MainePERS
PUBLIC EMPLOYEES RETIREMENT SYSTEM

Finance and Audit Committee

Public Meeting Packet

August 14, 2025

MainePERS Board of Trustees
Finance and Audit Committee Meeting
August 14, 2025
139 Capitol Street, Augusta

AGENDA

8:00 a.m.[1]		CALL TO ORDER		Shirrin Blaisdell
8:00 – 8:05 a.m.	1.	MINUTES APPROVAL 05/8/2025 Meeting	ACTION	Shirrin Blaisdell
8:05 – 8:20 a.m.	2.	EXTERNAL AUDIT a. Audit Plan Review		Mark LaPrade, BerryDunn Leah Claire, BerryDunn Sherry Vandrell Jennifer Lidback
8:05 – 8:20 a.m.	3.	INTERNAL AUDIT a. Actuarial Practices Review b. Legislative Practices Review		James Kreiser, CLA Sherry Vandrell
8:20 – 8:45 a.m.	4.	ADMINISTRATION a. Employer Reporting Update b. Status of Audit Findings and Recommendations c. Enterprise Risk Management Report		Dr. Rebecca M. Wyke Sherry Vandrell Michael Colleran
8:45 – 8:55 a.m.	5.	REPORT ON FINANCIAL OPERATIONS a. 06/30/2025 Administration Operations Expense Report b. 06/30/2025 Investment Operations Expense Report		Dr. Rebecca M. Wyke Sherry Vandrell
8:55 – 9:00 a.m.	6.	OPEGA REQUIRED REPORTING TO THE BOARD a. Travel Report b. Procurement Report		Dr. Rebecca M. Wyke Sherry Vandrell
9:00 a.m.		ADJOURNMENT		Shirrin Blaisdell

[1] All times are estimated based upon the anticipated length of each presentation, hearing, discussion, and action. The presiding officer may take agenda items out of order for more efficient or effective conduct of the meeting.

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

M i n u t e s

Board of Trustees
Meeting of the Finance and Audit Committee
May 8, 2025

139 Capitol Street
Augusta, Maine
8:00 a.m.

The meeting of the Finance and Audit Committee was held at 8:00 a.m. at the office of the Maine Public Employees Retirement System, 139 Capitol Street, Augusta, Maine. Shirrin Blaisdell, Finance and Audit Committee Chair, presided. Committee member Dick Metivier, Vice Chair also participated. Joining the Trustees were Dr. Rebecca M. Wyke, Chief Executive Officer; Michael Colleran, Chief Operating Officer and General Counsel; Sherry Vandrell, Chief Financial Officer; Jenn Lidback, Assistant Director of Finance and Budget; and Sarah Lutzke, Wipfli.

Shirrin Blaisdell called the meeting to order at 8:00 a.m.

MINUTES

Shirrin called for acceptance of the minutes from the April 10, 2025 meeting of the Finance and Audit Committee.

- Action: Dick Metivier made the motion, seconded by Shirrin Blaisdell, to accept the minutes from the April 10, 2025 meeting. Voted unanimously by those Trustees participating (Blaisdell and Metivier).

INTERNAL AUDIT PRESENTATION

Sarah Lutzke of Wipfli presented the audit report on the MaineSTART accounting practices and procedures. Sarah shared that the overall results were strong.

Shirrin Blaisdell thanked Sherry and her staff on a job well done. Sherry Vandrell stated CLA is currently working on the next audit covering legislative processes.

ADMINISTRATION

Employer Reporting Update

Sherry Vandrell stated employer account reconciliations continue with 84.2% of accounts being fully reconciled through February. Sherry shared work continues to focus on the oldest accounts.

Report on Internal Audit

Sherry Vandrell shared the status of unresolved audit findings and recommendations. She stated the recommendations of the MaineSTART audit are not reflected in the current report but will be included in the next.

FY25 Financial Statement Audit Schedule

Sherry Vandrell reviewed the proposed FY26 audit plan with the Committee.

REPORT ON FINANCIAL OPERATIONS

3/31/25 Administration and Investment Operations Budgets

Sherry Vandrell reviewed the draft Administrative and the Investment Operations budgets for the nine months ended March 31, 2025. Sherry discussed and answered questions from the Committee on both the Administrative and Investment operations budgets.

FY26 DRAFT BUDGET

Dr. Rebecca M. Wyke and Sherry Vandrell reviewed the proposed Administrative and Investment Operations budgets for the fiscal year ending June 30, 2026 and answered questions from the Committee.

Dr. Wyke shared the proposed Administrative budget is an increase of 7.3% while the Investment budget decreased by .3%. Dr. Wyke and Sherry answered questions from the Committee.

- Action. Dick Metivier made the motion, seconded by Shirrin Blaisdell to accept the FY26 Recommended Operating Budget in the amount of $23,593,914 and the Recommended Investment Operations Budget in the amount of $6,907,327 as presented and recommend approval to the full Board at its May 8, 2025 meeting. Unanimously voted by those Committee members present (Blaisdell and Metivier).

OPEGA REQUIRED REPORT TO THE BOARD

Sherry Vandrell shared the travel expense report for the quarter ended 3/31/25 is included in the packet and the procurement report will be included in the August packet.

ADJOURNMENT

- Action: Dick Metivier made the motion, seconded by Shirrin Blaisdell to adjourn the meeting of the Finance and Audit Committee. Voted unanimously by those participating (Blaisdell and Metivier).

The meeting adjourned at 8:30 a.m.

The next meeting of the Finance and Audit Committee is expected to be held on August 14, 2025 at 8:00 a.m.

August 14, 2025
Date Approved by the Committee

Dr. Rebecca M. Wyke, Chief Executive Officer

Date Signed

MAINEPERS

FINANCE AND AUDIT COMMITTEE MEMORANDUM

TO: FINANCE AND AUDIT COMMITTEE MEMBERS

FROM: SHERRY VANDRELL, CHIEF FINANCIAL OFFICER

SUBJECT: EXTERNAL AUDIT

DATE: JULY 23, 2025

POLICY REFERENCE

Board Policy 1.6 – Finance and Audit Committee of the Board

FY25 FINANCIAL STATEMENT AUDIT PLAN REVIEW

Mark LaPrade and Leah Claire will attend the August 14th Finance and Audit Committee meeting to review their audit plan with you and to answer any questions you may have.

RECOMMENDATION

No action is required by the Committee at this time.

MainePERS
PUBLIC EMPLOYEES RETIREMENT SYSTEM

Pre-audit Communications

Mark LaPrade, CPA, CGMA
Partner | BDMP Assurance, LLP
Principal | Berry, Dunn, McNeil & Parker, LLC

Leah L. Clair, CPA*
Senior Manager | Berry, Dunn, McNeil & Parker, LLC

BerryDunn

**Attest services are provided by BDMP Assurance, LLP, a licensed CPA firm.*

August 14, 2025

Agenda

1. Required Auditor Communications
2. GASB 68 and 75 Audits
3. Planned Significant Audit Areas
4. Audit Timing
5. Planning Inquiries

Responsibilities

Management's Responsibilities

- Preparation and fair presentation of the financial statements
- Design, implementation and maintenance of effective internal controls over financial reporting
- Audit does not relieve management or those charged with governance of their responsibilities

Our Responsibilities

- Express an opinion on the financial statements, as well as the GASB 68 and 75 Schedules (the Schedules)
- Audit is designed to obtain reasonable assurance that the financial statements are free from material misstatement
- Audit does not relieve management or those charged with governance of their responsibilities
- We will apply limited procedures on the Required Supplementary Information (RSI), but will not opine on the RSI
- We will opine on certain other financial information included in the ACFR
- We are not engaged to report on other nonfinancial information

Required Supplementary Information and Other Information in the ACFR

Required Supplementary Information

- Management's Discussion and Analysis
- Schedules of Historical Pension Information
- Schedules of Historical OPEB Information
- Notes to Historical Pension and OPEB Information

Other Audited Information

- Schedule of Investment Expenses
- Schedule of Administrative Expenses
- Schedule of Professional Fees

Other Unaudited Information

- Introductory Section
- Investment Section
- Actuarial Section
- Statistical Section

U.S. Generally Accepted Auditing Standards

- Examine on a test basis, evidence supporting amounts and disclosures in the financial statements
- Select audit procedures based on our assessment of the risk of material misstatements
- Risk that a material misstatement exists and is not identified by the audit procedures
- We consider the application of accounting standards and the adequacy of the financial statement disclosures
- We perform tests in key audit areas
- We consider internal controls over financial reporting and compliance with laws, regulations contracts and agreements, but do not express opinions
- Required to be independent of the System

Communications at the Conclusion of the Audit

- Qualitative aspects of accounting practices
- Audit adjustments and unrecorded audit adjustments
- Internal control matters, if identified
- Difficulties and disagreements with management
- Consultations with other accountants by management
- Management representations

GASB Statement No. 68 – Audited Components

- Schedule of Employer and Non-Employer Allocations for the SET Plan
- Schedule of Employer Allocations for the PLD Consolidated Plan
- Total for all Entities for Each Plan of the columns titled:
  - Net Pension Liability
  - Deferred Outflows and Deferred Inflows of Resources
  - Employer Pension Expense
- Related Notes to the Schedules

GASB Statement No. 75 – Audited Components

- Schedule of Employer and Non-Employer Allocations for the SET Plan
- Schedule of Employer Allocations for the PLD Consolidated Plan
- Total for all Entities for Each Plan of the columns titled:
  - Net OPEB Liability
  - Deferred Outflows and Deferred Inflows of Resources
  - Employer Benefits Expense Excluding that Attributable to Employer-Paid Member Contributions
- Related Notes to the Schedules

Planned Significant Audit Areas

Cash and Cash Equivalents

Accounts Payable and Other Liabilities

Investment and Related Income

Benefit Payment and Obligations

Contributions and Premiums and Revenue and Related Receivables

Census Data and Actuarial Information

Management override of controls, valuation of investments, contributions, benefit payments and benefit obligations have been identified as the areas with significant audit risks as part of our audit planning.

In addition to the significant audit areas and risks noted above, we would select other areas and transactions to test to preserve the element of unpredictability.

