



May 15, 2026

Mr. Ty Carlos, Board Chair
Ms. Maris LeBlanc, Executive Director
Ms. Nancy LaGarde, Chief Financial Officer
Municipal Employees' Retirement System of Louisiana
7937 Office Park Boulevard
Baton Rouge, Louisiana 70809

Dear Mr. Carlos and Mses. LeBlanc and LaGarde:

The Objective and Scope of the Audit of the Financial Statements

You have requested that HoganTaylor LLP (HoganTaylor, we, us, or our), audit the financial statements of Municipal Employees' Retirement System of Louisiana (the System, you, or your), which comprise the statement of fiduciary net position as of June 30, 2026, and the related statement of changes in fiduciary net position for the year then ending, and the related notes to the financial statements. Accounting standards generally accepted in the United States of America (U.S. 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 consider 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 management inquiries 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;
6. Schedule of changes in total OPEB liability and related ratios; and
7. Notes to required supplementary information.

You have also requested that we report on whether the supplementary information other than RSI is fairly stated in all material respects, in relation to the financial statements as a whole. 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 separate written report accompanying 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 required by Louisiana Revised Statute 24:513.A.(3).

We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter (Arrangement Letter).

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards issued by the Comptroller General of the United States (GAS), will always detect a material misstatement when it exists. Misstatements 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 made by a reasonable user based on the financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of controls.

Our engagement will be performed in accordance with the *Louisiana Governmental Audit Guide*, authorized by Louisiana Revised Statute 24:513 A. (5)(a)(i), which is published jointly by the Louisiana Legislative Auditor and the Society of Louisiana Certified Public Accountants.

The Responsibilities of the Auditor

We will conduct our audit in accordance with GAAS and GAS. Those standards require that we comply with applicable ethical requirements. As part of an audit in accordance with GAAS and GAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We will also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, based on an understanding of the entity and its environment, the applicable financial reporting framework, and the entity's system of internal control, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider the entity's system of internal control in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, which raise substantial doubt about the System's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of controls, an unavoidable risk that some material misstatements may not be detected exist, even though the audit is properly planned and performed in accordance with GAAS and GAS. Because the determination of waste or abuse is subjective, GAS does not require auditors to perform specific procedures to detect waste or abuse in financial statement audits.

We will communicate to the Board of Trustees (a) any fraud involving senior management and fraud (whether caused by senior management or other employees) that causes a material misstatement of the financial statements that becomes known to us during the audit, and (b) any instances of noncompliance with laws and regulations that we become aware of during the audit (unless they are clearly inconsequential).

Our report on internal control over financial reporting will include any significant deficiencies and material weaknesses in internal controls over financial reporting of which we become aware as a result of obtaining an understanding of internal control and performing tests of internal control over financial reporting consistent with requirements of the standards and regulations identified above. Our report on compliance matters will address material errors, fraud, violations of compliance obligations, and other responsibilities imposed by state and federal statutes and regulations or assumed by contracts, and any state or federal grant, entitlement or loan program questioned costs of which we become aware, consistent with requirements of the standards and regulations identified above.

We will maintain our independence in accordance with the standards of the American Institute of Certified Public Accountants and GAS.

We have been advised that the System does not meet the expenditure threshold requiring an audit under Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); therefore, our audit will not include procedures to test compliance with federal award requirements.

The Responsibilities of Management and Identification of the Applicable Financial Reporting Framework

Management is responsible for:

1. Identifying and ensuring that the System complies with the laws and regulations applicable to its activities, and for informing us about all known violations of such laws or regulations, other than those that are clearly inconsequential;
2. 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 entity involving management, employees who have significant roles in internal control, and others where fraud could have a material effect on the financial statements; and

3. Informing us of its knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, analysts, regulators, short sellers, vendors, customers or others.

Management is responsible for the preparation of the supplementary information in accordance with accounting principles generally accepted in the United States of America. Management agrees to include the auditor's report on the supplementary information in any document that contains the supplementary information and will indicate that the auditor has reported on such supplementary information. Management also agrees to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.

The Board of Trustees is responsible for informing us of its views about the risks of fraud, waste or abuse within the entity, and its knowledge of any fraud waste or abuse or suspected fraud, waste or abuse affecting the entity.

Our audit will be conducted on the basis that management acknowledges and understands that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with U.S. GAAP;
2. To evaluate subsequent events through the date the financial statements are issued or available to be issued, and to disclose the date through which subsequent events were evaluated in the financial statements. Management also agrees that it will not conclude on subsequent events earlier than the date of the management representation letter referred to below;
3. For the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
4. For report distribution; and
5. To provide us with:
 - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, including information relevant to disclosures;
 - b. Draft financial statements, including information relevant to their preparation and fair presentation, when needed, to allow for the completion of the audit in accordance with the proposed timeline;
 - c. Additional information that we may request from management for the purpose of the audit; and
 - d. Unrestricted access to persons within the System from whom we determine it necessary to obtain audit evidence.

