June 2, 2015

Members of the Legislative Audit Committee:

In our audit report dated May 29, 2015, we concluded that the Schedules of Employer Allocations and the Schedules of the Collective Pension Amounts as of August 31, 2014, for the Employees Retirement System (System) are presented fairly, in all material respects in accordance with accounting principles generally accepted in the United States of America. The System administers the following defined benefit pension plans included in our audit: Employees Retirement System Plan, Law Enforcement and Custodial Officer Supplemental Retirement Plan, and Judicial Retirement System of Texas Plan II. The System intends to post the schedules and our audit report on its Web site at www.ers.state.tx.us.

We also issued a report on internal control over financial reporting of the schedules 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 of the schedules or any noncompliance with laws or regulations that materially affected the schedules. In addition, the major internal controls that we tested for the purpose of forming our opinions on the schedules were operating effectively.

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

As required by auditing standards, we will also communicate to the System’s Board of Trustees certain matters related to the conduct of this audit.
We appreciate the System’s cooperation during this audit. If you have any questions, please contact Verma Elliott, Audit Manager, or me at (512) 936-9500.

Sincerely,

John Keel, CPA
State Auditor

cc: The Honorable Greg Abbott, Governor
    Members of the Employees Retirement System Board of Trustees
        Mr. Brian D. Ragland, Chair
        Mr. Frederick E. Rowe, Jr., Vice-Chair
        Mr. Doug Danzeiser
        Ms. Cydney Donnell
        Ms. Yolanda Griego
        Mr. I. Craig Hester
    Mr. Porter Wilson, Executive Director, Employees Retirement System
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