Audit Timing

Plan

- Year-round discussion
- Assess current year developments
- Initial risk assessments
- Develop our audit plan
- Discuss our plan with those charged with governance

Interim

- Internal controls walkthroughs
- Analytic procedures
- Selected testing of significant estimates
- Interim exit meeting with management
- Week of July 28, 2025

Year-end

- Year-end balances in significant areas
- Analytic and substantive procedures
- Review of draft financial statements
- The period of September 1st to October 10th 2025
- Draft reports to management by September 30, 2025

Finalization

- Presentation to the Finance and Audit Committee
- Audit Executive Summary
- Financial Statements
- Required Communications Letter
- October – TBD
- GASB 68 and 75 reports will be issued no later than January 31, 2026

Planning Inquiries

- Fraud
- Non-compliance with laws and regulations
- Litigation
- Changes in policy
- Commitments or contingencies
- Areas of concern or other matters

Questions?

Mark LaPrade, CPA, CGMA

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MAINEPERS

FINANCE AND AUDIT COMMITTEE MEMORANDUM

TO: FINANCE AND AUDIT COMMITTEE MEMBERS

FROM: SHERRY VANDRELL, CHIEF FINANCIAL OFFICER

SUBJECT: INTERNAL AUDIT PRESENTATION

DATE: JULY 23, 2025

POLICY REFERENCE

Board Policy 1.6 – Finance and Audit Committee of the Board

INTERNAL AUDIT PRESENTATION

James Kreiser from the audit firm CliftonLarsonAllen will be attending the August meeting of the Finance and Audit Committee to present two audit reports resulting from the review of our actuarial processes and procedures, and the review of our legislative processes and procedures. A copy of each audit report is included in your packet materials for your reference.

RECOMMENDATION

No action is required by the Committee at this time.

Actuarial Practices Review
Maine Public
Employee's Retirement System

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Background

As part of the annual Enterprise Risk Assessment and related Audit Plan, under direction of the Finance and Audit Committee, a review of the Actuarial Practices of Maine Public Employee's Retirement System (MainePERS) was performed during the period from December 30, 2024, through February 14, 2025. The review was requested to review and evaluate the organization's Actuarial Practices process against leading practices and determine whether control deficiencies existed within the internal control environment. This review cannot be relied upon to disclose errors, fraud, or noncompliance with laws and regulations.

We have concluded our consulting engagement to perform the procedures described in the attached report. These procedures, which were agreed to by MainePERS, were applied solely to assist in evaluating the internal controls of MainePERS. Management of MainePERS is responsible for their operations and internal controls. We performed this engagement in accordance with Statements on Standards for Consulting Services issued by the American Institute of Certified Public Accountants. The execution and maintenance of adequate internal controls is solely the responsibility of the management of MainePERS. Consequently, we make no representations regarding the sufficiency of the procedures described in the attached document either for the purpose for which this report has been requested or for any other purpose.

CliftonLarsonAllen (CLA) was not engaged by MainePERS to conduct a financial audit, for which the objective would be the expression of an opinion on the financial statements. Had we been hired to perform an audit of financial statement information in accordance with U.S. generally accepted auditing standards, other issues may have come to our attention that would have been reported to you. Therefore, we express no opinion on the effectiveness of MainePERS's controls over all or any part of its financial statements.

Internal Controls Assessment Objectives and Scope

The objective of the Actuarial Practice Review was to review and evaluate processes and controls currently in place against leading practices. The focus of the assessment was to address the following risks:

1. Perform a current state process assessment, internal controls assessment and organization assessment of the Actuarial Process to evaluate the design of current state processes and internal controls as it pertains to the organization's Actuarial Practice processes.
2. Assess the governance and accountability over the Actuarial Practice process, as well as the inherent risks from misappropriation, fraud, and abuse.
3. Compare current state internal controls versus leading practices.
4. Propose future state changes that mitigate risk, better support internal controls of MainePERS.

<u>The following processes and sub-processes are in-scope, as well as segregation of duties in each area:</u>

The objective of the Actuarial Practice Review included the review of processes and controls related to the design and test of operating effectiveness, including:

1. MainePERS Governance
   - Policies, processes and controls
   - Management and Board review and approval of policies and procedures
2. Census
   - Policies, processes and controls census function
   - Extraction, validation, access and transmission of participant data.
   - Management's review and approval of supporting data and reports generated during the process.
3. Valuation
   - Policies, processes and controls addressing valuation function.
   - Preparation of financial inputs and review of actuarial reports
   - Management's review and approval of actuarial reports and deliverables
4. Organizational Resilience
   - Board of Trustees Education
   - Cross Training Procedures

Procedures Performed

The Actuarial Practice Review was performed in collaboration with members of MainePERS.

As part of the review, various techniques were used to audit and assess the effectiveness of the internal controls, including:

1. Interviewed members of MainePERS
   - Sherry Vandrell, Chief Financial Officer
   - Kathy Morin, Director of Actuarial and Legislative Affairs
   - Ron Farris, Financial Reporting Manager

2. Gathered supporting documents describing current state processes (e.g., policies, procedures, screenshots, flowcharts, reconciliations, analyses, etc.)

3. Reviewed, tested and evaluated MainePERS processes and controls for the following functions.
   - Trustee and Organizational Policies and Procedures:
     - Procurement process for identifying and hiring external actuarial services, including performance reviews
     - Independent actuarial audits
     - Conducting the annual actuarial valuation
     - Conducting asset / liability studies and adjusting asset allocations
     - Procedures covering five-year experience studies
     - Process addressing the rate-making process, including data sources, assumptions, and methodologies used
   - Census Data:
     - Procedures related to the extraction and review of data for the annual actuarial census files
     - Review and validation of the census files (active, inactive, retired) prior to submission to the actuary including pre- and post-processing queries
   - Valuation Process:
     - Procedures related to the review of Annual Actuarial Report process
     - Management review and approval of the actuary's draft presentation of valuation results and proposed employer contribution rate
     - Board review and approval of changes to the investment assumed rate of return and other potential changes
   - Organizational Resilience
     - Board of Trustee Fiduciary Education program
     - Employee cross training

4. Ranked current-state processes against five levels of maturity definition (1. Initial; 2. Repeatable; 3. Defined; 4. Managed; and 5. Optimized)

We would like to acknowledge and thank management with whom we interacted. The time, effort, and discussions they provided were instrumental in our understanding and provided the necessary information to complete our project. During the course of our assessment, management and personnel provided all of the materials requested and answered all of our questions promptly. Below is the assessment executive summary.

Review and Assessment Results – Executive Summary

CLA assessed the processes and controls within the Actuarial Process to determine both the maturity level of the control environment and the effectiveness of those controls. The control environment maturity levels identified during the review were identified as either Defined or Initial.

- Defined Maturity Level**:** Internal control uniform across the entity's processes; transaction flows documented; risk of fraud, errors, and omissions identified; control processes for mitigating risks have enhanced documentation and integration.
- Initial Maturity Level: Few processes are defined, and success depends on individual effort and heroics; No formal procedures exist, controls are non-existent or primarily in reaction to a "surprise", there are no metrics or performance monitoring.

The majority of the established processes and controls were assessed as having a *Defined Maturity* and is considered suitable for the control environments by management and internal audit.

Following the conclusion of our testing of MainePERS Internal Control Environment, ***we identified No Critical or Major Internal Control Deficiencies***. Following is a summary of the testing results.

Processes	Control Description	Improve Opp.	Control Finding	Process Maturity Level
Policies & Procedures	Governance policies are reviewed and updated on a three-year cycle or as frequently as needed by management and the Board to ensure organizational compliance. The review is documented in the Board meeting minutes.	**No**	**No**	**Defined**
	• MainePERS has established a procurement policy that pertains to the hiring of the external actuary, including a periodic Board and staff review of the consultant at least every five years.	**No**	**No**	**Defined**
	• MainePERS has established a policy to evaluate the appropriateness of the actuarial methods, assumptions, and their application through an independent actuarial audit at least once every five years.	**No**	**No**	**Defined**
	• MainePERS has established a policy for conducting an annual actuarial valuation every year.	**No**	**No**	**Defined**
	• MainePERS has established a policy for conducting asset/liability studies every five years and to adjust asset allocation as needed.	**Yes (A,B)**	**No**	**Defined**
	• MainePERS has established a policy for conducting an experience study every five years. The Board is responsible for approving the new assumptions.	**No**	**No**	**Defined**
	• MainePERS has established a policy for the rate-making process. The rate-making process is documented, including data sources, assumptions, and methodologies used.	**Yes (C)**	**No**	**Defined**
	• MainePERS has documented which assumption elements are decided by the Board versus the legislature and any other oversight bodies in the State	**No**	**No**	**Defined**
	• MainePERS has adopted a fiduciary education program for the Board of Trustees to receive training/education on actuarial practices annually.	**No**	**No**	**Defined**

Processes	Control Description	Improve Opp.	Control Finding	Process Maturity Level
Census Data	• MainePERS has established procedures to provide guidance on the required process to follow for the annual actuarial census files and review process.	**No**	**Yes (1)**	**Initial**
	• Each file has a batch and report/export file specification, and management understands the use of the data requested.	**Yes (D)**	**No**	**Defined**
	• Before data extraction, MainePERS conducts pre-processing checks to identify and address potential issues that may affect the accuracy of the census data. Pre-Processing Queries are reviewed by the Benefits System Analyst, and outstanding issues are researched with the specific business units. The Director of Actuarial and Legislative Affairs oversees this process.	**No**	**No**	**Defined**
Census Data	• When the Batch code runs without error, the files are sent to the Benefits System Analyst and saved to the H drive (Actuarial Common) to begin the initial review. Folder permissions are restricted to authorized staff to maintain secure data storage.	**No**	**No**	**Defined**
	• MainePERS performs data validation and verification processes of the census files (active, inactive, retired) prior to submission to the actuary, including post-processing queries. The Benefit Systems Analyst is the process owner. The authorization to release the files is not formalized.	**No**	**Yes (2)**	**Initial**
	• The census files are uploaded through a secure FTP. File retrieval is confirmed via email with the actuary.	**No**	**No**	**Defined**
	• Known issues and data questions are tracked by MainePERS in a file and are addressed by MainePERS through communication and documentation with the actuary.	**Yes (E)**	**No**	**Defined**
Valuation	• MainePERS has established policies and procedures to provide guidance on the Annual Actuarial Report Review Process.	**No**	**Yes (3)**	**Initial**
	• An annual planning meeting with the actuary occurs to discuss any significant events, changes, or updates that may affect the actuarial review. A timeline listing target dates for MainePERS and the actuary is obtained.	**Yes (F)**	**No**	**Defined**
	• All key data inputs (including current asset value) requested and used by the external actuary in the valuation are reviewed and approved by the CFO before emailed to actuary.	**No**	**No**	**Defined**
	• MainePERS CFO reviews the draft valuation reports provided by the actuary, and email documentation is retained. The Director of Actuarial and Legislative Affairs works with the actuary until all follow-up items are resolved.	**Yes (G)**	**No**	**Defined**

Processes	Control Description	Improve Opp.	Control Finding	Maturity Level
	• After the CFO and Director of Actuarial and Legislative Affairs email approval of the draft presentation of the valuation results, the external actuary presents the results of the actuarial valuation and recommends an employer contribution rate to the Board for approval in the October Board meeting. Approval and resolutions are documented in the meeting minutes.	**No**	**No**	**Defined**
	• Annually, any update to the investment assumed rate of return and any other potential changes are approved by the Board based on the recommendations of the Investment Consultants and Actuary. The Board's review and approval are documented via meeting minutes.	**No**	**No**	**Defined**
Organization Resilience	• MainePERS has adopted a fiduciary education program for the Board of Trustees to receive annual training/education on actuarial practices, such as actuarial cost analysis.	**No**	**No**	**Defined**
See Appendix for all Maturity Definitions.				

