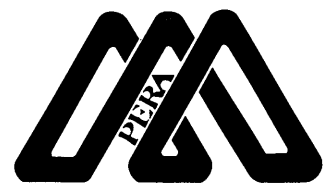
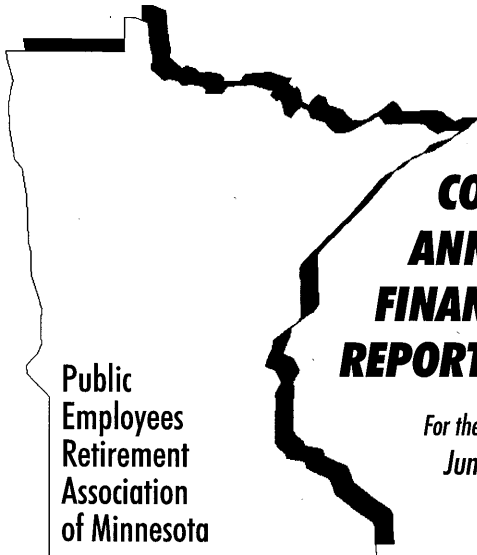


**COMPREHENSIVE  
ANNUAL  
FINANCIAL  
REPORT**

*For the Fiscal Year Ended  
June 30, 2001*

**Public Employees  
Retirement Association  
of Minnesota**





**COMPREHENSIVE  
ANNUAL  
FINANCIAL  
REPORT**

*For the Fiscal Year Ended  
June 30, 2001*

Public  
Employees  
Retirement  
Association  
of Minnesota

**70**  
*Years of  
Service  
to  
Minnesota's  
Public  
Employees*

Pension Trust Funds of the State of Minnesota

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Mary Most Vanek

Report prepared by Finance and Pension Services Division Staff:

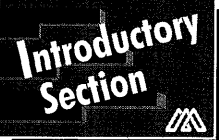
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Retirement Systems of Minnesota Building  
60 Empire Drive, Suite 200  
St. Paul, Minnesota 55103-1855  
(651) 296-7460



Member of Government Finance Officers Association of the United States and Canada

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# Achievement Awards

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## **GFOA**

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The Government Finance Officers Association (GFOA) recognizes public retirement systems that meet its rigorous standards for financial reporting with its annual Certificate of Achievement for Excellence in Financial Reporting. It is the highest form of recognition for accounting and financial reporting in the public pension sector. This is the 16th time in the last 17 years PERA has been so honored.

---

## Certificate of Achievement for Excellence in Financial Reporting

Presented to

### Public Employees Retirement Association of Minnesota

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2000

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Anne Spray Kinney*  
President

*Jeffrey L. Esler*  
Executive Director

# President's Report

Public Employees Retirement Association of Minnesota  
60 Empire Drive, Suite 200  
Saint Paul, Minnesota 55103-1855  
Member Information Services: 651-296-7460 or 1-800-652-9026  
Employer Response Lines: 651-296-3636 or 1-888-892-7372  
PERA Fax Number: 651-297-2547  
PERA Website: www.mnpera.org



December 11, 2001

Dear Members, Annuitytants, Beneficiaries and Governmental Employers:

This 70th annual financial report of the Public Employees Retirement Association (PERA) discloses financial, actuarial, and other related information about PERA and the funds it administers. On June 30, 2001, PERA's net assets available for benefits at fair value exceeded \$14 billion. This reflects an annualized increase in net assets of approximately 11% over the past 10 years.

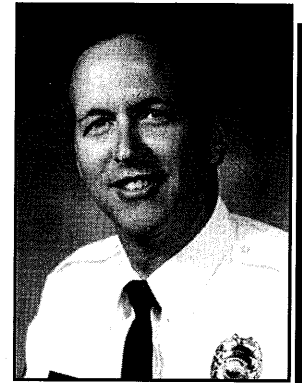
Though the stock market fell sharply for the first time in several years, investment returns for PERA's portfolio outperformed the composite index once again. The total rate of return for the assets of the active employees covered by PERA was -7.4 percent for the 12 months ended June 30, 2001, a full percent better than the composite index. Over the past five years these investments have had an annualized return of 11.2 percent, well above the 8.5 percent our actuary assumes we will earn.

As the active employees of PERA retire, assets required to cover expected benefits are transferred to the Minnesota Post Retirement Investment Fund (MPRIF) in which PERA has a pooled interest with other Minnesota statewide pension systems. The MPRIF supports the annuities payable to retirees and their joint annuitytants, and also finances the annual post-retirement increases from investment earnings in excess of 6 percent. Since July 1, 1996, the MPRIF has outperformed the composite market return benchmark by six-tenths (0.6) of one percentage point, with an annualized return of 10.3 percent, allowing us to provide outstanding post-retirement increases.

During this five year period, the value of PERA's total portfolio has increased from \$9.2 billion to \$14.1 billion due to above index performance and the positive impact of the Minnesota State Board of Investment's periodic re-balancing of the portfolio back to its long-term asset allocation targets. This asset allocation has allowed SBI to benefit from the tremendous run of the equity markets.

