



**HAWTHORN
WAYMOUTH
& CARROLL, L.L.P.**
Certified Public Accountants

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May 13, 2025

To Ms. Maris LeBlanc, Executive Director, and the Board of Trustees of
Municipal Employees' Retirement System of Louisiana
Baton Rouge, Louisiana

We are pleased to confirm our understanding of the services we are to provide Municipal Employees' Retirement System of Louisiana ("the System") for the year ending June 30, 2025.

Audit Scope and Objectives

We will audit the financial statements of Municipal Employees' Retirement System of Louisiana, which comprise the statement of fiduciary net position as of June 30, 2025, the related statement of changes in fiduciary net position for the year then ending, and the disclosures, which collectively comprise the basic financial statements of Municipal Employees' Retirement System of Louisiana as of and for the year ending June 30, 2025. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Municipal Employees' Retirement System of Louisiana's basic financial statements. Such information, although not a part of the basic financial statements, is required by the 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. As part of our engagement, we will apply certain limited procedures to Municipal Employees' Retirement System of Louisiana's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding 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 will 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. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

1. Management's discussion and analysis;
2. Schedule of changes in net pension liability – Plans A and B;
3. Schedule of employers' net pension liability – Plans A and B;
4. Schedule of contributions – employer and non-employer contributing entities – Plans A and B;
5. Schedule of investment returns – Plans A and B; and
6. Schedule of changes in total OPEB liability and related ratios.

We have also been engaged to report on supplementary information other than RSI that accompanies Municipal Employees' Retirement System of Louisiana's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements:

1. Individual funds' statement of fiduciary net position;

2. Individual funds' statement of changes in fiduciary net position;
3. Schedule of per diem paid to board members;
4. Schedule of administrative expenses; and
5. Schedule of compensation, benefits and other payments to agency head or chief executive officer.

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP; and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

The objectives also include reporting on internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the System or to acts by management or employees acting on behalf of the System. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

According to GAAS, significant risks include management override of controls, and GAAS presumes that revenue recognition is a significant risk. Accordingly, we have considered these as significant risks. We have also identified the valuation of alternative investments as a significant risk of material misstatement as part of our audit planning.

Our audit of the financial statements does not relieve you of your responsibilities.

Audit Procedures—Internal Control

We will obtain an understanding of the System and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*. 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, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

Municipal Employees' Retirement System of Louisiana will prepare and sign the Louisiana Compliance Questionnaire for Audit Engagements of Quasi-Public Organizations, adopt it in an open meeting of the board, and return it to us.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Municipal Employees' Retirement System of Louisiana's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, and contracts. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with accounting principles generally accepted in the United States of America, and for compliance with applicable laws and regulations and the provisions of contracts.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the System from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements; compliance with laws, regulations, and contracts; and other responsibilities required by GAAS and *Government Auditing Standards*.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the System involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the System received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the System complies with applicable laws, regulations, contracts, and agreements and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, or contracts that we report.

You are responsible for the preparation of the supplementary information in conformity with GAAP. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other engagements or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

Other Services

We will also assist in preparing the financial statements and related notes of Municipal Employees' Retirement System of Louisiana in conformity with accounting principles generally accepted in the United States of America based on information provided by you. These nonaudit service does not constitute an audit under *Government Auditing Standards* and such service will not be conducted in accordance with *Government Auditing Standards*. We will perform the service in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities for the financial statement preparation services, related notes, and any other nonattest services we provide. You will be required to acknowledge in the management representation letter our assistance with the preparation of the financial statements and related notes and that you have evaluated the adequacy of our services and have reviewed and approved the results of the services, the financial statements, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to.; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, and other confirmations we request and will locate any documents selected by us for testing.

Immediately upon completion of the engagement, we will submit a copy of the report, any management letter, and management's corrective action plan (if applicable) to the System and the Legislative Auditor; however, management is responsible for distribution of the reports and the financial statements. Municipal Employees' Retirement System of Louisiana will submit a copy of the report, any management letter, and management's corrective action plan, if applicable, to each member of the governing board and to each Louisiana state agency providing financial assistance to Municipal Employees' Retirement System of Louisiana, if applicable. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

We will notify the Legislative Auditor, in writing, and within ten days of our firm's constructive knowledge of the occurrence of these events:

- Any fraud, abuse or illegal acts that are detected during our engagement.
- Any client-imposed scope restrictions, to include failure to provide the appropriate books and records in a timely manner; or denial of access to appropriate books and records.
- Any significant disagreements with the management.
- Any change in the scope of the engagement (for example, a change from an audit engagement to a review/attestation engagement), to include all reasons for such change.
- Any decision to withdraw from or cancel the engagement, to include all substantive reasons for the withdrawal or cancellation.
- Our decision to disclaim the auditor's opinion, or to render an adverse opinion on the financial statements for any reason other than omitted component units.
- Any breach of the security of our firm's computer system, defined in R.S 51:3073 as the compromise of the security, confidentiality, or integrity of computerized data that results in, or there is a reasonable likelihood to result in, the unauthorized acquisition of and access to the local auditee's personal information, as defined in RS 51:3073.