Observations, Recommendations, and Management Responses

1. Control Weakness: Documentation of Annual Actuarial Census Files Process and Review

Risk Rating	Medium

MainePERS has not formally documented those procedures needed to prepare and review the annual actuarial census files for documentation of the control environment.

Recommendation

MainePERS may consider developing a comprehensive process document to formally outline the procedures and guidelines for the annual actuarial census files and review process. This document should detail the involvement of various business units and the oversight role of the Director of Actuarial and Legislative Affairs.

The process document should include:

1. Detailed Instructions for Information Technology Line of Business (LOB):
   - Steps to generate and deliver the files to the actuary
   - Annual data needs of the actuary
   - Controls around approving changes to the file mapping and batch specifications
   - Data file verification procedures
   - Census files review checklist
2. Management Authorization:
   - Procedures for certifying the accuracy of the files before release
   - Secure upload process, including providing control totals for the actuary to validate the files
3. Response to Data Questions:
   - Responsible staff and oversight
   - Guidelines for responding to data questions from the actuary in a timely manner

Additionally, CLA notes that the “How To: Valuation Process” and “Valuation Extract Logic” from LOB can be referenced in this process. However, these documents should be formalized and include version control to ensure consistency and accountability.

Management Response

Management agrees with this recommendation and will work to formalize and document existing processes and controls.

2. Control Weakness: Management Authorization to Release Data to the Actuary

Risk Rating	Medium

MainePERS does not have a formal process to authorize the release of data to its actuary from the business.

Recommendation

MainePERS should consider adding a control for authorization to release the data to the actuary and maintain record of evidence, such as email approval or DocuSign. Once the checks and validations are performed on the data files, an approval to release the files should be obtained evidencing clear oversight and accuracy in the release of data files. This would also provide a documented trail of approval. Given that this process has been handled informally in the past, formalizing it would help standardize the procedure and reduce the risk of error and miscommunication.

Management Response

Management agrees with this recommendation and will work to formalize and document existing processes and controls.

3. Control Weakness: Actuarial Report Process Documentation

Risk Rating	Medium

MainePERS has not formally documented those procedures needed to provide requested financial information to the actuary and perform the annual actuarial report review process.

Recommendation

MainePERS should consider formalizing the process that governs the composition of the Executive Management Team responsible for reviewing the actuary's report. This will ensure that the appropriate members of MainePERS are involved in the review process, providing necessary oversight and informed recommendations to the Board. Additionally, MainePERS may consider formalizing the process for providing the actuary with asset valuation information and other financial inputs, as well as oversight of the target dates set by the actuary. This process should include management approval of the draft report before it is presented to the Board and inclusion in the annual financial report. Formalizing these procedures will help standardize the review process, ensuring consistency, accuracy, and accountability.

Management Response

Management agrees with this recommendation and will work to formalize and document existing processes and controls.

Process Improvement Opportunities, Recommendations, and Management Responses

During the course of our review, the following Process Improvement Opportunities were identified and were presented for management's consideration.

A. Improvement Opportunity: Asset/Liability Study and Investment Policy Statement

MainePERS has established a policy in the Governance Manual under the Board Oversight and Responsibilities section of the Board of Trustees Charter for conducting asset/liability studies every five years and adjusting asset allocation as needed. However, this policy is not integrated with another Board Policy, such as the other actuarial practices of the System. There is a mention in the Investment Policy Statement (IPS), but the timeline is not defined.

Recommendation

MainePERS should consider adding a provision for conducting an asset/liability study at least every five years in the Investment Policy Statement (IPS). This change would align MainePERS with its peers, as it is considered a crucial element in ensuring the plan's long-term financial stability and appropriate asset allocation to meet future liabilities. Additionally, a linkage to a Board Policy should be added in the Board of Trustees Charter to formalize this requirement.

Management Response

Management agrees with this recommendation and will review the Investment Policy Statement and revise as appropriate.

B. Improvement Opportunity: Asset/Liability Study Reporting

Evidence obtained for last asset/liability study was a PowerPoint Asset Allocation dated March 2022.

Recommendation

MainePERS should consider implementing a formal comprehensive report for the Asset/Liability Study going forward, with the assistance of the general consultant. This will ensure that the findings and recommendations are thoroughly documented and easily accessible for review and decision-making.

Management Response

Management agrees with this recommendation and will work in partnership with the consulting actuary and general investment consultant to formalize reports for Asset/Liability Studies going forward.

C. **Improvement Opportunity: Defined Rate Setting Procedures**
The Rate Setting Process for State Pension Plans document has not been revised since July 2023.

Recommendation
MainePERS should consider reviewing procedure documents at least annually to ensure that the policies and procedures are appropriate and operating effectively. Additionally, indicating the review date on the documents would provide a clear record of when the last review was conducted, enhancing transparency and accountability.

Management Response
Management agrees that this document should be reviewed periodically and that currently occurs at least every two years as the document is used. Management will add a reviewed and revised date to the document with the next periodic review.

D. **Improvement Opportunity: Annual Review and Approval of the Census Record Layout and Extract Logic**
MainePERS has not documented the procedures it follows for the annual actuarial census files and review process, including documenting an annual review and approval of the How To: Valuation Process, Actuarial Record Layout Export, and Valuation Extract Logic files.

Recommendation
MainePERS should consider documenting an annual review and approval of these files once the data request is confirmed with the Actuary. This will ensure that the files are up to date on version control, providing consistency and accuracy in the actuarial process.

Management Response
Management agrees with this recommendation. While the procedures for extracting, reviewing and approving the release of census file data are well defined, they are not formally documented. Management will work with staff and the consulting actuary, as needed, to document the procedures.

E. **Improvement Opportunity: Oversight and Approval of Actuary Responses**
Currently, there is no documented oversight of the known issues and data questions identified by the actuary that are resolved by the MainePERS Benefit Systems Analyst.

Recommendation
MainePERS may consider adding an oversight review of the responses by management prior to returning answers to the actuary. Additionally, maintaining evidence of this review, such as through email, would ensure accountability and thoroughness in addressing the actuary's questions.

Management Response
Management agrees with this recommendation. While there is informal review of the data questions and responses, the process is not formally documented. Management will work with staff as appropriate to formally document the review and approval of responses to the actuary's data questions.

F. Improvement Opportunity: Procedural Planning Documentation and Checklists

MainePERS has not developed any formal documentation or checklists to ensure that the planning meetings properly identify the data needed to perform the valuation.

Recommendation

MainePERS may consider formalizing the documentation for meetings with the actuary prior to the valuation being performed. This would involve updating the actuary on any significant events, methodologies, provision/law updates, etc., that may affect the valuation. Documentation of these discussions should be retained, such as meeting minutes, and there should be a review once the report is complete to confirm that the changes addressed are reflected in the actuary's report. Additionally, consider updating the timeline of key dates with actuals by the process owner for project management and evidence of meeting targets set by staff and the actuary.

Management Response

Management agrees with this recommendation and will retain more formal documentation of meetings with the actuary as well as formally capturing evidence of completion of tasks on the annual valuation checklist.

G. Improvement Opportunity: Review of the Actuary's Report

MainePERS has not formalized the process used by the Executive Management team to review the actuary's report.

Recommendation

MainePERS should consider formalizing the documentation of the review process for the actuary's report by the Executive Management team. Implementing a checklist for review and/or verification procedures applied to the annual actuarial valuation reports for year-end financial accounting and disclosure and funding would be beneficial. This checklist would help the team document their review, providing auditable evidence and reducing key person risk by ensuring a comprehensive and consistent review process.

Elements to Review and Document:

- Ensure demographic information in the report matches control totals
- Verify that assumptions in the report are consistent with those selected by the Board
- Confirm that plan provisions in the report align with current MainePERS provisions
- Check the accuracy of asset information, including year-end market value, benefits paid, and contributions
- Ensure gains and losses are explainable at a high level and consistent with MainePERS understanding
- Verify that tables foot correctly
- Check report verbiage was appropriately developed/updated
- Check reasonability of the calculated results
- Identify any inconsistency with the report issued in the prior year
- Confirm that the actuary who signed off on the report has up-to-date continuing education credentials

Documentation: Provide the initials of the individual and the date the procedure, review, and/or verification was completed. MainePERS may consider indicating the date each version was received/reviewed, date comments were sent to the actuary, and date the Final was delivered for internal tracking of review procedures.

Management Response

Management agrees with this recommendation. While most, if not all, of the recommended procedures are completed regularly by management and staff, it is not formally documented today. Management will work with staff to implement more formal documentation of the tasks performed as part of the review.

Closing

We wish to extend our appreciation to management and staff for their timely cooperation and assistance during the project.

* * * * * * * * *

This report has been prepared in accordance with Statement of Standards for Consulting Services issued by the American Institute of Certified Public Accountants and is solely for use by management. It is not intended for use, in whole or in part, by outside parties without the specific consent of CliftonLarsonAllen LLP.