PERA had yet another busy year. In fiscal year 2000, after extensive analysis of recent experience studies, we modified most of the assumptions our actuaries use when they determine the financial soundness of the Public Employees Retirement Fund. Strengthening our assumptions created a larger liability to be paid off. We spent much of fiscal year 2001 working with employers, employees, actuaries and legislators to write legislation that would ensure the financial soundness of the Fund while being fair to all the parties involved. The resulting legislation includes new eligibility rules, an extended amortization period, prorated service credits, and contribution rate increases.

During the year we implemented a new electronic payment system that allows employers to make payments to PERA electronically. By the end of the year, hundreds of our employers were taking advantage of electronic fund transfers. We also developed and implemented a new payment system for outgoing payments to retirees and former members. The new program automates many of the tasks we once did by hand, and provides



Michael G. Schwab  
Board President

checks and balances we did not have before.

Legislation passed in 1999 allowed PERA and the other two statewide retirement systems to build or purchase a facility for co-location. Believing that in the long run it is financially advantageous to own a facility rather than to rent space, we purchased land and began construction of a new facility to house all three retirement systems. During fiscal year 2001 we watched the dream become reality. We moved into the new Retirement Systems of Minnesota building in September 2001 and are excited about the new opportunities we have to serve our members in this facility.

As always, our commitment as trustees of the association is the preservation and growth of the assets of PERA's funds, and the protection and furtherance of the interests of our members, annuitytants, beneficiaries, employer units and the State of Minnesota. I believe our efforts over the past year have amply illustrated this continuing dedication.

*Michael G. Schwab*

Michael Schwab  
President  
PERA Board of Trustees

MS/jp

# Letter of Transmittal

Public Employees Retirement Association of Minnesota  
60 Empire Drive, Suite 200  
Saint Paul, Minnesota 55103-1855  
Member Information Services: 651-296-7460 or 1-800-652-9026  
Employer Response Lines: 651-296-3636 or 1-888-892-7372  
PERA Fax Number: 651-297-2547  
PERA Website: www.mnpera.org



December 8, 2001

Board of Trustees  
Public Employees Retirement Association of Minnesota  
60 Empire Drive, Suite 200  
St. Paul, Minnesota 55103

Dear Trustee:

We are pleased to present this Comprehensive Annual Financial Report of the Public Employees Retirement Association (PERA) for the fiscal year ended June 30, 2001—our 70th year of operation. The information contained in this report is accurate in all material respects and is intended to present fairly the financial status and results of operations of the association. The report consists of five sections:

**Introductory Section** contains this letter of transmittal, the president's report, a summary of the membership requirements and the benefit structures of PERA's funds, a directory of the Board of Trustees and a description of the administrative organization;

**Financial Section** includes the basic financial statements, supplementary information, supporting schedules, and the independent auditor's report on the financial statements;

**Investment Section** contains a summary of investment returns, asset allocation, list of largest assets and asset cost and market values;

**Actuarial Section** includes the independent actuary's certification letter, summaries of the actuarial assumptions and methods used in the annual valuation, results of the July 1, 2001 actuarial valuation, and other actuarial information; and

**Statistical Section** contains tables and schedules of significant data pertaining to the Association and identifies affiliated employers.

Responsibility for the contents of this report, including the financial statements, rests solely with the management of the association. We trust you will find this publication is helpful in understanding PERA and its funds, and contains sufficient information to allow valid comparisons of operating results with similar public employee retirement systems.

## Reporting Entity

For financial reporting purposes, PERA is considered a pension trust fund of the State of Minnesota. The State acts as a trustee of the pension plan, and reports our assets in the State's annual report as pension trust fund assets.



Mary Most Vanek  
Executive Director

# Letter of Transmittal

(Continued)

PERA serves approximately 2,000 separate governmental entities. These participating employers include cities, counties, townships, and school districts located throughout the state. At June 30, 2001, PERA's membership included 151,855 current, active employees and 55,449 retirees and beneficiaries.

## Accounting Systems and Reports

All financial statements are prepared in conformity with Statement 25 provisions and other generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board. The financial statements also comply with Minnesota Statutes, Section 356.20. PERA's transactions of its Public Employees Retirement Fund (PERF), Public Employees Police and Fire Fund (PEPFF), Public Employees Correctional Fund (PECF) and Public Employees Defined Contribution Plan (PEDCP) are reported on the accrual basis of accounting.

PERA's internal accounting controls are designed to provide reasonable assurance for the safekeeping of assets and the reliability of all financial records. Our independent auditors reported no material weaknesses in our internal control structure and no departures from finance-related legal provisions for fiscal year 2001.

## Revenue

Employer and employee contributions, income from investments and income from other miscellaneous sources provide the funds needed to cover the liability for present and future benefits. For the fiscal year (FY) ended June 30, 2001, PERA suffered a net negative revenue return of \$625,110,000. This amount is compared to the revenue generated from the previous year in the table below.