As part of our audit process, we will request from management written confirmation concerning representations made to us in connection with the audit, including among other items:

1. That management has fulfilled its responsibilities as set out in the terms of this Arrangement Letter; and
2. That it believes 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 taken as a whole.

Reporting

We will issue a written report upon completion of our audit of the System's financial statements. Our report will be addressed to 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 opinion or add an emphasis-of-matter paragraph or other-matter paragraph to our auditor's report.

If circumstances arise relating to the condition of the System's records, the availability of appropriate audit evidence or indications of a significant risk of material misstatement of the financial statements because of error, fraudulent financial reporting or misappropriation of assets which, in our professional judgment, prevent us from completing the audit or forming an opinion, we retain the unilateral right to take any course of action permitted by professional standards, including, but not limited to, declining to express an opinion or issue a report, or withdrawing from the engagement.

In addition to our report on the System's financial statements, we will also issue the following types of reports:

- Report on internal control over the financial statements. This report will describe the scope of testing of internal control over the financial statements and the results of our tests of internal controls over the financial statements;
- Report on compliance with laws, regulations, and the provisions of contracts or grant agreements. We will report on any noncompliance that could have a material effect on the financial statements; and
- A schedule of findings and responses.

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 local auditee and the Legislative Auditor.

We expect to issue our reports no later than December 31, 2026.

Either we or the local auditee will submit a copy of the report, any management letter, and management's corrective action plan (if applicable) to the following persons and agencies, as applicable:

- Each member of the local auditee's governing board
- Each Louisiana state agency providing financial assistance to the local auditee

Subsequent to the issuance of the report, should it be necessary to revise and reissue the report, we will notify the 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.

Records and Assistance

During the course of our engagement, we may accumulate records containing data that should be reflected in the System's books and records. The System will determine that all such data, if necessary, will be so reflected. Accordingly, the System will not expect us to maintain copies of such records in our possession.

The assistance to be supplied by System personnel, including the preparation of schedules and analyses of accounts, has been discussed and coordinated with Ms. Nancy LaGarde, Chief Financial Officer. The timely and accurate completion of this work is an essential condition to our completion of the audit and issuance of our audit report.

Nonaudit Services

In connection with our audit, you have requested us to perform the following nonaudit services:

1. Drafting the financial statements and related notes.

The GAS independence standards require that the auditor maintain independence so that opinions, findings, conclusions, judgments and recommendations will be impartial and viewed as impartial by reasonable and informed third parties. Before we agree to provide a nonaudit service to Municipal Employees' Retirement System of Louisiana, we determine whether providing such a service would create a significant threat to our independence for GAS audit purposes, either by itself or in aggregate with other nonaudit services provided. A critical component of our determination is consideration of management's ability to effectively oversee the nonaudit service to be performed. Municipal Employees' Retirement System of Louisiana has agreed that Ms. Nancy LaGarde, Chief Financial Officer, possesses suitable skill, knowledge or experience and that the individual understands the nonaudit services to be performed and described above, sufficiently to oversee them. Accordingly, the management of Municipal Employees' Retirement System of Louisiana agrees to the following:

1. Municipal Employees' Retirement System of Louisiana has designated Ms. Nancy LaGarde, as a senior member of management who possesses suitable skill, knowledge and experience to oversee the services;
2. Ms. Nancy LaGarde will assume all management responsibilities for subject matter and scope of the drafting of the financial statements;
3. Municipal Employees' Retirement System of Louisiana will evaluate the adequacy and results of the services performed; and
4. Municipal Employees' Retirement System of Louisiana accepts responsibility for the results and ultimate use of the services.

GAS further requires that we establish an understanding with Municipal Employees' Retirement System of Louisiana's management and those charged with governance of the objectives of the nonaudit services, the services to be performed, the System's acceptance of its responsibilities, the auditor's responsibilities and any limitations of the nonaudit services. We believe this letter documents that understanding.

Other Relevant Information

In accordance with GAS, a copy of our most recent peer review report is enclosed for your information.

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 of Trustees, and return it to us. We will test the local auditee's compliance with the applicable laws during the performance of our audit and will report on any matters of noncompliance that are material to the financial statements.

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 local auditee.
- 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 R.S. 51:3073

Fees and Costs

Our fees for the services described above will be \$63,750 and are based upon the value of the services performed and the time required by the individuals assigned to the engagement. Our fee estimate and completion of our work are based upon the following criteria:

1. Anticipated cooperation from System personnel
2. Timely responses to our inquiries
3. Timely completion and delivery of client assistance requests
4. Timely communication of all significant accounting and financial reporting matters
5. The assumption that unexpected circumstances will not be encountered during the engagement

If any of the aforementioned criteria are not met, then fees may increase. Any amendments to the not-to-exceed amount of fees will be in writing and signed by both our firm and the System. Interim billings will be submitted as work progresses and as expenses are incurred. Billings are due upon submission.

