

**Independent Auditor's Report on Internal Control Over Financial Reporting and  
on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

Members of the Public Employees Retirement Association Board of Trustees

Doug Anderson, Executive Director  
Public Employees Retirement Association

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the basic financial statements of the Public Employees Retirement Association (PERA), as of and for the year ended June 30, 2024, and have issued our report thereon dated December 13, 2024. PERA's basic financial statements consist of its Statements of Fiduciary Net Position and Changes in Fiduciary Net Position, and the related Notes to the Financial Statements.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered PERA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of PERA's internal control. Accordingly, we do not express an opinion on the effectiveness of PERA's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider material weaknesses.

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether PERA's financial statements are free from material misstatements, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of PERA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering PERA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Lori Leysen, CPA  
Deputy Legislative Auditor



Jordan Bjonfald, CPA  
Audit Director

December 13, 2024

January 30, 2025

Members of the Public Employees Retirement Association Board of Trustees:

We are providing this letter in connection with our audit of the financial statements of the Public Employees Retirement Association (PERA) for the year ended June 30, 2024. Generally accepted auditing standards require us to communicate certain matters to you that may assist you in overseeing the financial reporting process for which management is responsible.

### **Audit Objectives and Scope**

The purpose of our audit was to express an opinion as to whether PERA's financial statements, including note disclosures, present fairly, in all material respects, the financial position and results of operations in conformity with accounting principles generally accepted in the United States of America.

### **Other Information Contained in the Public Employees Retirement Association's Annual Comprehensive Financial Report**

PERA's Annual Comprehensive Financial Report contains other documents and information that are not a required part of the financial statements. Our responsibility is to express an opinion on the basic financial statements, notes to the financial statements, and supporting schedules within the financial section of PERA's 2024 Annual Comprehensive Financial Report. Management's Discussion and Analysis and other supplementary information are required by generally accepted accounting principles. We have applied certain limited procedures to the supplementary information. However, we did not audit the information and express no opinion on it.

The Introductory and Statistical sections of the Annual Comprehensive Financial Report present various demographic and historical information about PERA. This supplemental information is presented for the purposes of additional analysis and is not a required part of the basic financial statements. We did not audit this information and, accordingly, we express no opinion on it.

### **Auditor's Responsibilities Under Generally Accepted Auditing Standards**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

The auditing standards require that we conduct the audit to provide reasonable, but not absolute, assurance about the fair presentation of PERA's financial statements. We are also responsible for planning our audit to provide reasonable, rather than absolute, assurance of detecting fraudulent financial reporting or misappropriation of assets that would be considered material to PERA's financial statements.

## **Audit Reports and Conclusions**

We issued an unqualified audit opinion on PERA's financial statements for the year ended June 30, 2024. An unqualified audit opinion means the financial statements were fairly presented, in all material respects, in accordance with generally accepted accounting principles. Our audit opinion on the financial statements, dated December 13, 2024, was included in PERA's 2024 Annual Comprehensive Financial Report.

We have attached with this letter a copy of our report on internal control over financial reporting and compliance for the year ended June 30, 2024. *Government Auditing Standards* require that we issue a report that describes our consideration of PERA's internal control over financial reporting and our tests of certain provisions of laws, regulations, and contracts. The report does not contain any findings related to internal control and compliance. We emphasize that our responsibilities for internal control and compliance do not constitute the same level of assurance as an audit opinion.

Additionally, we have attached a copy of written representations we requested from PERA management. We proposed one audit adjustment to correct a \$71 million misstatement on the Statement of Fiduciary Net Position; PERA management made this correction. We identified one uncorrected misstatement that did not affect our audit opinion. However, uncorrected misstatements, or matters underlying those uncorrected misstatements, could potentially cause future-period financial statements to be materially misstated.

## **Significant Accounting Policies, Management Judgments, and Accounting Estimates**

Accounting estimates are an integral part of the financial statements 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.

## **Difficulties Encountered in Performing the Audit**

We received the full cooperation of PERA's management and staff in performing this audit. We had no disagreements with management over the application of accounting principles, the scope of the audit, disclosures to be included in PERA's financial statements, or the wording of the auditor's report. We did not encounter any difficulties in dealing with management relating to the performance of the audit.

## **Restriction on Use**

This letter is intended solely for the information and use of the Public Employees Retirement Association Board of Trustees and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,



Jordan Bjonfald, CPA  
Audit Director

Attachments

cc: Doug Anderson, Executive Director  
Tracy Gebhard, Chief Financial Officer