



# Texas Municipal Retirement System

2020 Financial Statement and System and  
Organization Controls (SOC) Audit Results

Agenda Items 7, 8 and 9

June 24, 2021

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor

# Agenda



2020 Audit Results – Agenda Items 7 and 8



Required Communications – Agenda Item 9



# Agenda Item #7:

## 2020 Audit Results – Financial Statements

- Independent Auditors’ Report – Unmodified “clean” opinion that the financial statements are presented fairly, in all material respects, in conformity with U.S. Generally Accepted Accounting Principles (GAAP).
- Limited procedures were performed, and no opinion rendered, on management’s discussion and analysis; required supplementary information; and the Introductory, Investment, Actuarial and Statistical sections.
- Limited procedures were performed, and an unmodified “in relation to” opinion was rendered on the other supplemental schedules.



# 2020 Audit Results – Schedule of Changes in Fiduciary Net Position by Participating City

- Independent Auditors’ Report - Unmodified “clean” opinion that the fiduciary net position and the changes in fiduciary net position in the Schedule of Changes in Fiduciary Net Position by Participating City are presented fairly, in all material respects, in conformity with U.S. Generally Accepted Accounting Principles (GAAP).
- Unmodified “in relation to” opinion was issued on the individual city information presented in the Schedule.



# Agenda Item #8: 2020 Audit Results – System Organization and Controls (SOC) Report

- Independent Auditor’s Report – Unmodified “clean” opinion that the controls implemented by TMRS were fairly presented, adequately designed, and operating effectively to meet the stated control objectives for the period May 1, 2020 through April 30, 2021.
- No exceptions noted for the 10 control objectives tested



# Agenda Item #9: Required Auditor Communications with the Board of Trustees

- Auditor's responsibility under U.S. Generally Accepted Auditing Standards
- Significant accounting policies
- No new accounting standards implemented
- No audit adjustments or passed audit adjustments
- Management judgments and accounting estimates, including valuation of investments
- Difficulties encountered during the audit



# Required Auditor Communications with the Board (continued)

- Management was very cooperative and professional during the audit process
- No disagreements with management
- Management did not consult with other accountants on the application of GAAP or GAAS
- No major issues were discussed with management prior to retention
- Management Representations were provided



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