Invoices for our services pursuant to this Arrangement Letter will be sent to: Ms. Nancy LaGarde, Chief Financial Officer: nancy@mersla.com

It is HoganTaylor's policy to suspend work on any account that is 90 days past due.

Use and Ownership; Access to Audit Documentation

The Audit Documentation for this engagement is the property of HoganTaylor. For the purposes of this Arrangement Letter, the term Audit Documentation shall mean the confidential and proprietary records of HoganTaylor's audit procedures performed, relevant audit evidence obtained, other audit-related workpapers, and conclusions reached. Audit Documentation shall not include custom-developed documents, data, reports, analyses, recommendations, and deliverables authored or prepared by

HoganTaylor for the System under this Arrangement Letter, or any documents belonging to the System or furnished to HoganTaylor by the System.

Review of Audit Documentation by a successor auditor or as part of due diligence is subject to applicable HoganTaylor policies, and will be agreed to, accounted for and billed separately. Any such access to our Audit Documentation is subject to a successor auditor signing the Access & Release Letter provided by HoganTaylor, without substantive modifications thereto. HoganTaylor reserves the right to decline a successor auditor's request to review our Audit Documentation.

In the event we are required by government regulation, subpoena or other legal process to produce our documents or our personnel as witnesses with respect to our engagement for the System, the System will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such requests

The documentation for this engagement is the property of HoganTaylor. However, you acknowledge and grant your assent that representatives of the cognizant or oversight agency or their designee, other government audit staffs, and the U.S. Government Accountability Office shall have access to the Audit Documentation upon their request and that we shall maintain the Audit Documentation for a period of at least five years after the date of the report, or for a longer period if we are requested to do so by the cognizant or oversight agency. Access to the requested Audit Documentation will be provided under the supervision of HoganTaylor audit personnel and at a location designated by our firm.

It is understood that our audit documentation is confidential information. However, we will make our audit documentation available to the Legislative Auditor, any successor auditor, or any organization of the Louisiana Board of Certified Public Accountants authorized to perform quality assurance reviews. We will follow the Louisiana Legislative Auditor's policy regarding confidentiality of audit documentation found in the Louisiana Governmental Audit Guide when giving access to audit documentation to any parties other than those previously named individuals and organizations. Should we become aware of any illegal acts, we will make our engagement documentation available to the local district attorney and/or any other state or federal enforcement or regulatory agency without liability.

Miscellaneous

Our professional standards require that we perform certain additional procedures, on current and previous years' engagements, whenever a partner or professional employee leaves the firm and is subsequently employed by or associated with a client in a key position. Accordingly, you agree to compensate us for any additional costs incurred as a result of your employment of one of our partners, principals or employees.

Each party hereto affirms it has not been placed on a Sanctioned List (as defined below) and will promptly notify the other party upon becoming aware that it has been placed on a Sanctioned List at any time throughout the duration of this Arrangement Letter. The System shall not, and shall not permit third parties to, access or use any of the deliverables provided for hereunder, or Third-Party Products provided hereunder, in violation of any applicable sanctions laws or regulations, including, but not limited to, accessing or using the deliverables provided for hereunder or any Third-Party Products from any territory under embargo by the United States. The System shall not knowingly cause HoganTaylor to violate any sanctions applicable to HoganTaylor. As used herein Sanctioned List means any sanctioned person or entity lists promulgated by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. State Department, the Consolidated Canadian Autonomous Sanctions List, the United Nations Security Council, the European Union, and the United Kingdom.

Any term of this Arrangement Letter that would be prohibited by or impair our independence under applicable law or regulation shall not apply, to the extent necessary only to avoid such prohibition or impairment.

Acknowledgement and Acceptance

Each party acknowledges that it has read and agrees to all of the terms and conditions contained herein and in the referenced [Terms & Conditions Related Assurance Services \(hogantaylor.com\)](https://hogantaylor.com). The provisions in Section 6.1 of the Terms & Conditions regarding the use of third-party providers are not applicable to this engagement. Each party and its signatory below represent that said signatory is a duly authorized representative of such party and has the requisite power and authority to bind such party to the undertakings and obligations contained herein.

A handwritten signature in black ink that reads "Hogan Taylor" followed by the letters "UP".

AGREED TO AND ACKNOWLEDGED BY:

Confirmed on behalf of Municipal Employees' Retirement System of Louisiana:

Mr. Ty Carlos, Board Chair

Ms. Maris LeBlanc, Executive Director

Ms. Nancy LaGarde, Chief Financial Officer



Report on the Firm's System of Quality Control

To the Partners of
Hogan Taylor LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Hogan Taylor LLP (the "firm"), applicable to engagements not subject to PCAOB permanent inspection, in effect for the year ended June 30, 2024. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a system review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans, an audit performed under FDICIA; and examinations of service organizations (SOC 1 and 2 engagement).

As part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.



Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Hogan Taylor LLP, applicable to engagements not subject to PCAOB permanent inspection, in effect for the year ended June 30, 2024, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. Hogan Taylor LLP has received a peer review rating of *pass*.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia
December 13, 2024