

**State of Maine County and Municipal Law Enforcement Officers & Municipal Firefighters Retiree Healthcare Plan**

**Exhibit 1: Schedule of Changes in Net OPEB Liability**

(All dollar amounts are in thousands)

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
<b>June 30, 2016</b>	\$ 26,052	\$ -	\$ 26,052
Service Cost	1,836		1,836
Interest	786		786
Changes In Benefit Terms	-		-
Changes In Assumptions - Discount Rate	(1,325)		(1,325)
Changes In Assumptions - Others	(4,863)		(4,863)
Differences Between Expected And Actual Experience	(2,909)		(2,909)
Benefit Payments			
Explicit Subsidy	\$ (597)		
Implicit Subsidy	\$ -		
Total	(597)	(597)	-
Contributions - Employer			
Explicit Subsidy	\$ 78		
Implicit Subsidy	\$ -		
Total		78	(78)
Contributions - Employee		618	(618)
Administrative Expenses		(99)	99
Net Investment Income			
Expected Investment Earnings	\$ -		
Differences Between Projected And Actual Investment Earnings	\$ -		
Total		-	-
<b>Net Change</b>	<b>\$ (7,072)</b>	<b>\$ -</b>	<b>\$ (7,072)</b>
<b>June 30, 2017</b>	<b>\$ 18,980</b>	<b>\$ -</b>	<b>\$ 18,980</b>
		<b>June 30, 2017</b>	<b>June 30, 2016</b>
Plan Fiduciary Net Position As A Percentage Of Total OPEB Liability		0.0%	0.0%
Covered Payroll		\$ 62,551	\$ 55,651
Net OPEB Liability As A Percentage Of Covered Payroll		30.3%	46.8%
<b>Sensitivity of Net OPEB Liability to changes in Discount Rate</b>		<b>June 30, 2017</b>	<b>% Change</b>
A one percentage point change in discount rate would have the following effect on Total OPEB Liability as of June 30, 2017:			
One Percentage Increase (4.58%)		\$ (1,639)	-9%
One Percentage Decrease (2.58%)		\$ 1,845	10%
Net OPEB Liability at a one percentage point change in discount rate as of June 30, 2017 is as follows:			<b>Net OPEB Liability</b>
One Percentage Increase (4.58%)			\$ 17,341
One Percentage Decrease (2.58%)			\$ 20,825
<b>Sensitivity of Net OPEB Liability to changes in Trend Rate</b>		<b>June 30, 2017</b>	<b>% Change</b>
A one percentage point change in trend rate would have the following effect on Total OPEB Liability as of June 30, 2017:			
One Percentage Increase (7.6% grading down to 5.3%)		\$ 2,264	12%
One Percentage Decrease (5.6% grading down to 3.3%)		\$ (1,936)	-10%
Net OPEB Liability at a one percentage point change in trend rate as of June 30, 2017 is as follows:			<b>Net OPEB Liability</b>
One Percentage Increase (7.6% grading down to 5.3%)			\$ 21,244
One Percentage Decrease (5.6% grading down to 3.3%)			\$ 17,044
<b>Key Assumptions</b>		<b>June 30, 2017</b>	<b>June 30, 2016</b>
Discount Rate		3.58%	2.85%
Investment Rate of Return		0.00%	0.00%
Inflation		2.75%	3.00%
Initial Medical Trend Rate <sup>1,2</sup>		6.60%	7.50%
Ultimate Medical Trend Rate <sup>2</sup>		4.29%	5.00%
Year Ultimate Trend Rate Reached		2075	2026

<sup>1</sup> 5.75% for Portland at June 30, 2017; 4.40% for Portland at June 30, 2016

<sup>2</sup> Trend for Portland is limited to no more than inflation + 3% in any given year.

