



John Keel, CPA
State Auditor

A Report on
**The Audit of the Teacher Retirement System's
Fiscal Year 2013 Financial Statements**

November 19, 2013

Members of the Legislative Audit Committee:

In our audit report dated November 15, 2013, we concluded that the Teacher Retirement System's (Retirement System) basic financial statements for fiscal year 2013 were materially correct and presented in accordance with accounting principles generally accepted in the United States of America. The Retirement System published our audit report as part of its basic financial statements, which it intends to post on its Web site at <http://trs.state.tx.us>.

We also issued a report on internal control over financial reporting and on compliance and other matters as required by auditing standards. Our procedures did not identify any material weaknesses in internal control over financial reporting or any noncompliance with laws or regulations that materially affected the financial statements. In addition, the major internal controls that we tested for the purpose of forming our opinions on the financial statements were operating effectively.

Our procedures were not intended to provide an opinion on internal control over financial reporting or to provide an opinion on compliance with laws and regulations. Accordingly, we do not express an opinion on the effectiveness of the Retirement System's internal control over financial reporting or on compliance with laws and regulations.

Auditors communicated certain issues that were not material or significant to the audit objectives in writing to the Retirement System's management.

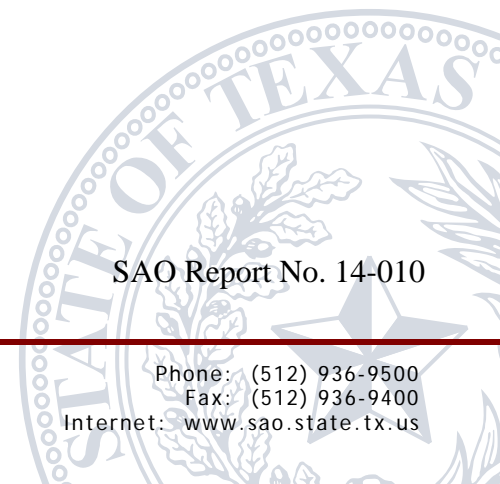
As required by auditing standards, we will also communicate to the Retirement System's Board of Trustees certain matters related to the conduct of a financial statement audit.

We appreciate the Retirement System's cooperation during this audit. If you have any questions, please contact Angelica Ramirez, Audit Manager, or me at (512) 936-9500.

Sincerely,

John Keel, CPA
State Auditor

SAO Report No. 14-010



cc: Members of the Teacher Retirement System Board of Trustees
Mr. R. David Kelly, Chairman
Ms. Nanette Sissney, Vice Chair
Mr. Todd Barth
Ms. T. Karen Charleston
Mr. Joe Colonna
Mr. David Corpus
Mr. Christopher Moss
Ms. Anita Smith Palmer
Ms. Dolores Ramirez
Mr. Brian Guthrie, Executive Director, Teacher Retirement System



This document is not copyrighted. Readers may make additional copies of this report as needed. In addition, most State Auditor's Office reports may be downloaded from our Web site: www.sao.state.tx.us.

In compliance with the Americans with Disabilities Act, this document may also be requested in alternative formats. To do so, contact our report request line at (512) 936-9500 (Voice), (512) 936-9400 (FAX), 1-800-RELAY-TX (TDD), or visit the Robert E. Johnson Building, 1501 North Congress Avenue, Suite 4.224, Austin, Texas 78701.

The State Auditor's Office is an equal opportunity employer and does not discriminate on the basis of race, color, religion, sex, national origin, age, or disability in employment or in the provision of services, programs, or activities.

To report waste, fraud, or abuse in state government call the SAO Hotline: 1-800-TX-AUDIT.