



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

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Municipal Employees' Retirement System

Presentation of the June 30, 2025
Financial Statement Audit Results &
Statewide Agreed-upon Procedures
(SAUPs) Results



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OVERVIEW

- Required Communications
- Audit Report
- Condensed Comparative Financial Statements
- Statewide Agreed-upon Procedures Report

Required Communications

Management's Responsibility

- Preparation and fair presentation of the financial statements in accordance with GAAP, which include making the following accounting estimates and judgments significant to the financial statements
 - Most significant estimates:
 - Fair value of alternative investments
 - Receivable from Lafayette Consolidated Government
- Appropriate selection and use of accounting policies
- Design, implementation, and maintenance of adequate records and a strong internal control system

Required Communications

Auditor's Responsibility under Generally Accepted Auditing Standards:

- To express an opinion on the financial statements
- To provide reasonable, but not absolute, assurance of detecting material misstatements of the financial statements
- To gain a basic understanding of the internal control policies and procedures in order to design an effective and efficient audit approach
- To inform the Board of any illegal acts and material noncompliance of which we become aware

Audit Report

Audit Results

- We issued an unmodified opinion on the financial statements.
- No deficiencies in internal control over financial reporting that we consider to be material weaknesses were identified.
- No violations of laws or regulations that have a direct and material effect on the financial statements were identified.

Audit Report

Emphasis of Matter

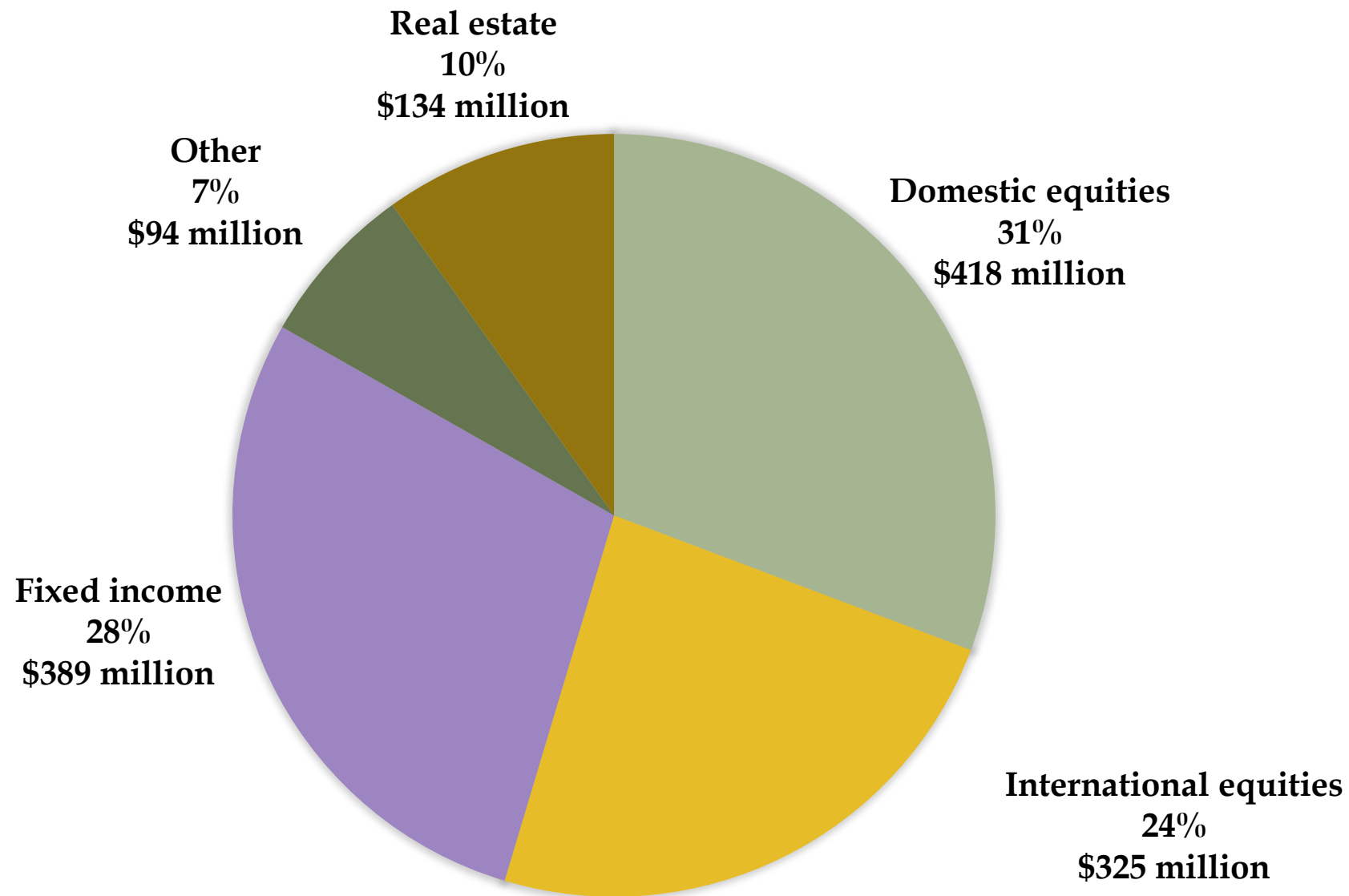
- Refers to a matter presented or disclosed in the financial statements that is essential to users' understanding of the financial statements:
 - Pension liability based on actuarial assumptions