CliftonLarsonAllen LLP
March 1, 2025

Appendix

Maturity Definitions

Capability Level	Capability Description	Capabilities Attribute
5. Optimized	Policies and processes are continuously reviewed and improved within a highly automated control environment.	• Processes and controls are continuously reviewed and improved. • Preventive and detective controls are highly automated to reduce human error and cost of operation. • Comprehensive, defined performance metrics exist, with extensive automated performance monitoring. • Extensive use of best practices, benchmarking, and/or self-assessment to continuously improve process.
4. Managed	Policies and processes are documented, standardized, regularly updated and controls increasingly use automation.	• Procedures and controls are well documented and kept current. • Preventive and detective controls are employed, with greater use of automation to reduce human error. • Many metrics are used with a blend of automated and manual performance monitoring. • Best practices and/or benchmarking are used to Improve.
3. Defined	Policies and processes are documented, standardized and updated, e.g., annually with heavy reliance on manual processes.	• Procedures are well documented, but not kept current to reflect changing business needs. • Preventive and detective controls are employed, still reliant on manual activities. • Some metrics are used, but performance monitoring is still manual and/or infrequent. • Generally, occurs during periodic (e.g., annual) policy and procedure renewal.
2. Repeatable	Some standard processes are defined, and success depends largely on "tribal knowledge" and detective controls.	• Some standard procedures exist, relies on “tribal knowledge.” • Mostly detective controls are in place, minimal preventive controls, and highly manual. • Few performance metrics exist; thus, performance monitoring is inconsistent or informal. • Most likely in reaction to audits or service disruptions.
1. Initial	Few processes are defined, and success depends on individual effort and heroics.	• No formal procedures exist. • Controls are non-existent or primarily in reaction to a “surprise.” • There are no metrics or performance monitoring.

Legislative Practices Review
Maine Public
Employee's Retirement System

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Legislative Practices Review Objectives and Scope

The objective of the Legislative Practices Review was to review and evaluate processes and controls currently in place against leading practices. The focus of the assessment was to address the risks related to the following:

- The process(es) and procedures for identifying and monitoring potential statutory changes and communicating proposed and enacted changes to staff charged with implementing any changes is complete and effective.

<u>The following processes and sub-processes are in-scope, as well as delineation of duties in each area:</u>

The Legislative Practices Review aimed to evaluate the effectiveness of the process, including:

- Identification
- Tracking
- Communication
- Roles and Responsibilities
- Testimony
- Monitoring of Implementation

Procedures Performed

The Legislative Practice Review was performed in collaboration with members of MainePERS.

As part of the evaluation, multiple methodologies were employed to review and assess the effectiveness of the internal processes, including:

1. Interviewed members of MainePERS
   - Kathy Morin, Director of Actuarial and Legislative Affairs
   - Bill Brown, Director of Actuarial and Legislative Affairs

2. Gathered supporting documents describing current state processes (e.g., policies, procedures, tracking documents, meeting minutes, communications, etc.).

3. Reviewed, tested and evaluated MainePERS processes and controls for the following functions:
   - Identification:
     - Procedures for identifying and monitoring potential legislative changes
     - Notification of legislative updates
   - Tracking:
     - Procedures for tracking the status proposed and enacted legislative changes
     - Centralized legislative tracking documentation
     - Users with access to the tracking documentation
   - Roles and Responsibilities:
     - Job descriptions for the Director of Actuarial and Legislative Affairs and the Paralegal
   - Communication Changes:
     - Procedures for communicating legislative changes to relevant parties
     - Agenda for informational meeting on enacted laws
     - Legislative Administrative Summary provided to the management team and administrative group
   - Board of Trustees Update:
     - Procedures for providing legislative updates to the Board of Trustees
     - Board of Trustees monthly meeting minutes
   - Testimony:
     - Procedures for compiling and providing testimony
     - Testimony drafted by the Director of Actuarial and Legislative Affairs
   - Monitoring of Implementation:
     - Implementation plan

We would like to acknowledge and thank the management with whom we interacted. The time, effort, and discussions they provided were instrumental in our understanding and provided the necessary information to complete our project. During the course of our assessment, management and personnel provided all of the materials requested and answered all of our questions promptly. Below is the assessment executive summary.

CliftonLarsonAllen LLP

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Review Results

CLA assessed the internal processes within the Legislative Review Process to determine the efficiency and design of those processes.

Following the conclusion of our review of MainePERS Legislative Practices Review, ***we identified No Critical or Major Internal Process Deficiencies***. The following is a summary of the test results.

Processes	Process Description	Observation
Policies and Procedures	• MainePERS has documented policies and procedures for identifying and monitoring potential legislative changes which is updated on an annual basis.	**See #3**
	• MainePERS has documented policies and procedures for implementing and monitoring enacted legislative changes which is updated on an annual basis.	**See #1**
Monitoring and Tracking	• MainePERS tracks relevant proposed and enacted legislative changes in a centralized repository which is updated on a regular basis. Access to update the repository is restricted to authorized individuals.	**N/A**
	• MainePERS has a process in place for receiving notifications of legislative changes and updates.	**See #2**
Communication and Updates	• Legislative changes affecting MainePERS are communicated to all relevant staff upon enactment.	**N/A**
	• The Board of Trustees is provided legislative updates by the Director of Actuarial and Legislative Affairs as part of the standing agenda.	**N/A**
Testimony	• MainePERS has a process for compiling testimony on proposed legislative changes.	**N/A**

Observations, Recommendations, and Management Responses

1. Observation: Procedures for Monitoring Legislation Changes

MainePERS does not currently have documented procedures for monitoring implementation of legislative changes affecting MainePERS.

Recommendation
MainePERS should consider formally documenting the process for monitoring implementation of legislative changes affecting MainePERS.

Management Response
Management agrees with the recommendation and will work to formalize the monitoring of implementation changes enacted by legislation.

2. **Observation: Tracking of Subscriptions**

   MainePERS does not currently maintain a listing of subscriptions held by the legislative staff to receive updates through the legislature or other relevant sources.

   Recommendation
   MainePERS should consider tracking subscriptions to Maine State Legislature to ensure all relevant updates and notifications are being received pertaining to legislative updates that may affect MainePERS.

   Management Response
   Management agrees with the recommendation and will work to formalize the tracking of subscriptions to the Maine State Legislature.

3. **Observation: Procedures for Updating the Legislative Tracking Document**

   MainePERS's Legislative Process Policy does not currently define the frequency of when the legislative tracking document is to be updated.

   Recommendation
   MainePERS should consider updating the Legislative Process Policy to formally define the frequency of updates to the legislative tracking document.

   Management Response
   Management agrees with the recommendation and will update the Policy to identify the frequency of updates warranted.

Closing

We wish to extend our appreciation to management and staff for their timely cooperation and assistance during the project.

This report has been prepared in accordance with Statement of Standards for Consulting Services issued by the American Institute of Certified Public Accountants and is solely for use by management. It is not intended for use, in whole or in part, by outside parties without the specific consent of CliftonLarsonAllen LLP.

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MAINEPERS

FINANCE AND AUDIT COMMITTEE MEMORANDUM

TO: FINANCE AND AUDIT COMMITTEE MEMBERS

FROM: SHERRY VANDRELL, CHIEF FINANCIAL OFFICER

SUBJECT: REPORT ON FINANCIAL ADMINISTRATION

DATE: AUGUST 4, 2025

POLICY REFERENCE

Board Policy 1.6 – Finance and Audit Committee of the Board

EMPLOYER REPORTING STATUS UPDATES

Ninety-five percent of our participating employers reported on time for the month of June. This is up slightly from your last report, where ninety-two percent of employers reported timely for the month of March.

Eighty-four percent of all employer accounts are fully reconciled through May 2025 payrolls as of July 31, 2025. We continue to focus on accounts with the oldest transactions, reducing accounts with 2019 transactions by three since we last reported to this committee. The aging of the 12 accounts remaining to be reconciled is as follows.

	Oldest Unreconciled Transactions						
Year	2025	2024	2023	2022	2021	2020	2019
# of Accts	52	35	5	2	4	5	9

Work continues with Portland Public Schools and Berry Dunn's member account reconciliation work. Portland Public Schools is now current on payroll submissions for the Teacher Plan although member accounts have not yet been updated while staff continue to review submitted files for accuracy before posting them. Also this quarter, Portland Public Schools was able to submit nine of the eighteen missing payroll files for the PLD Plan. As with the Teacher payroll, staff will review for accuracy and make necessary corrections to these files prior to posting them to member accounts.

The work to review and reconcile historical activity on member accounts for Portland Public Schools is ongoing. Some improvements to the process have been designed and implemented, and an additional resource on the MainePERS side has been added to the work in an effort to improve the pace of the work.

REPORT ON INTERNAL AUDIT

Work is complete on the Actuarial Practices internal audit and the Legislative Practices internal audit and these reports will be presented at your meeting in August. We are working to establish a timeline and scope for the next review, which will be in the area of Human Resources Practices.

Attached to this report is a report on outstanding audit recommendations and findings, along with an updated status. Recommendations from the two recently completed reviews have been added, and staff closed six recommendations during this quarter.

FY25 FINANCIAL STATEMENT AUDIT

Staff have completed all work required to do an initial close of the FY25 financial records and interim audit work is underway, with fieldwork expected to begin in September. BerryDunn will attend your meeting in August to give an overview of the work planned for this year.

RECOMMENDATION

No action is required by the Committee at this time.

