



November 16, 2023

To the Board of Trustees  
Municipal Retirement Systems and Fire and Police Disability and Relief Fund  
Jackson, Mississippi

We have audited the Schedule of Changes in Fiduciary Net Position by Employer (the Schedule) of the Municipal Retirement Systems and Fire and Police Disability and Relief Plan (the Plan) as of and for the year ended June 30, 2023, and have issued our report thereon dated November 16, 2023. Professional standards require that we advise you of the following matters relating to our audit.

#### **Our Responsibility in Relation to the Audit**

As communicated in our letter dated May 11, 2023, our responsibility, as described by professional standards, is to form and express opinions about whether the Schedule that has been prepared by management with your oversight is presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the Schedule does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the Schedule is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Plan solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

#### **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

#### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

## **Significant Risks Identified**

As stated in our auditor’s report, professional standards require us to design our audit to provide reasonable assurance that the Schedule is free of material misstatement whether caused by fraud or error. In designing our audit procedures, professional standards require us to evaluate the Schedule and assess the risk that a material misstatement could occur. Areas that are potentially more susceptible to misstatements, and thereby require special audit considerations, are designated as “significant risks”. We have identified the following as significant risks:

- Management Override of Controls – Professional standards require auditors to address the possibility of management overriding controls. Accordingly, we identified a significant risk that management of the Plan may have the ability to override controls that the Plan has implemented. Management may override controls in order to modify the financial records with the intent of manipulating the Schedule or overstating investment performance, or with the intent of concealing fraudulent transactions.
- Calculation of Initial Benefit Payments – We identified the calculation of initial benefit payments as a significant risk as the initial calculation determines the subsequent disbursements to retirees and beneficiaries in future years.
- Revenue Recognition for Contributions – We identified revenue recognition as a significant risk due to the potential incentives for the Plan to overstate contribution revenue or to recognize contribution revenue in the incorrect period.

## **Qualitative Aspects of the Entity’s Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Plan is included in Note 2 to the Schedule. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2023. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the Schedule prepared by management and are based on management’s current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the Schedule and because of the possibility that future events affecting them may differ markedly from management’s current judgments. No such significant accounting estimates were identified.

### *Schedule Disclosures*

Certain schedule disclosures involve significant judgment and are particularly sensitive because of their significance to Schedule users. There were no Schedule disclosures that we consider to be particularly sensitive or involve significant judgment.

### **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the Schedule as a whole and each applicable opinion unit. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause the future-period Schedule to be materially misstated, even though the uncorrected misstatements are immaterial to the Schedule currently under audit. There were no uncorrected or corrected misstatements identified as a result of our audit procedures.

### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Plan's schedule or the auditor's report. No such disagreements arose during the course of the audit.

### **Circumstances that Affect the Form and Content of the Auditor's Report**

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. We did not identify any circumstances that affect the form and content of the auditor's report.

### **Representations Requested from Management**

We have requested certain written representations from management which are included in management representation letter dated November 16, 2023.

### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the Plan, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Plan's auditors.

This report is intended solely for the information and use of the Board of Trustees and management of the Plan and is not intended to be, and should not be, used by anyone other than these specified parties.

*Eide Bailly LLP*

Boise, Idaho