



Maine Retirement Savings Board (d/b/a MERIT – Maine Retirement Investment Trust)

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION

December 31, 2024
With Independent Auditor's Report



**MAINE RETIREMENT SAVINGS BOARD
d/b/a MERIT – Maine Retirement Investment Trust**

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MAINE RETIREMENT SAVINGS BOARD
d/b/a MERIT – Maine Retirement Investment Trust

Board of Directors

Joseph Perry, Chair – member who is the Maine State Treasurer, elected in December of 2024, and experience serving as the Maine Legislature, with 14 years serving on the tax committee, 6 as Senate Chair, and 2 as House Chair

Dr. Rebecca Wyke, Vice Chair – member who is the CEO of Maine Public Employees Retirement System and has experience serving in executive roles being a previous board member

Matthew Colpitts – member who is senior vice president of a government bank and experience being a deputy state treasurer

Gigi Guyton-Thompson – member who is a loan officer/portfolio manager and business advisor with experience as a microbusiness specialist and teaching financial planning

Jessica Linzer – member who is now a retired federal employee who actively volunteers and an advocate for AARP Maine

Nate Moody – member who is a partner and retirement plan advisor focusing on retirement and executive benefit programs

Deb Neuman – member who serves as president and CEO of the Bangor Region Chamber of Commerce

Daniel Piltch – member who is a founding partner at a venture capital firm providing capital and operating experience

Tina Wilcoxson – member who owns a health food and organic grocery store who has experience serving on two other boards

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Maine Retirement Savings Board
dba MERIT – Maine Retirement Investment Trust

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Maine Retirement Savings Board d/b/a MERIT – Maine Retirement Investment Trust (MRSB), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise MRSB's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of MRSB as of December 31, 2024, and the changes in its financial position and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles (U.S. GAAP).

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about MRSB's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with U.S. GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of MRSB's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about MRSB's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

U.S. GAAP require that Management's Discussion and Analysis on pages 5 to 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Board of Directors
Maine Retirement Savings Board
dba MERIT – Maine Retirement Investment Trust

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the listing of the Board of Directors on page 1 but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basis financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 9, 2025 on our consideration of MRSB's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of MRSB's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering MRSB's internal control over financial reporting and compliance.

BDMF Assurance, LLP

Manchester, New Hampshire
April 9, 2025

MAINE RETIREMENT SAVINGS BOARD
d/b/a MERIT – Maine Retirement Investment Trust

Management's Discussion and Analysis
(Unaudited)

Introduction

The Maine Retirement Savings Board (MRSB) is a public retirement savings board for Maine employees who do not have access to a retirement savings plan through their employer. MRSB, who does business as the Maine Retirement Investment Trust, is a Maine state administrated retirement saving program. The purpose is to empower workers to build an increased retirement savings through a low-cost plan to benefit Maine workers. MRSB meets six times a year to oversee the program administration and investments, as well as establish policies and rules to quality for the program.

The *Financial Statements with Supplementary Information* consist of three main parts: management's discussion and analysis (MD&A); the basic financial statements, which provide both short-term and long-term information about MRSB's overall financial status; and the notes to the financial statements, which are an integral part of the report as they provide additional explanation and more detailed information regarding the amounts in the basic financial statements and other significant aspects of MRSB's operations.

The Basic Financial Statements

There are three statements that comprise MRSB's enterprise fund basic financial statements.

The ***Statement of Net Position*** presents information on MRSB's assets and liabilities with the difference between the two reported as Net Position. This statement is presented as of MRSB's year end, December 31.

The ***Statement of Revenues, Expenses, and Changes in Net Position*** reports operating revenues and expenses incurred in the normal course of business (operating income or loss) plus non-operating revenues and expenses such as non-exchange transactions including grants, transfers between entities, and other transactions of an unusual or non-recurring nature.

The ***Statement of Cash Flows*** reports on the sources and uses of changes in cash and cash equivalents for the year. Activities that effect a change in cash are grouped into four categories: (1) operating activities; (2) non-capital financing activities (debt related activities and non-operating income); (3) investing activities; and (4) capital related financing activities (purchase and financing of capital assets).

Net Position

Total assets decreased \$197,933 in 2024. The primary reason was due to use of operating assets to cover operating expenses.

Total liabilities increased by \$5,329 in 2024 due primarily to MRSB accruing for sick time and vacation time in 2024.

Total net position decreased by \$203,262 in 2024, based on operating loss of \$255,468 and \$52,206 of non-operating revenue representing interest earnings earned from MRSB's cash balances maintained by the State Board of Investment in the Invested Treasurer's Cash Pool.

MAINE RETIREMENT SAVINGS BOARD
d/b/a MERIT – Maine Retirement Investment Trust

Management's Discussion and Analysis
(Unaudited)

Revenues, Expenses and Changes in Net Position

Nonoperating revenue consists of interest earned from MRSB's cash balances maintained by the State Board of Investment in the Invested Treasurer's Cash Pool.

Salaries and fringe benefits consists of salaries, payroll taxes, worker's compensation insurance, health insurance, retirement plan contributions, sick time expense and vacation expense. These expenses increased \$4,844 in 2024 due primarily to recording accrued expenses for compensated absences for sick and vacation time.

Purchased services decreased \$18,992 in 2024 due primarily to needing less legal services during the year.

Other expenses increased \$2,090 in 2024 primarily due to marketing more during 2024 and incurring more expenses related to those activities.