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Status of Unresolved Audit Findings and Recommendations for Improvement

7/28/2025

Issue Identified	Type of Issue	Source	Responsible Unit	Owner	Date Added	Recommendation	Management Response	7/28/2025	Date Resolved
The MainePERS line of business software used for calculating benefit payments has functional limitations when processing complex calculations to determine the appropriate benefit payment amount and when archiving calculation history for previous benefit payments. For one (1) of the five (5) samples selected for benefit calculation testing, there was an immaterial discrepancy between the calculated benefit amount within the system and the finalized benefit amount. Upon follow up, it was determined that external spreadsheets are utilized to compute the benefit, which was then entered into the system manually. For one (1) of the nine (9) samples selected for offset calculation testing, there was past calculation data that was overwritten within the system to reflect the current status of the member. To obtain the past data, an external spreadsheet was utilized to show the past computation of the benefit.	Recommendation	CLA - Disability Program Review	Service Programs	Chip	12/5/2022	CLA recommends assessing the line of business software functional limitations and performing a cost-benefit analysis on the impact that these limitations have on operations. From that analysis, a decision can be made to either work with the hosting party / vendor of the software to determine enhancements to address functional limitation or to explore other software options and solutions.	Management agrees that the use of spreadsheets to do calculations outside of the line of business system creates risk. MainePERS is assessing whether calculations currently performed manually can be added to the line of business application efficiently or if another solution can be put in place. The question related to archiving calculation history will be investigated with the vendor. This work is ongoing.	7/2025 - The PAS project, under which this remedy is expected, is in progress and proceeding as scheduled. The new PAS system is currently anticipated to be in live operation in 2028.	
Six (6) out of twenty-five (25) sampled Work Report Adjustments that were due to underpayments were not collected for at least three (3) months after identification.	Recommendation	CLA - Cash Receipts and Disbursements 2023	Accounting	Sherry	11/13/2023	We recommend that MainePERS continue to follow up on late payments and utilize the steps detailed in the “Late Payroll Submission” policy/process. We also recommend tracking the late Work Report Adjustments in a centralized log to determine high priority adjustments that have been outstanding for more than one (1) month.	Management agrees with this recommendation.	7/2025 - Staff have continued to maintain current account reconcialitions and additional progress has been made on those accounts with long outstaning unreconciled transactions, bringing those accounts more current, but not fully reconciled. 589 accounts were fully reconciled through April data as of June 30, 2025.	
Upon observation of MainePERS facility it was noted that the equipment in the MainePERS facilities are not connected to a back-up power generator.	Recommendation	CLA - Facilities Maintenance and Controls 2024	Facilities	Lynn	1/31/2024	We recommend that MainePERS assess the risk of having no back-up generator in place to support key systems and operations in the event of a long term power outage.	Management agrees with this recommendation and is currently exploring options for installing a full solution generator for the facility.	7/2025 - The generator is installed, tested, and running as expected. This item is resolved.	6/30/2025
Most MaineSTART reconciliations were performed by the MainePERS accounting team utilizing Excel. Although reconciliations included names and dates for preparer and reviewer of the documentation, this information was just typed into Excel so was open to manipulation.	Recommendation	Wipfli Internal Audit 2025 - MaineSTART	Accounting	Sherry	4/24/2025	We recommend management consider utilization of the "comment" function within Excel or other types of electronic stamps or methods that are tied to a computer user account, in order to enhance this existing control.	Management agrees with this recommendation and plans to implement Office 365 in the near future. The version of Excel that is currently in use allows for comments to be edited by others; the Office 365 version of the application does not, making it a more robust option to enhance this control.	7/2025 - With the implementation of Office 365 by the accounting team, the process for capturing approvals in Excel trackers has been updated to include adding a comment with a User ID and date stamp that cannot be edited.	5/31/2025
We noted a $40 accounts receivable item as of January 31, 2025, which appeared to be outstanding from September 2023.	Recommendation	Wipfli Internal Audit 2025 - MaineSTART	Accounting	Sherry	4/24/2025	Although we recognize that this item is immaterial, process should be in place to research and resolve accounts receivable in a timely manner.	Management agrees with this recommendation and has resolved the open receivable balance in question. Controls are in place requiring staff to review open receivable balances periodically and to resolve balances timely.	7/2025 - This receivable balance has been cleared.	5/15/2025
Written procedures obtained and reviewed during the internal audit included references to Newport Group. Through discussion with management, we determined that Newport Group was acquired by Ascensus.	Recommendation	Wipfli Internal Audit 2025 - MaineSTART	Accounting	Sherry	4/24/2025	We recommend management update the references in the written procedures for the new Third Party Administrator, Ascensus.	Management agrees with this recommendation and will update any references to Newport Group with Ascensus as documents come up for review.	7/2025 - A review of procedures documents is underway.	

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Status of Unresolved Audit Findings and Recommendations for Improvement

7/28/2025

Issue Identified	Type of Issue	Source	Responsible Unit	Owner	Date Added	Recommendation	Management Response	7/28/2025	Date Resolved
MainePERS has not formally documented those procedures needed to prepare and review the annual actuarial census files for documentation of the control environment.	Recommendation	CLA Internal Audit 2025 - Actuarial Practices	IT	Joy	5/7/2025	MainePERS should consider developing a comprehensive process document to formally outline the procedures and guidelines for the annual actuarial census files and review process. This document should detail the involvement of various business units and the oversight role of the Director of Actuarial and Legislative Affairs.	Management agrees with this recommendation and will work to formalize and document existing processes and controls.	7/2025 - This is a new item this quarter and work has not started.	
MainePERS does not have a formal process to authorize the release of data to its actuary from the business.	Recommendation	CLA Internal Audit 2025 - Actuarial Practices	Actuarial	Bill	5/7/2025	MainePERS should consider adding a control for authorization to release the data to the actuary and maintain record of evidence, such as email approval or DocuSign. Once the checks and validations are performed on the data files, an approval to release the files should be obtained evidencing clear oversight and accuracy in the release of data files. This would also provide a documented trail of approval. Given that this process has been handled informally in the past, formalizing it would help standardize the procedure and reduce the risk of error and miscommunication.	Management agrees with this recommendation and will work to formalize and document existing processes and controls.	7/2025 - Management is researching methods of controls and documentation with a plan to implement for the 2026 valuation.	
MainePERS has not formally documented those procedures needed to provide requested financial information to the actuary and perform the annual actuarial report review process.	Recommendation	CLA Internal Audit 2025 - Actuarial Practices	Accounting	Sherry	5/7/2025	MainePERS should consider formalizing the process that governs the composition of the Executive Management Team responsible for reviewing the actuary's report. This will ensure that the appropriate members of MainePERS are involved in the review process, providing necessary oversight and informed recommendations to the Board. Additionally, MainePERS may consider formalizing the process for providing the actuary with asset valuation information and other financial inputs, as well as oversight of the target dates set by the actuary. This process should include management approval of the draft report before it is presented to the Board and inclusion in the annual financial report. Formalizing these procedures will help standardize the review process, ensuring consistency, accuracy, and accountability.	Management agrees with this recommendation and will work to formalize and document existing processes and controls.	7/2025 - The actuarial process for FY25 is underway and management intends to capture the processes to begin formalizing them as part of this year's work.	
MainePERS has established a policy in the Governance Manual under the Board Oversight and Responsibilities section of the Board of Trustees Charter for conducting asset/liability studies every five years and adjusting asset allocation as needed. However, this policy is not integrated with another Board Policy, such as the other actuarial practices of the System. There is a mention in the Investment Policy Statement (IPS), but the timeline is not defined.	Recommendation	CLA Internal Audit 2025 - Actuarial Practices	Actuarial	Mike	5/7/2025	MainePERS should consider adding a provision for conducting an asset/liability study at least every five years in the Investment Policy Statement (IPS). This change would align MainePERS with its peers, as it is considered a crucial element in ensuring the plan's long-term financial stability and appropriate asset allocation to meet future liabilities. Additionally, a linkage to a Board Policy should be added in the Board of Trustees Charter to formalize this requirement.	Management agrees with this recommendation and will review the Investment Policy Statement and revise as appropriate.	07/2025 - The IPS and Charter will be revised as part of the annual review process this Fall to explicitly address the asset/liability study.	

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Status of Unresolved Audit Findings and Recommendations for Improvement

7/28/2025

Issue Identified	Type of Issue	Source	Responsible Unit	Owner	Date Added	Recommendation	Management Response	7/28/2025	Date Resolved
Evidence obtained for the last asset/liability study was a PowerPoint Asset Allocation dated March 2022.	Recommendation	CLA Internal Audit 2025 - Actuarial Practices	Actuarial	Bill	5/7/2025	MainePERS should consider implementing a formal comprehensive report for the Asset/Liability Study going forward, with the assistance of the general consultant. This will ensure that the findings and recommendations are thoroughly documented and easily accessible for review and decision- making.	Management agrees with this recommendation and will work in partnership with the consulting actuary and general investment consultant to formalize reports for Asset/Liability Studies going forward.	7/2025 - This recommendation and expectation has been communicated to consultant and will be implemented going forward. This issue is closed.	7/25/2025
The Rate Setting Process for State Pension Plans document has not been revised since July 2023.	Recommendation	CLA Internal Audit 2025 - Actuarial Practices	Accounting	Sherry	5/7/2025	MainePERS should consider reviewing procedure documents at least annually to ensure that the policies and procedures are appropriate and operating effectively. Additionally, indicating the review date on the documents would provide a clear record of when the last review was conducted, enhancing transparency and accountability.	Management agrees that this document should be reviewed periodically and that currently occurs at least every two years as the document is used. Management will add a reviewed and revised date to the document with the next periodic review.	7/2025 - This recommendation has been implemented.	5/7/2025
MainePERS has not documented the procedures it follows for the annual actuarial census files and review process, including documenting an annual review and approval of the How To: Valuation Process, Actuarial Record Layout Export, and Valuation Extract Logic files.	Recommendation	CLA Internal Audit 2025 - Actuarial Practices	Actuarial	Bill	5/7/2025	MainePERS should consider documenting an annual review and approval of these files once the data request is confirmed with the Actuary. This will ensure that the files are up to date on version control, providing consistency and accuracy in the actuarial process.	Management agrees with this recommendation. While the procedures for extracting, reviewing and approving the release of census file data are well defined, they are not formally documented. Management will work with staff and the consulting actuary, as needed, to document the procedures.	7/2025 - Management is researching methods of controls and documentation with a plan to implement for the 2026 valuation.	
Currently, there is no documented oversight of the known issues and data questions identified by the actuary that are resolved by the MainePERS Benefit Systems Analyst.	Recommendation	CLA Internal Audit 2025 - Actuarial Practices	Actuarial	Bill	5/7/2025	MainePERS may consider adding an oversight review of the responses by management prior to returning answers to the actuary. Additionally, maintaining evidence of this review, such as through email, would ensure accountability and thoroughness in addressing the actuary's questions.	Management agrees with this recommendation. While there is informal review of the data questions and responses, the process is not formally documented. Management will work with staff as appropriate to formally document the review and approval of responses to the actuary's data questions.	7/2025 - Management is researching methods of controls and documentation with a plan to implement for the 2026 valuation.	
MainePERS has not developed any formal documentation or checklists to ensure that the planning meetings properly identify the data needed to perform the valuation.	Recommendation	CLA Internal Audit 2025 - Actuarial Practices	Actuarial	Bill	5/7/2025	MainePERS may consider formalizing the documentation for meetings with the actuary prior to the valuation being performed. This would involve updating the actuary on any significant events, methodologies, provision/law updates, etc., that may affect the valuation. Documentation of these discussions should be retained, such as meeting minutes, and there should be a review once the report is complete to confirm that the changes addressed are reflected in the actuary's report. Additionally, consider updating the timeline of key dates with actuals by the process owner for project management and evidence of meeting targets set by	Management agrees with this recommendation and will retain more formal documentation of meetings with the actuary as well as formally capturing evidence of completion of tasks on the annual valuation checklist.	7/2025 - Management is researching methods of controls and documentation with a plan to implement for the 2026 valuation.	
MainePERS has not formalized the process used by the Executive Management team to review the actuary's report.	Recommendation	CLA Internal Audit 2025 - Actuarial Practices	Actuarial	Bill	5/7/2025	MainePERS should consider formalizing the documentation of the review process for the actuary's report by the Executive Management team. Implementing a checklist for review and/or verification procedures applied to the annual actuarial valuation reports for year-end financial accounting and disclosure and funding would be beneficial. This checklist would help the team document their review, providing auditable evidence and reducing key person risk by ensuring a comprehensive and consistent review	Management agrees with this recommendation. While most, if not all, of the recommended procedures are completed regularly by management and staff, it is not formally documented today. Management will work with staff to implement more formal documenation of the tasks performed as part of the review.	7/2025 - Management is currently drafting a process for the 2025 valuation and will implement this recommendation with this valuation cycle.	
MainePERS does not currently have documented procedures for monitoring implementation of legislative changes affecting MainePERS.	Recommendation	CLA Internal Audit 2025 - Legislative Practices		Bill	7/9/2025	MainePERS should consider formally documenting the process for monitoring implementation of legislative changes affecting MainePERS.	Management agrees with the recommendation and will work to formalize the monitoring of implementation changes enacted by legislation.	7/2025 - Management is actively implementing a new Departmental Practice formalizing monitoring and implementation of legislation. Thiss issue is considered closed.	7/18/2025
MainePERS does not currently maintain a listing of subscriptions held by the legislative staff to receive updates through the legislature or other relevant sources.	Recommendation	CLA Internal Audit 2025 - Legislative Practices		Bill	7/9/2025	MainePERS should consider tracking subscriptions to Maine State Legislature to ensure all relevant updates and notifications are being received pertaining to legislative updates that may affect MainePERS.	Management agrees with the recommendation and will work to formalize the tracking of subscriptions to the Maine State Legislature.	7/2025 - No updates.	

