STATE OF MINNESOTA
Office of the State Auditor

Rebecca Otto
State Auditor

DULUTH TEACHERS’ RETIREMENT FUND ASSOCIATION
DULUTH, MINNESOTA

YEAR ENDED JUNE 30, 2012
Description of the Office of the State Auditor

The mission of the Office of the State Auditor is to oversee local government finances for Minnesota taxpayers by helping to ensure financial integrity and accountability in local governmental financial activities.

Through financial, compliance, and special audits, the State Auditor oversees and ensures that local government funds are used for the purposes intended by law and that local governments hold themselves to the highest standards of financial accountability.

The State Auditor performs approximately 160 financial and compliance audits per year and has oversight responsibilities for over 3,300 local units of government throughout the state. The office currently maintains five divisions:

**Audit Practice** - conducts financial and legal compliance audits of local governments;

**Government Information** - collects and analyzes financial information for cities, towns, counties, and special districts;

**Legal/Special Investigations** - provides legal analysis and counsel to the Office and responds to outside inquiries about Minnesota local government law; as well as investigates allegations of misfeasance, malfeasance, and nonfeasance in local government;

**Pension** - monitors investment, financial, and actuarial reporting for approximately 730 public pension funds; and

**Tax Increment Financing** - promotes compliance and accountability in local governments’ use of tax increment financing through financial and compliance audits.

The State Auditor serves on the State Executive Council, State Board of Investment, Land Exchange Board, Public Employees Retirement Association Board, Minnesota Housing Finance Agency, and the Rural Finance Authority Board.

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DULUTH, MINNESOTA

Year Ended June 30, 2012

Management and Compliance Report

Audit Practice Division
Office of the State Auditor
State of Minnesota
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Board of Trustees
Duluth Teachers’ Retirement Fund Association

We have audited the basic financial statements of the Duluth Teachers’ Retirement Fund Association as of and for the year ended June 30, 2012, and have issued our report thereon dated February 11, 2013.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the provisions of the Minnesota Legal Compliance Audit Guide for Political Subdivisions, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65. Accordingly, the audit included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The Minnesota Legal Compliance Audit Guide for Political Subdivisions covers three categories of compliance applicable to the Duluth Teachers’ Retirement Fund Association to be tested: the deposits section of deposits and investments, conflicts of interest, and the investment section of relief associations. Our study included all of the listed categories.

The results of our tests indicate that, for the items tested, the Duluth Teachers’ Retirement Fund Association complied with the material terms and conditions of applicable legal provisions.

This report is intended solely for the information and use of the Board of Trustees, management, and others within the Duluth Teachers’ Retirement Fund Association and is not intended to be, and should not be, used by anyone other than those specified parties.

/s/Rebecca Otto          /s/Greg Hierlinger

REBECCA OTTO          GREG HIERLINGER, CPA
STATE AUDITOR          DEPUTY STATE AUDITOR

February 11, 2013