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**Exhibit 2: Development of OPEB Expense for Year Ended 06/30/2017**

(All dollar amounts are in thousands)

Components of OPEB Expense	Year Ended 06/30/2017
Service Cost	\$ 1,836
Interest	786
Expected Investment Earnings	0
Contributions - Employee	(618)
Administrative Expenses	99
Changes In Benefit Terms	0
Recognition of Current Period Deferred Outflows and Inflows	
Changes in assumptions	(840)
Differences between expected and actual experience	(395)
Differences between expected and actual investment earnings	0
Recognition of Beginning Deferred Outflows	0
Recognition of Beginning Deferred Inflows	0
<b>OPEB Expense</b>	<b>\$ 868</b>

Assumptions Used to Determine OPEB Expense	Year Ended 06/30/2017
Discount Rate	2.85%
Investment Rate of Return	0.00%
Inflation	3.00%
Initial Medical Trend Rate <sup>1,2</sup>	7.50%
Ultimate Medical Trend Rate <sup>2</sup>	5.00%
Year Ultimate Trend Rate Reached	2026

<sup>1</sup> 5.75% for Portland at June 30, 2017; 4.40% for Portland at June 30, 2016

<sup>2</sup> Trend for Portland is limited to no more than inflation + 3% in any given year.

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**Exhibit 3: Schedule of Outflows/(Inflows)\***

(All dollar amounts are in thousands)

Measurement Date Established	Initial Amount	Deferred		Initial Years	Remaining Years	Outflows/(Inflows) Recognized in Year Ended 06/30/2017
		Outflows of Resources as of 06/30/2017	Deferred (Inflows) of Resources as of 06/30/2017**			
Changes In Assumptions						
06/30/2017	(6,188)	-	(5,348)	7.37	6.37	(840)
Total		\$ -	\$ (5,348)			\$ (840)
Differences Between Expected And Actual Plan Experience						
06/30/2017	(2,909)	-	(2,514)	7.37	6.37	(395)
Total		\$ -	\$ (2,514)			\$ (395)
Net Difference Between Projected And Actual Earnings On Investments						
06/30/2017	-	-	-	-	-	-
Total		\$ -	\$ -			\$ -
<b>Balance as of 06/30/2017</b>		<b>\$ -</b>	<b>\$ (7,862)</b>			<b>\$ (1,235)</b>
<b>Deferred Outflows And Deferred (Inflows) Of Resources Will Be Recognized In Expense As Follows:</b>						
<b>Year Ending:</b>						<b>Outflows/(Inflows)</b>
06/30/2018						\$ (1,235)
06/30/2019						(1,235)
06/30/2020						(1,235)
06/30/2021						(1,235)
06/30/2022						(1,235)
Thereafter						(1,687)

\*There will also be a Deferred Outflow for Contributions Made after the Measurement Date (\$5 for fiscal year ending 6/30/2018).

\*\* Deferred (Inflows) should be disclosed as positive numbers in the CAFR.

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**Exhibit 4: 10-Year Schedule of Net OPEB Liability**

*(All dollar amounts are in thousands)*

<b>Year Ended</b>	<b>Total OPEB Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net OPEB Liability (c)</b>	<b>Position As A Percentage Of Total OPEB Liability (d)</b>	<b>Covered Payroll (e)</b>	<b>Net OPEB Liability As A Percentage Of Covered Payroll (f)</b>
			(a)-(b)	(b)/(a)		(c)/(e)
June 30, 2016	\$26,052	\$0	\$26,052	0.0%	\$55,651	46.8%
June 30, 2017	\$18,980	\$0	\$18,980	0.0%	\$62,551	30.3%

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**Exhibit 5: 10-Year Schedule of the State's Proportionate Share of Net OPEB Liability**

*(All dollar amounts are in thousands)*

<b>Year Ended</b>	<b>State's Proportion of the Net OPEB Liability* (a)</b>	<b>State's Proportionate Share of the Net OPEB Liability (b)</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (c)</b>
June 30, 2016	23%	\$26,052	0.0%
June 30, 2017	23%	\$18,980	0.0%

\*The State's proportionate share for fiscal years ended June 30, 2016 and June 30, 2017 was estimated assuming the same share of implicit subsidy for each municipality's OPEB plan. GASB Statement no. 75, paragraph 213, provides for combining disclosures for more than one plan in cases that avoid unnecessary duplication.