Cash Flows

Cash flows are grouped by 4 categories, when applicable: (1) Operating Activities include disbursing and collecting on loans receivable and paying for operating expenses; (2) Non-Capital Financing Activities include proceeds and payments on notes payable and commercial paper, as well as non-operating revenues or expenses; (3) Investing Activities are the result of investment purchases and sales and related income; and (4) Capital and Related Financing Activities that includes the purchase and the financing of capital assets and related repayments. During the year ended December 31, 2024, MRSB used \$206,244 for operating activities. There were no other categories of cash flows during the year ended December 31, 2024.

Currently known facts, decisions or conditions that are expected to have a significant effect on net position or results of operations

In February 2025, it was noted that Maine Retirement Investment Trust reached \$10,000,000 in assets saved towards retirement by participating Maine employees in the first year of the program's operations.

This financial report is designed to provide a general overview of MRSB's finances. If you have questions about this report or need additional financial information, please contact Elizabeth Bordowitz via email at Elizabeth.Bordowitz@mainesaves.org. Visit the MRSB website at <https://meritsaves.org/>.

MAINE RETIREMENT SAVINGS BOARD
d/b/a MERIT – Maine Retirement Investment Trust

Statement of Net Position

December 31, 2024

Assets

Current assets:

Cash and cash equivalents \$ 1,125,852

Prepaid expenses and other assets 2,088

Total current assets 1,127,940

Noncurrent assets:

Intangibles 13,035

Total assets \$ 1,140,975

Liabilities

Current liabilities:

Accounts payable \$ 5,355

Accrued expenses and other liabilities 8,990

Total liabilities \$ 14,345

Net position

Unrestricted \$ 1,126,630

Total net position \$ 1,126,630

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

MAINE RETIREMENT SAVINGS BOARD
d/b/a MERIT – Maine Retirement Investment Trust

Statement of Revenues, Expenses, and Changes in Net Position

For the Year Ended December 31, 2024

Operating revenue	
Program income	\$ <u>23,174</u>
Total operating revenue	<u>23,174</u>
Operating expenses	
Salaries and fringe benefits	186,052
Purchased services	46,700
Other expenses	<u>45,890</u>
Total operating expenses	<u>278,642</u>
Operating loss	(255,468)
Nonoperating revenues	
Interest earnings	<u>52,206</u>
Net decrease in net position	(203,262)
Net position, beginning of year	<u>1,329,892</u>
Net position, ending of year	\$ <u><u>1,126,630</u></u>

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

MAINE RETIREMENT SAVINGS BOARD
d/b/a MERIT – Maine Retirement Investment Trust

Statement of Cash Flows

For the Year Ended December 31, 2024

Cash flows from operating activities	
Net decrease in net position	\$ (203,262)
Depreciation and amortization	1,186
Changes in assets and liabilities:	
Accounts receivable	4,251
Prepaid expenses and other assets	(13,748)
Accrued expenses and other liabilities	<u>5,330</u>
Net cash used by operating activities and net decrease in cash and cash equivalents	(206,244)
Cash and cash equivalents, beginning of year	<u>1,332,096</u>
Cash and cash equivalents, ending of year	\$ <u><u>1,125,852</u></u>

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

**MAINE RETIREMENT SAVINGS BOARD
d/b/a MERIT – Maine Retirement Investment Trust**

Notes to the Financial Statements

December 31, 2024

1. Authorizing Legislation

The Maine Retirement Savings Board (MRSB) is a public retirement savings board for Maine employees who do not have access to a retirement savings plan through their employer. MRSB does business as the Maine Retirement Investment Trust that started in 2024. It was created by the state of Maine to be the state administrated retirement savings program. MRSB's mission is to help Maine workers have a low-cost retirement plan. MRSB is reported as a component unit in the State's financial statements and is generally exempt from federal income taxes.

MRSB is governed by a 9-member Board of Directors (the Board). The Board is comprised of the Maine State Treasurer and eight Board members appointed by the Governor and confirmed by the Maine Senate.

2. Summary of Significant Accounting Policies

Basis of Accounting

MRSB follows the accrual basis of accounting whereby revenues are recorded when earned and expenses are recorded when incurred in accordance with U.S. generally accepted accounting principles (U.S. GAAP).

Use of Estimates

In preparing financial statements in conformity with U.S. GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the statements of financial condition and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

There are no material estimates that are particularly susceptible to significant change in the near-term.

Cash and Cash Equivalents

For purposes of statement of net position classification and the statement of cash flows, MRSB considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

The custodial credit risk for cash held as bank deposits is the risk that, in the event of a bank failure, MRSB's deposits may not be recovered. Bank deposits in excess of the insured amount and collateralized amount are uninsured and uncollateralized. MRSB's bank deposits at December 31, 2024 totaled \$89,287 and were included in cash and cash equivalents on the statement of net position. Of this amount, \$0 was exposed to custodial credit risk as uninsured and uncollateralized. These amounts reflect the Federal Deposit Insurance Corporation limit of \$250,000 per institution at December 31, 2024.

MAINE RETIREMENT SAVINGS BOARD
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Notes to the Financial Statements

December 31, 2024

Interest rate risk is the risk that changes in interest rates of investments will adversely affect the fair value of an investment. MRSB's cash and cash equivalents not held as bank deposits are managed by the State Board of Investment in the Invested Treasurer's Cash (ITC) Pool which is a short-term pooled fund.

Income Taxes

MRSB is exempt from federal and state taxes on income under provisions of the Internal Revenue Code and state statutes.

Operating Revenues and Expenses

All revenues and expenses related to managing MRSB's assets and liabilities, including all overhead expenses, are considered "operating" revenues or expenses. Inter-governmental transfers such as appropriations and other items of an unusual or nonrecurring nature are considered "non-operating" revenues or expenses.

3. Legal Contingencies

MRSB could be subject to lawsuits or legal claims in the ordinary course of business. Historically, there has been no such litigation and no judgments that would materially affect MRSB's financial position individually or in aggregate.