centers West LLC	800
47	Georgia Pacific Corporation	600
48	Goodwill Industries of Northern N.E.	600
49	Home Resources of Maine, Inc.	600
50		600

* Approximate number of employees

Source: Maine State Department of Labor

MAINE EXPORTS AT A GLANCE

EXPORTS BY INDUSTRY (Expressed in Thousands)

SIC	Description	1998	1997	Percentage Change
1	Agricultural Production, Crops	\$13,203	\$15,711	(16.0) %
2	Agricultural Production, Livestock	31,526	37,782	(16.6)
8	Forestry	454	955	(52.5)
9	Fishing, Hunting, and Trapping	96,775	120,900	(20.0)
14	Nonmetallic Minerals	576	472	21.9
20	Food & Kindred Products	76,185	76,590	(0.5)
21	Tobacco Manufacturers	7	0	100.0
22	Textile Mill Products	11,102	8,365	32.7
23	Apparel & Other Fabric Products	24,382	24,141	1.0
24	Lumber & Wood Products	225,557	220,718	2.2
25	Furniture & Fixtures	9,318	6,386	45.9
26	Paper & Allied Products	310,870	382,260	(18.7)
27	Printing & Publishing	2,827	3,307	(14.5)
28	Chemicals & Allied Products	22,342	32,237	(30.7)
29	Petroleum & Coal Products	1,434	2,473	(42.0)
30	Rubber & Miscellaneous Plastic Products	25,526	23,968	6.5
31	Leather & Leather Products	90,040	103,495	(13.0)
32	Stone, Clay, & Glass Products	7,038	7,231	(2.7)
33	Primary Metal Industries	12,951	11,519	12.4
34	Fabricated Metal Products	34,118	32,454	5.1
35	Industrial Machinery & Computer Equipment	90,877	77,722	16.9
36	Electronics & Electrical Equipment	716,553	543,469	31.8
37	Transportation Equipment	98,712	84,147	17.3
38	Instruments & Optical Goods	16,630	19,679	(15.5)
39	Miscellaneous Manufacturing	7,412	9,607	(22.9)
91	Scrap & Waste	7,445	9,449	(21.2)
92	Used or Second Hand Merchandise	1,939	1,790	8.3
95	Charity, Military NIK	2,873	2,097	37.0
98	Canadian/Non-Canadian Goods Returned to Canada	25,716	20,919	22.9
99	Special Classification Provisions	1,418	654	116.9
Maine Export Totals		<u>\$1,965,803</u>	<u>\$1,880,497</u>	

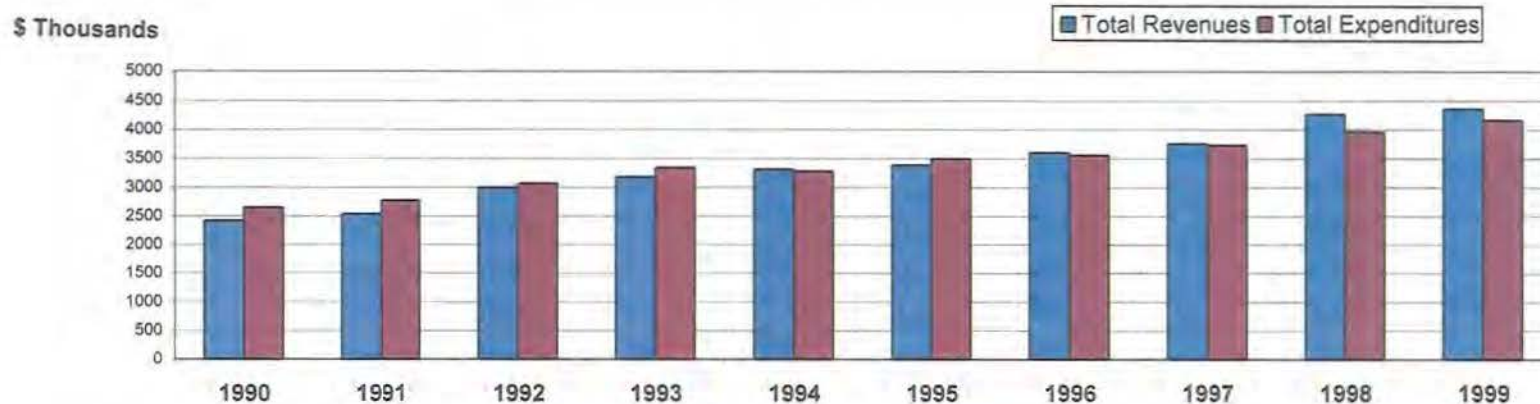
TOP TEN MARKETS (Expressed in Thousands)