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Status of Unresolved Audit Findings and Recommendations for Improvement

7/28/2025

Issue Identified	Type of Issue	Source	Responsible Unit	Owner	Date Added	Recommendation	Management Response	7/28/2025	Date Resolved
MainePERS's Legislative Process Policy does not currently define the frequency of when the legislative tracking document is to be updated.	Recommendation	CLA Internal Audit 2025 - Legislative Practices		Bill	7/9/2025	MainePERS should consider updating the Legislative Process Policy to formally define the frequency of updates to the legislative tracking document.	Management agrees with the recommendation and will update the Policy to identify the frequency of updates warranted.	7/2025 - No updates.	

MAINEPERS

FINANCE AND AUDIT COMMITTEE MEMORANDUM

TO: FINANCE AND AUDIT COMMITTEE MEMBERS

FROM: MICHAEL COLLERAN, CHIEF OPERATING OFFICER & GENERAL COUNSEL

SUBJECT: ENTERPRISE RISK MANAGEMENT REPORT

DATE: AUGUST 6, 2025

In 2023 we implemented an Enterprise Risk Management Program that includes management reporting at least annually to the Finance and Audit Committee on the significant risks facing the System and the steps taken to mitigate the risks. Attached to this memo is the register of risks identified by the senior management team. Also attached is a red-lined version showing changes from last year.

The top risks facing the System remain the same as reported last year. They are:

1. Data breach;
2. Failure to make benefit payments;
3. Fraud or theft; and
4. Errors in calculating benefits and contributions.

The register includes mitigation steps in place and further steps to be taken for these and the other identified risks. We look forward to discussing these with the Committee and answering any questions.

POLICY REFERENCE

Board Policy 1.6 – Finance and Audit Committee of the Board

Board Policy 4.5 – Board/Staff Relations

Board Policy 4.6 – Communication and Support to the Board

RECOMMENDATION

No Committee action is required at this time.

MAINEPERS

FINANCE AND AUDIT COMMITTEE MEMORANDUM

TO: FINANCE AND AUDIT COMMITTEE MEMBERS

FROM: SHERRY VANDRELL, CHIEF FINANCIAL OFFICER

SUBJECT: FY25 – JUNE 2025 OPERATING AND INVESTMENT EXPENSE REPORTS

DATE: AUGUST 1, 2025

Reports of operating expenses for both administration and investment operations for the twelve months ended June 30, 2025 are included in your packet materials. The reports summarize, by expense category, the approved budgeted amounts for the current fiscal year and the actual year-to-date expenses for the year.

POLICY REFERENCE

Board Policy 1.6 – Finance and Audit Committee of the Board

Board Policy 5.4 – Budgeting, Spending, and Reporting

REVIEW OF FY25 OPERATING EXPENSES THROUGH JUNE 30TH

Following is information about significant budget variances that occurred during the fiscal year:

Administration

(1) **Personal Services** (Under budget 1.2% or $180,337) – Personal services costs include salaries and wages, along with associated benefits. The surplus in personal services is directly related to vacancy savings due to turnover and delays in filling several of the new positions added for FY25, offset by overtime and other adjustments.

(2) **Computer Equipment, Supplies and Supports** (Under budget 11.6% or $330,990) – Computer equipment, supplies and supports includes maintenance and support costs for various IT applications used to support MainePERS' business. Several support contracts renewed in the first two quarters of the year at somewhat higher costs than anticipated, including our Cybersecurity contract with Tyler Technologies. These increased costs were more than offset by a reduction in support costs for other applications, including the V3 application. With the Pension Administration System (PAS) project underway, we are not making enhancements to the

existing system unless they are legislatively required or they impact staff performance or productivity.

(3) **Actuarial Services** (Over budget by 49.2% or $195,356) – Actuarial services are over budget this year based in part on the cost of the FY24 GLI premium study that was completed in the fall of this fiscal year and an increase in costs associated with the work being done in anticipation of changes in funding expected for the State / Teacher Plan in 2028. The GLI premium study was budgeted in the FY24 budget and most of the work was conducted in FY24, but the work was completed and invoiced in the FY25 budget year. Significant work related to a COLA study in February also impacted the expenses in this area this year.

(4) **Legal Services** (Over budget by 31% or $65,541) – Outside council was engaged to assist with the contract negotiations for the PAS project. Total costs of legal services for this effort were just under $91,000 during the fiscal year.

(5) **Other Professional Services** (Under budget by 37.2% or $312,037) – Several things make up this expected surplus, including the anticipated costs associated with the new PAS. We had budgeted $150,000 for data cleansing / conversion preparation and of that amount, we incurred approximately $35,600 in costs this fiscal year. However, we do anticipate using the full amount of the consulting budget ($875,000) over the life of the project. In addition, we had budgeted $50,000 and $60,000, respectively, for ongoing support for a potential Long Term Disability initiative and for disability program vocational reviews. These funds were not needed this fiscal year.

Investment Operations

(1) **Personnel Services** (Under budget by 2.8% or $82,363) – The surplus in personnel services is attributable to one position that had been budgeted to be filled for the second half of the fiscal year that instead remained vacant.

(2) **Legal Services** (Under budget by 70.1% or $805,808) – The legal services budget for investments is very difficult to predict as it's based on the number and type of investments that the team is able to review and consider. We have reduced the FY26 budget for legal services and will continue to monitor and refine predictions in this area as we are able.

(3) **Other Professional Services** (Over budget by 50.4% or $59,750) – The other professional services budget included $100,000 to conduct a divestment study. The actual cost for this work was $50,000, creating a surplus of $50,000. The remainder of the surplus, or $9,750 is attributable to savings on a compensation study that was conducted this year.

RECOMMENDATION

No action is required by the Committee at this time.

Maine Public Employees Retirement System
FY25 Administrative Expenses YTD
And Year End Projection

	FY 25 Budgeted	FY 25 Actual Thru 06/30/25	FY 25 Projected Remaining	FY 25 Total Expected	Projected Surplus (Deficit)	
Personnel Services						
Salaries & Wages						
Salaries and Wages	$ 10,651,839	$ 10,539,793	$ -	$ 10,539,793	$ 112,046	
Overtime Wages	-	162,924	-	162,924	(162,924)	
Total Salaries & Wages	10,651,839	10,702,717	-	10,702,717	(50,878)	
Benefits						
Health Insurance	2,500,137	2,350,117	-	2,350,117	150,020	
MainePERS Retirement Contributions	1,307,416	1,235,651	-	1,235,651	71,765	
Retiree Health Insurance Reserve	9,480	9,276	-	9,276	204	
Other Insurance and Benefits	28,000	18,773	-	18,773	9,227	
Total Benefits	3,845,032	3,613,817	-	3,613,817	231,215	
Total Personnel Services	14,496,871	14,316,534	-	14,316,534	180,337	(1)
Operating Expenses						
Computer Equipment, Supplies and Supports	2,844,935	2,513,945	-	2,513,945	330,990	(2)
Medical Consultation Services	244,500	209,854	-	209,854	34,646	
Training and Tuition	122,764	83,077	-	83,077	39,687	
Travel	57,435	25,271	-	25,271	32,164	
Depreciation	450,963	424,455	-	424,455	26,508	
Professional Services						
Actuarial Services	397,140	592,496	-	592,496	(195,356)	(3)
Audit Services	142,000	130,683	-	130,683	11,317	
Legal Services	211,500	277,041	-	277,041	(65,541)	(4)
Hearing Officers Services	50,500	31,518	-	31,518	18,982	
Other Professional Services	839,053	527,016	-	527,016	312,037	(5)
Total Professional Services	1,640,193	1,558,754	-	1,558,754	81,439	
Other Operating Expenses						
Buildings and Operations	496,127	492,020	-	492,020	4,107	
Capital Lease Expense	549,397	549,106	-	549,106	291	
Insurance	109,100	103,144	-	103,144	5,956	
Printing and Publications	198,121	167,108	-	167,108	31,013	
Postage	370,705	358,952	-	358,952	11,753	
Telephone	166,992	172,339	-	172,339	(5,347)	
Other	246,103	190,640	-	190,640	55,463	
Total Other Operating Expenses	2,136,545	2,033,309	-	2,033,309	103,236	
Total Operating Expenses	7,497,335	6,848,665	-	6,848,665	648,670	
Total Administrative Expenses	$ 21,994,206	$ 21,165,199	$ -	$ 21,165,199	$ 829,007	

