



Senator Roger J. Reinert, Chair
Legislative Audit Commission

Members of the Legislative Audit Commission

Members of the Public Employees Retirement Association Board of Trustees

Ms. Mary Most Vanek, Executive Director
Public Employees Retirement Association of Minnesota

Internal Controls Over Financial Reporting and Compliance

In auditing the Public Employees Retirement Association's basic financial statements for the year ended June 30, 2014, we considered internal controls over financial reporting. We also tested compliance with significant legal provisions impacting the basic financial statements. However, given the limited nature of our audit work, we do not express an overall opinion on the effectiveness of the Public Employees Retirement Association's internal controls or compliance. In addition, our work may not have identified all significant control deficiencies or instances of noncompliance with legal requirements.

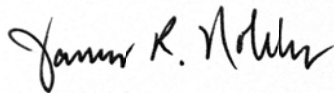
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. This document meets the audit standard requirements of the American Institute of Certified Public Accountants and the Government Accountability Office to communicate internal control matters identified in a financial statement audit. The audit was conducted by Michael Hassing, CPA, CISA (Audit Director), Sonya Johnson, CPA, CFE (Audit Manager), and assisted by auditors Cassie Harlin, CPA, Nicholas Ludwig, CPA, and Emily Wiant.

Our audit opinion on the financial statements was included in the association's annual financial report. Access to the report is available at the following website:
http://www.mnpera.org/vertical/sites/%7BCB6D4845-437C-4F52-969E-51305385F40B%7D/uploads/CAFR_2014_Web%281%29.pdf.

We did not identify any deficiencies in internal controls over financial reporting that we consider to be material weaknesses. A material weakness is a deficiency, or combination of deficiencies, in internal controls 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. In addition, the results of our tests of legal provisions disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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This document is an integral part of our audit of the financial statements of the Public Employees Retirement Association in considering its internal controls over financial reporting and compliance. Accordingly, this document is not suitable for any other purpose.



James R. Nobles
Legislative Auditor



Cecile M. Ferkul, CPA, CISA
Deputy Legislative Auditor

End of Fieldwork: December 12, 2014

Report Signed On: January 23, 2015