	As of June 30, 2025	
	Plan A	Plan B
Total pension liability	\$ 1,386,616,607	\$ 316,741,429
Plan fiduciary net position	1,157,394,126	268,932,307
Employers' net pension liability	<u>\$ 229,222,481</u>	<u>\$ 47,809,122</u>
Plan fiduciary net position as a % of the total pension liability	83.47%	84.91%

Condensed Comparative Statements of Fiduciary Net Position

	2025	2024	2023
Assets:			
Cash	\$ 37,455,478	\$ 36,356,252	\$ 29,165,750
Receivables (net)	29,146,997	28,074,990	30,723,671
Investments	1,359,644,407	1,240,674,556	1,120,198,768
Property and equipment (net)	<u>1,639,199</u>	<u>1,974,909</u>	<u>2,276,026</u>
Total Assets	<u>1,427,886,081</u>	<u>1,307,080,707</u>	<u>1,182,364,215</u>
Total Liabilities	<u>1,559,648</u>	<u>1,216,196</u>	<u>1,139,193</u>
Net Position Restricted for Pension Benefits	<u>\$ 1,426,326,433</u>	<u>\$ 1,305,864,511</u>	<u>\$ 1,181,225,022</u>

INVESTMENTS



Condensed Comparative Statements of Changes in Fiduciary Net Position

	2025	2024	2023
Additions:			
Member contributions	\$ 24,741,906	\$ 24,068,371	\$ 23,235,596
Employer contributions	72,218,259	74,751,093	73,001,506
Ad valorem and state revenue sharing	12,344,412	11,717,322	10,708,129
UAL attributable to LCG withdrawal	2,123,274	3,649,192	13,708,000
Net investment income	121,413,947	122,754,653	89,854,785
Transfers from other systems	<u>1,267,526</u>	<u>1,142,761</u>	<u>2,227,214</u>
Total Additions	<u>\$ 234,109,324</u>	<u>\$ 238,083,392</u>	<u>\$ 212,735,230</u>

Condensed Comparative Statements of Changes in Fiduciary Net Position (Continued)

	2025	2024	2023
Deductions:			
Retirement benefits	\$ 103,997,397	\$ 103,661,601	\$ 98,905,970
Refunds of contributions	5,083,271	6,002,040	6,177,724
Administrative expenses	2,517,280	2,339,758	2,360,161
Other post-employment expense	12,077	13,317	31,613
Transfers to other systems	2,037,377	1,427,187	1,773,173
Total Deductions	<u>113,647,402</u>	<u>113,443,903</u>	<u>109,248,641</u>
Net Increase	120,461,922	124,639,489	103,486,589
Net Position Restricted for Pension Benefits, beginning of year	<u>1,305,864,511</u>	<u>1,181,225,022</u>	<u>1,077,738,433</u>
Net Position Restricted for Pension Benefits, end of year	<u>\$ 1,426,326,433</u>	<u>\$ 1,305,864,511</u>	<u>\$ 1,181,225,022</u>

Disclosures

Significant Accounting Policies

- Significant accounting policies are disclosed in Note 2 to the Financial Statements
- There were no changes in accounting principles
- Adoption of new accounting pronouncement

Other Matters

- There were no difficulties or disagreements encountered in dealing with management.
- There were no significant audit adjustments or uncorrected (due to materiality levels) adjustments.
- To our knowledge, no consultation with other accountants has occurred on financial reporting or disclosure matters.
- We have obtained a representation letter from management.

Statewide Agreed-upon Procedures (SAUPs)

- The Louisiana Legislative Auditor has prescribed SAUPs to be performed at those local entities that meet the legal requirement to have an audit under the Audit Law (i.e., public funds totaling \$500,000 or more in revenues and other sources).
- The SAUPs are not intended to address all areas of risk within an entity. Instead, they are designed to address those areas that have resulted in the most frequent incidents of fraud, waste, or abuse of public funds.
- Procedures were performed in one area (Travel) due to having an exception in the prior year.
- No exceptions noted in the area tested.



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Thank You

Contact Brittany Thames, CPA

E-mail: bthames@hwc-cpa.com

Phone: 225.923.3000