Maine Public Employees Retirement System
FY25 Investment Operations Expenses YTD
And Year End Projection

	FY 25 Budgeted	FY 25 Actual Thru 06/30/25	FY 25 Projected Remaining	FY 25 Total Expected	Projected Surplus (Deficit)	
Personnel Services						
Salaries & Wages						
Salaries and Wages	$ 2,258,055	$ 2,207,980	$ -	$ 2,207,980	$ 50,075	
Overtime Wages	-	-	-	-	-	
Total Salaries & Wages	2,258,055	2,207,980	-	2,207,980	50,075	
Benefits						
Health Insurance	317,028	303,414	-	303,414	13,614	
MainePERS Retirement Contributions	368,740	349,334	-	349,334	19,406	
Retiree Health Insurance Reserve	2,370	2,280	-	2,280	90	
Other Insurance and Benefits	-	823	-	823	(823)	
Total Benefits	688,138	655,851	-	655,851	32,287	
Total Personnel Services	2,946,193	2,863,830	-	2,863,830	82,363	(1)
Operating Expenses						
Computer Equipment, Supplies and Supports	158,781	127,023	-	127,023	31,758	
Medical Consultation Services	-	-	-	-	-	
Training and Tuition	29,500	30,431	-	30,431	(931)	
Travel	79,300	47,918	-	47,918	31,382	
Depreciation	4,271	9,345	-	9,345	(5,074)	
Professional Services						
Actuarial Services	-	-	-	-	-	
Audit Services	57,000	57,000	-	57,000	-	
Legal Services	1,140,000	334,193	-	334,193	805,808	(2)
Investment Consulting	1,245,000	1,215,000	-	1,215,000	30,000	
Proxy Voting Services	24,037	24,037	-	24,037	-	
Custody Services	750,000	750,000	-	750,000	-	
Other Professional Services	118,500	58,750	-	58,750	59,750	(3)
Total Professional Services	3,334,537	2,438,980	-	2,438,980	895,558	
Other Operating Expenses						
Buildings and Operations	136,196	138,769	-	138,769	(2,573)	
Capital Lease Expense	151,679	157,306	-	157,306	(5,627)	
Insurance	8,683	7,822	-	7,822	861	
Printing and Publications	-	45	-	45	(45)	
Postage	540	567	-	567	(27)	
Telephone	49,608	50,491	-	50,491	(883)	
Other	30,526	30,026	-	30,025	501	
Total Other Operating Expenses	377,232	385,026	-	385,025	(7,792)	
Total Operating Expenses	3,983,621	3,038,723	-	3,038,722	944,900	
Total Investment Operations Expenses	$ 6,929,814	$ 5,902,553	$ -	$ 5,902,553	$ 1,027,262	

MAINEPERS

FINANCE AND AUDIT COMMITTEE MEMORANDUM

TO: FINANCE AND AUDIT COMMITTEE MEMBERS

FROM: SHERRY VANDRELL, CHIEF FINANCIAL OFFICER

SUBJECT: FY25 – 4TH QUARTER REPORTS – TRAVEL AND PROCUREMENT

DATE: AUGUST 1, 2025

POLICY REFERENCE

Board Policy 1.6 – Finance and Audit Committee of the Board

Board Policy 5.4 – Budgeting, Spending, and Reporting

TRAVEL EXPENSE REPORT

The report of travel expenses for the quarter ended June 30, 2025 is included in your packet for your review. This report is provided in accordance with the System Policy 3.2 – Travel which is in compliance with the State of Maine's Office of Program Evaluation and Government Accountability (OPEGA) requirements.

PROCUREMENT REPORT

The report on procurement activity for the six months ended June 30, 2025 is included in your packet for your review. This report is provided in accordance with the System Policy 3.1 – Procurement, which is in compliance with OPEGA requirements.

RECOMMENDATION

No action is required by the Committee at this time.

Maine Public Employees Retirement System
Travel Report to the Board of Trustees
For the Period of April 1, 2025 thru June 30, 2025

Traveler	In/Out of State	Dept.	Dates of Travel			Destination	Purpose of Travel	M&IE	Lodging	Transportation	Other	Reimbursed Expenses	Total Expenses
Ackor, James	*O*	*Investments*	*March 17, 2025*	*Thru*	*March 19, 2025*	*Miami, FL*	*Thoma Bravo annual meeting*	*156.00*	*554.00*	*726.91*	*-*	*-*	*1,436.91*
Bennett, James	*O*	*Investments*	*April 2, 2025*	*Thru*	*April 2, 2025*	*San Francisco, CA*	*Visit Dorsal Capital*	*-*	*-*	*80.63*	*-*	*-*	*80.63*
Ackor, James	*O*	*Investments*	*April 8, 2025*	*Thru*	*April 10, 2025*	*New York, NY*	*TCV annual meeting*	*110.00*	*653.00*	*619.70*	*-*	*-*	*1,382.70*
Childs, Joy	*O*	*IT*	*April 12, 2025*	*Thru*	*April 16, 2025*	*Memphis, TN*	*PRISM Conference*	*84.38*	*1,798.75*	*583.86*	*1,299.00*	*-*	*3,765.99*
Mavadones, John	*O*	*IT*	*April 12, 2025*	*Thru*	*April 16, 2025*	*Memphis, TN*	*PRISM Conference*	*206.00*	*1,687.85*	*758.85*	*1,299.00*	*-*	*3,951.70*
Lupkas, Scott	*O*	*Investments*	*April 14, 2025*	*Thru*	*April 16, 2025*	*Houston, TX*	*Stellus Capital, Stonepeak*	*198.00*	*612.18*	*421.30*	*-*	*-*	*1,231.48*
Pierter, Mitchell	*O*	*Investments*	*April 14, 2025*	*Thru*	*April 16, 2025*	*Houston, TX*	*Stellus Capital, Stonepeak*	*220.00*	*612.18*	*587.97*	*-*	*-*	*1,420.15*
Parker, Bartley	*O*	*Investments*	*April 20, 2025*	*Thru*	*April 24, 2025*	*New York, NY*	*Hines, LPAC*	*74.00*	*325.95*	*549.69*	*-*	*(875.64)*	*74.00*
Ackor, James	*O*	*Investments*	*April 22, 2025*	*Thru*	*April 23, 2025*	*Chicago, IL*	*GTCR annual meeting*	*87.00*	*271.31*	*797.83*	*-*	*-*	*1,156.14*
Proom, William	*O*	*Investments*	*April 28, 2025*	*Thru*	*April 30, 2025*	*Miami, FL*	*Stonepeak, LPAC*	*75.00*	*935.67*	*458.79*	*-*	*(1,370.46)*	*99.00*
Keller, Seth	*O*	*Investments*	*April 29, 2025*	*Thru*	*May 1, 2025*	*Boston, MA*	*Great Hill Partners, ThornTree*	*151.00*	*577.96*	*438.48*	*-*	*-*	*1,167.44*
Ackor, James	*O*	*Investments*	*April 29, 2025*	*Thru*	*April 29, 2025*	*Boston, MA*	*Great Hill Partners*	*49.00*	*-*	*44.00*	*-*	*-*	*93.00*
Proom, William	*O*	*Investments*	*May 5, 2025*	*Thru*	*May 8, 2025*	*Dallas, TX*	*AGMs, Silver Creek*	*49.00*	*185.90*	*1,131.64*	*-*	*-*	*1,366.54*
Pierter, Mitchell	*O*	*Investments*	*May 6, 2025*	*Thru*	*May 7, 2025*	*New York, NY*	*Kelso & Company*	*97.00*	*438.69*	*364.22*	*-*	*-*	*899.91*
Porter, Doug	*O*	*Investments*	*May 8, 2025*	*Thru*	*May 9, 2025*	*Chicago, IL*	*TPG Twin Brook*	*120.00*	*274.72*	*770.86*	*-*	*-*	*1,165.58*
Lupkas, Scott	*O*	*Investments*	*May 12, 2025*	*Thru*	*May 13, 2025*	*Boston, MA*	*Summit Partners Annual Meeting*	*-*	*-*	*62.40*	*-*	*-*	*62.40*
Keller, Seth	*O*	*Investments*	*May 12, 2025*	*Thru*	*May 15, 2025*	*San Francisco, CA*	*General Catalyst*	*304.00*	*806.46*	*1,201.42*	*-*	*-*	*2,311.88*
Ackor, James	*O*	*Investments*	*May 12, 2025*	*Thru*	*May 14, 2025*	*Boston, MA*	*Summit LPACs*	*136.00*	*874.00*	*171.38*	*-*	*-*	*1,181.38*
Pierter, Mitchell	*O*	*Investments*	*May 14, 2025*	*Thru*	*May 14, 2025*	*Boston, MA*	*Great Hill Partners*	*54.00*	*-*	*88.89*	*-*	*-*	*142.89*
Burnett, Nathan	*O*	*Trustee*	*May 16, 2025*	*Thru*	*May 19, 2025*	*Denver, CO*	*NCPERS Conference*	*438.00*	*785.49*	*802.16*	*500.00*	*-*	*2,525.65*
Brown, Bill	*O*	*Executive*	*May 17, 2025*	*Thru*	*May 22, 2025*	*Denver, CO*	*NCPERS Conference*	*122.00*	*1,152.88*	*711.25*	*1,600.00*	*-*	*3,586.13*
Porter, Doug	*O*	*Investments*	*May 18, 2025*	*Thru*	*May 22, 2025*	*London, England*	*Ares, LPAC*	*455.00*	*1,394.16*	*2,809.32*	*-*	*(3,601.31)*	*1,057.17*
Gavin, Chip	*O*	*Executive*	*May 18, 2025*	*Thru*	*May 20, 2025*	*Denver, CO*	*NCPERS Conference*	*-*	*135.43*	*427.98*	*1,100.00*		*1,663.41*
Parker, Bartley	*O*	*Investments*	*May 19, 2025*	*Thru*	*May 20, 2025*	*Boca Raton, FL*	*BREP, PAC*	*91.00*	*197.75*	*369.72*	*-*	*(553.11)*	*105.36*
Keller, Seth	*O*	*Investments*	*May 19, 2025*	*Thru*	*May 21, 2025*	*Chicago, IL*	*Alyeska Investment*	*276.00*	*651.05*	*1,210.36*	*-*	*-*	*2,137.41*
Lupkas, Scott	*O*	*Investments*	*May 19, 2025*	*Thru*	*May 21, 2025*	*New York, NY*	*TPG Angelo Gordon*	*79.00*	*1,150.00*	*304.00*	*-*	*(1,433.00)*	*100.00*
Pierter, Mitchell	*O*	*Investments*	*May 20, 2025*	*Thru*	*May 21, 2025*	*New York, NY*	*Paine Schwartz*	*97.00*	*501.52*	*423.13*	*-*	*(894.65)*	*127.00*
Parker, Bartley	*O*	*Investments*	*May 21, 2025*	*Thru*	*May 22, 2025*	*Chicago, IL*	*High Street, LPAC*	*97.00*	*351.03*	*507.90*	*-*	*(351.03)*	*604.90*
Ackor, James	*O*	*Investments*	*May 21, 2025*	*Thru*	*May 22, 2025*	*Chicago, IL*	*Wynnchurch LPACs*	*92.00*	*281.77*	*897.23*	*-*	*-*	*1,271.00*
Proom, William	*O*	*Investments*	*June 3, 2025*	*Thru*	*June 4, 2025*	*New York, NY*	*GIP AGM*	*64.00*	*403.17*	*503.36*	*-*	*-*	*970.53*
Porter, Doug	*O*	*Investments*	*June 4, 2025*	*Thru*	*June 4, 2025*	*New York, NY*	*GIP Spectrum*	*66.00*	*-*	*500.39*	*-*	*-*	*566.39*
Lupkas, Scott	*O*	*Investments*	*June 22, 2025*	*Thru*	*June 25, 2025*	*Los Angeles, CA*	*KKR Investors, LPAC*	*104.00*	*564.00*	*918.97*	*-*	*-*	*1,586.97*
In-State Travel Staff	I	Various	June 1, 2025	Thru	June 30, 2025	-	Misc. Local Travel	-	-	3,387.45	4,272.90		7,660.35
In-State Travel Trustee	I	Trustees	June 1, 2025	Thru	June 30, 2025	-	Board Meetings	-	-	1,718.97	3,200.00		4,918.97
							TOTAL EXPENSES	**4,151.38**	**18,176.87**	**25,351.01**	**13,270.90**	**(9,079.20)**	**51,870.96**