Country	1998	1997	Percentage Change
Canada	\$639,397	\$645,008	(0.9) %
Singapore	309,111	179,626	72.1
Malaysia	285,655	248,322	15.0
Japan	90,301	99,970	(9.7)
United Kingdom	67,716	89,126	(24.0)
Germany	60,406	38,486	57.0
South Korea	50,550	80,400	(37.1)
Belgium	50,412	52,215	(3.5)
Hong Kong SAR	40,473	59,251	(31.7)
France	36,254	55,573	(34.8)

Source: Maine International Trade Center

GOVERNMENTAL FUNDS

TEN YEAR SCHEDULE OF REVENUES AND EXPENDITURES



Revenues by Source:

% of
1999
Total

Taxes

Sales & Use	\$508,980	\$497,069	\$573,428	\$625,429	\$673,755	\$716,199	\$726,821	\$741,948	\$873,279	\$837,635	19.23%
Individual Income Tax	580,562	582,794	591,476	614,171	611,826	637,516	709,491	771,847	952,727	1,058,221	24.29%
Corporate Income Tax	57,658	76,053	69,927	75,700	90,208	63,032	71,062	97,146	112,601	157,116	3.61%
Gasoline Tax	129,425	121,458	135,257	137,698	140,258	144,193	147,140	147,896	153,213	169,326	3.89%
Cigarette Tax	44,311	45,610	55,322	51,978	48,675	48,632	47,602	48,048	45,524	77,750	1.78%
Other Tax Sources	144,321	167,366	165,174	240,133	310,449	298,097	339,710	357,941	420,260	249,634	5.73%
Total Taxes	1,465,257	1,490,350	1,590,584	1,745,109	1,875,171	1,907,669	2,041,826	2,164,826	2,557,604	2,549,682	58.53%
Federal Government	652,892	729,911	961,931	1,081,174	1,059,253	1,104,096	1,168,803	1,221,712	1,335,165	1,375,969	31.59%
Motor Vehicle Registration & Driver Licenses	55,198	55,138	57,821	53,542	59,795	62,558	61,329	61,804	62,387	65,880	1.51%
Cities, Towns & Counties	4,721	3,709	4,059	3,586	5,144	4,551	3,649	6,173	6,057	9,787	0.22%
Service Charges	63,931	84,206	98,085	111,980	105,504	99,730	131,968	95,537	89,555	93,519	2.15%
Alcoholic Beverages & Lottery Operations	64,742	64,191	66,716	66,334	67,370	61,313	59,184	61,599	61,288	59,396	1.36%
Other Revenue Sources	114,523	106,272	216,129	116,766	139,572	141,697	131,958	144,907	150,389	202,107	4.64%
Total Revenues	\$2,421,264	\$2,533,777	\$2,995,325	\$3,178,491	\$3,311,809	\$3,381,614	\$3,598,717	\$3,756,558	\$4,262,445	\$4,356,340	100.00%

Expenditures by Policy Area:	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	% of 1999 Total
General Government	\$304,635	\$329,895	\$269,650	\$281,083	\$310,065	\$362,172	\$352,450	\$365,027	\$389,468	\$456,902	10.97%
Economic Development	74,474	76,767	76,434	101,195	81,407	92,459	96,049	94,543	94,459	105,518	2.53%
Education/Cultural Services	886,776	834,034	892,672	958,295	901,229	959,367	974,989	985,952	1,060,406	1,117,639	26.83%
Human Services	944,719	1,069,892	1,299,089	1,383,513	1,445,823	1,536,796	1,553,781	1,680,462	1,792,527	1,837,093	44.09%
Labor	38,332	48,632	116,660	152,423	103,161	62,407	54,529	77,794	83,613	82,008	1.97%
Natural Resources	73,681	87,710	80,331	98,514	84,911	115,906	109,259	107,109	103,908	113,822	2.73%
Public Protection	51,194	50,360	56,815	53,627	56,597	56,640	56,733	63,357	86,748	81,630	1.96%
Transportation	276,401	273,528	275,179	310,590	291,631	308,040	356,164	353,030	347,228	371,753	8.92%
Total Expenditures	\$2,650,212	\$2,770,818	\$3,066,830	\$3,339,240	\$3,274,824	\$3,493,787	\$3,553,954	\$3,727,274	\$3,958,357	\$4,166,365	100.00%