The audit documentation for this engagement is the property of Hawthorn, Waymouth & Carroll, L.L.P. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the Louisiana Legislative Auditor, any successor auditor, any organization of the Louisiana Board of Certified Public Accountants authorized to perform quality assurance reviews, a federal agency providing direct or indirect funding, or the U.S. Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Hawthorn, Waymouth & Carroll, L.L.P. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date.

Subsequent to the issuance of the report, should it be necessary to revise and reissue the report, we will notify the Louisiana Legislative Auditor immediately. We will distribute such revised and reissued report in the same manner and to the same individuals and organizations as the original report.

Brittany Thames, CPA is the engagement partner and is responsible for supervising the engagement and signing the report. We expect to begin our audit on approximately July 29, 2025 and to issue our reports no later than December 31, 2025. It is our understanding that you have assigned Ms. Nancy LaGarde, CPA of your staff (7937 Office Park Boulevard, Baton Rouge, LA 70809, 225-925-4810) as your representative during the engagement.

Our fees for these services are related to our standard hourly rates in effect at the time services are performed. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your engagement. Our fee for this engagement, which we estimate, will not exceed \$62,500, including out-of-pocket expenses. This fee is based on the assumption that you will provide assistance, anticipated cooperation from your personnel, and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Any amendments to the not-to-exceed amount of the fees will be in writing and signed by both our firm and Municipal Employees' Retirement System of Louisiana.

Reporting

We will issue a written report upon completion of our audit of Municipal Employees' Retirement System of Louisiana's financial statements. Our report will be addressed to the Executive Director and the Board of Trustees of Municipal Employees' Retirement System of Louisiana. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

We will also provide a report (which does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, and contracts, noncompliance with which could have a material effect on the consolidated financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will state that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the System's internal control on compliance and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control and compliance. The report will also state that the report is not suitable for any other purpose. If during our audit we become aware that Municipal Employees' Retirement System of Louisiana is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with the U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Immediately upon completion of the engagement, we will submit a copy of the reporting package to Municipal Employees' Retirement System of Louisiana and the Louisiana Legislative Auditor. The reporting package will consist of:

1. An opinion (or disclaimer of opinion) as to whether the financial statements are presented fairly in all material respects in conformity with accounting principles generally accepted in the United States. It is our understanding that these statements will include a schedule of per diem paid to the board members required by

House Concurrent Resolution No. 54 of the 1979 Legislative Session. The schedule will be reviewed as part of our audit in an attempt to provide supplemental information assurance on the schedule as part of our audit report.

2. A report on internal control and compliance with laws and regulations material to the financial statements. This report shall describe the scope of testing of internal control and compliance, the results of the tests, and, where applicable, refer to the separate schedule of findings and responses. The state laws and regulations included in this report shall include all of the compliance matters included in the Louisiana Compliance Questionnaire.
3. If applicable, a summary schedule of findings and responses.
4. If applicable, a summary schedule of the current status of any prior findings, which you will prepare.
5. Management's corrective action plan, which you will prepare.
6. If applicable, a management letter to convey suggestions and recommendations not suitable for the foregoing reports. We will ask you to respond to any matters included in the management letter and include your response as a part of the issued management letter, or you may place your response to these matters in your corrective action plan.

We appreciate the opportunity to be of service to Municipal Employees' Retirement System of Louisiana and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.

In accordance with the provisions of state law, this engagement agreement must be approved by the Louisiana Legislative Auditor prior to commencement of our work. Upon your signature and approval, we will seek approval of the Louisiana Legislative Auditor of this engagement.

We look forward to a pleasant association and the opportunity to provide the services included in this engagement. If you have any questions, please let us know.

Yours truly,

Brittany Thames

Brittany B. Thames, CPA
Hawthorn, Waymouth & Carroll, L.L.P.

RESPONSE:

This letter correctly sets forth the understanding of Municipal Employees' Retirement System of Louisiana.

Signature: _____	Signature: _____
Name: _____	Name: _____
Title: _____	Title: _____