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

REPORT TO THE FINANCE AND AUDIT COMMITTEE - PROCUREMENT

FOR THE PERIOD OF July 1, 2024 - June 30, 2025

VENDOR NAME	CATEGORY	AMOUNT	TYPE	CONFLICT OF INTEREST LANGUAGE[2]	CONTRACT DATE
Regan, Richard R.	Competitive Application Process	$ 11,340	Hearing Officer	Y	January 1, 2019
Terison, F. Mark Esq	Competitive Application Process	$ 10,623	Hearing Officer	Y	July 1, 2022
	Subtotal - Competitive Application Process	**$ 21,963**			
Albourne America, LLC	Competitive Bid	$ 520,000	Consulting	Y	January 15, 2023
Alden Longfellow's Landscaping	Competitive Bid	$ 55,000	Landscaping	Y	November 1, 2024
Augusta Ontario Warehouse LLC	Competitive Bid	$ 479,182	Lease	N	January 11, 2019
Axispoint Technology Solutions	Competitive Bid	$ 28,800	IT Professional Services	Y	September 17, 2020
Bangor Savings Bank	Competitive Bid	$ 20,895	Banking Services	Y	July 1, 2017
Bernstein Shur	Competitive Bid	$ 33,658	Legal Services	Y	August 1, 2024
Berry Dunn	Competitive Bid	$ 139,000	Auditing Services	Y	May 17, 2016
C&W Facility Services Inc.	Competitive Bid	$ 66,953	Janitorial Services	Y	February 7, 2019
Cambridge Associates LLC	Competitive Bid	$ 320,000	Investment Consulting	N	April 1, 2025
Capital Media Group Inc	Competitive Bid	$ 38,075	Video Services	Y	October 1, 2021
Central Maine Power	Competitive Bid	$ 126,314	Electricity	n/a	n/a
Cliffwater LLC	Competitive Bid	$ 475,000	Investment Consulting	Y	January 15, 2023
CliftonLarsonAllen LLP	Competitive Bid	$ 26,313	Auditing Services	Y	March 1, 2022
Connectivity Point Design & Installation LLC	Competitive Bid	$ 15,528	Building Alarm Monitoring	Y	April 1, 2019
Creative Office Pavilion	Competitive Bid	$ 99,844	Office Systems and Furniture	Y	February 5, 2018
Datavail Corporation	Competitive Bid	$ 145,840	IT Database Administration Services	Y	April 6, 2016
Dynamo Software, Inc.	Competitive Bid	$ 68,847	IT Software Licenses & Support	Y	March 1, 2017
FirstLight Fiber	Competitive Bid	$ 105,297	Telephone/Internet	Y	December 29, 2016
Glass Lewis & Co, LLC	Competitive Bid	$ 24,037	Proxy Voting	Y	January 1, 2021
Harriman Associates	Competitive Bid	$ 14,775	Generator System	Y	July 15, 2023
Ice Miller LLP	Competitive Bid	$ 135,671	Legal Services	Y	June 1, 2024
JP Morgan	Competitive Bid	$ 770,500	Investment Consulting	N	March 10, 2011
Kyocera(PCCI)/Wells Fargo	Competitive Bid	$ 40,860	Copier Leases/Printer Service & Supplies	Y	November 25, 2024
LEXISNEXIS RISK DATA MANAGEMENT INC	Competitive Bid	$ 17,352	Death Search Services	N	May 1, 2022
LexisNexis Risk Solutions	Competitive Bid	$ 18,052	ID Verification Services	N	August 1, 2019
Linea Solutions, Inc	Competitive Bid	$ 156,468	Advisory Service for Pension Administration Syste	Y	July 1, 2023
Mosaic Governance Advisors	Competitive Bid	$ 31,150	Consulting	N	July 21, 2017
NEPC, LLC	Competitive Bid	$ 50,000	Consulting	Y	June 1, 2022
One City Center Associates LLC	Competitive Bid	$ 274,474	Leased Office Space	N	August 13, 2023
Presidio Networked Solutions LLC	Competitive Bid	$ 1,377,579	IT Professional Services	Y	August 1, 2018
Regional Electric, LLC	Competitive Bid	$ 517,350	Electric Services	N	May 1, 2024
SAGITEC SOLUTIONS LLC	Competitive Bid	$ 1,537,671	Software License, Implementation & Support	Y	April 14, 2025
Seabreeze Property Services	Competitive Bid	$ 32,001	Building and Grounds Maintenance	Y	July 1, 2019
Snowman Printing	Competitive Bid	$ 260,434	Printing Services	Y	November 27, 2019
Syntropy Partners, LLC	Competitive Bid	$ 88,482	Organizational Change Management Advisory Se	Y	July 1, 2024
Thayer, Inc.	Competitive Bid	$ 52,118	HVAC Maintenance, Support and Equipment	Y	May 22, 2019
The Hartford	Competitive Bid	$ 1,493,064	Insurance	Y	July 1, 2020
Tyler Technologies, Inc.	Competitive Bid	$ 150,398	IT Professional Services	Y	February 25, 2025
University of Massachusetts Medical School	Competitive Bid	$ 155,687	Medical Records	Y	August 1, 2020
Verizon Wireless	Competitive Bid	$ 36,543	Telephone/Internet	N	October 19, 2020
Visible Logic	Competitive Bid	$ 22,425	Consulting	Y	May 1, 2017
Wipfli LLP	Competitive Bid	$ 32,370	Auditing Services	Y	March 1, 2022
XTIUM, INC	Competitive Bid	$ 16,320	IT Professional Services	Y	September 17, 2020
	Subtotal - Competitive Bid	**$ 10,070,326**			
Absolute Capture LLC	Sole-Source Per Policy	$ 38,444	IT Professional Services	Y	March 1, 2022
Adobe Systems Inc.	Sole-Source Per Policy	$ 28,759	IT Software Licenses & Support	n/a	n/a
ADP, LLC	Sole-Source Per Policy	$ 76,268	Payroll Processing	N	July 18, 2022
Consolidated Communications, Inc.	Sole-Source Per Policy	$ 27,300	Telephone/Internet	Y	January 12, 2018
Dell Marketing LP	Sole-Source Per Policy	$ 52,916	IT Computer Equipment	n/a	August 27, 2024
Formax Inc.	Sole-Source Per Policy	$ 13,144	Envelope Sealers	n/a	October 31, 2025
Keeper Security, Inc.	Sole-Source Per Policy	$ 11,466	IT Computer Software	n/a	n/a
Korn Ferry Hay Group, Inc.	Sole-Source Per Policy	$ 25,760	HR Consulting	Y	July 21, 2020
LogMeIn Communications, Inc.	Sole-Source Per Policy	$ 75,859	Telephone/Internet	N	April 28, 2020
Mythics, Inc.	Sole-Source Per Policy	$ 177,405	IT Software Licenses & Support	n/a	September 30, 2022
Northwind Ventures, Inc.	Sole-Source Per Policy	$ 16,517	IT Professional Services	Y	December 27, 2017
Oracle America, Inc	Sole-Source Per Policy	$ 32,404	IT Software Licenses & Support	N	September 11, 2024
Vitech Systems Group, Inc.	Sole-Source Per Policy	$ 1,058,667	V3 Upgrade & Support of Current Version	n/a	n/a
Zoom Video Communications Inc.	Sole-Source Per Policy	$ 17,855	IT Software Licenses & Support	n/a	January 15, 2024
	Subtotal - Sole-Source Per Policy	**$ 1,652,765**			
Chapman And Cutler, LLP	Under Review [1]	$ 202,399	Legal Services	Y	February 20, 2012
Cheiron, Inc.	Under Review [1]	$ 569,190	Actuarial Services	N	July 1, 2008
Iron Mountain	Under Review [1]	$ 48,694	Information Storage	N	February 24, 2012
Morgan, Lewis & Bockius LLP	Under Review [1]	$ 134,579	Legal Services	N	April 5, 2011
	Subtotal - Under Review	**$ 954,861**			
	GRAND TOTAL	**$ 12,699,916**			

[1]Vendors under review include those that had a pre-existing contract at 7/1/13, when the statute came into effect, and either automatically renews each year or is terminated upon request of either party.

[2]As pre-existing contracts expire and are competitively bid, the *conflict of interest language* indicator will be populated. In cases where no formal contract was entered into (a Purchase Order or standard vendor agreement was used,