Revenue Source (in thousands)	FY 2001	FY 2000
Member Contributions	\$ 210,904	\$ 207,516
Employer Contributions	250,193	247,238
Net Investment Income (loss)	(1,090,879)	1,355,616
Other Income	4,672	1,834
Totals	<u>\$(625,110)</u>	<u>\$1,812,204</u>

The increase in employee and employer contributions resulted primarily from an increase in the number of members contributing to the PERF and PEPFF (see schedule on page 45). Statutory contribution rates for both employers and employees remain unchanged from the prior year.

Contributions received from members and employers were not enough to offset the loss in net investment income of the PERA funds. Net investment income shrank by \$1.1 billion,

largely due to unrealized losses. This is a substantial decrease, as compared to last year's \$1.3 billion increase. Investment results can be found starting on page 34.

The increase in "Other Income" was due to an increase in the number of people who re-purchased service that they had previously forfeited.

## Expenses

The annual expenses of PERA's defined benefit funds reflect the aggregate cost of monthly annuity and benefit payments to retired or disabled members and their survivors, refunds of employee contributions (plus interest) to terminated former members, and the cost of administration. Operating expenses during the fiscal year totaled \$819,849,000, a statistically insignificant increase over such expenses in FY00, as shown below.

Expense Type (in thousands)	FY 2001	FY 2000	Percent Inc./(Dec.)
Benefits	\$784,629	\$692,858	13.2%
Refunds	23,133	114,668	(79.8)
Administrative	9,198	9,224	(0.3)
Other	2,889	3,076	(6.1)
Totals	<u>\$819,849</u>	<u>\$819,826</u>	<u>0.0%</u>

The increase in benefits reported for the fiscal year resulted mainly from the growth in the total number of benefit recipients and the higher average benefit payments (see schedules on pages 49-50).

Refunds paid are substantially reduced from the previous year. This is largely due to the termination of the Police and Fire Consolidation Fund on 7/1/99. In FY2000 cities with largely overfunded local relief associations were given refunds of excess assets when the Fund was terminated. Refund levels for FY01 more closely reflect typical refund levels.

Administrative expenses decreased by less than 1% in fiscal year 2001. Administrative expenses are detailed on page 32. PERA administers the defined benefit plans for less than 7/100 of 1 percent of assets.

## Investments

In accordance with Minnesota Statutes, Section 353.06, assets of the PERA Funds are invested by the Minnesota State Board of Investment (SBI). All investments undertaken by the SBI are governed by the common law prudent person rule and other standards codified in Chapter 11A of the Minnesota Statutes. The board is comprised of the state's elected officers: Governor Jesse Ventura; State Auditor Judith H. Dutcher; State Treasurer Carol C. Johnson; Secretary of State Mary Kiffmeyer; and State Attorney General Mike Hatch.

The SBI appoints a 17-member Investment Advisory Council (IAC) to advise the State Board on asset allocation and other policy matters relating to investments. The IAC also advises the SBI on methods to improve the rate of return while assuring adequate security of the assets under management. The executive director of PERA is a standing member of the IAC.

The IAC has formed four committees organized around broad investment subjects relevant to the board's decision making: asset allocation, domestic managers, international managers, and alternative investments. All proposed investment policies are reviewed by the appropriate committee and the full council before they are presented to the board for action.

The SBI also employs investment consultants to monitor and evaluate the investment management firms' performance and to evaluate or suggest various alternatives for asset allocation and other investment policy matters.

Pension assets of the currently working members of the Association (see table below) are managed externally by private money managers retained under contract with the SBI. These assets are pooled with the assets of other active members of state-wide retirement funds into the Basic Retirement Fund. The greatest share of these assets, approximately 62 percent, is invested in domestic and international common stocks in order to maximize the long-term rate of return. Including international stocks in the asset mix allows the SBI to diversify its holdings across world markets and offers the opportunity to enhance returns and reduce the risk/volatility of the total portfolio. For the year ended June 30, 2001, the Basic Retirement Funds produced a negative rate of return on active member assets of -7.4 percent.

The SBI has one overriding responsibility in the management of these funds—to ensure that sufficient funds are available to finance promised retirement benefits. Within this context, SBI has established a long-term investment objective—to outperform a composite market index weighted to reflect the long-term asset allocation policy over a five-year period. Performance is measured net of all fees and costs to assure the SBI's focus is on true net return. The Basic Funds' five-year annualized rate of return at June 30, 2001 was 11.2 percent, above its target index of 10.7 percent.

a fixed monthly annuity is transferred from the Basic Retirement Fund to the MPRIF. Assets of the retired members of the Association and their joint annuitants (see table above) are pooled in the MPRIF. These assets are also managed externally, sharing the same domestic stock, domestic bond, and international stock managers as the Basic Funds.

The SBI adopted a revised asset allocation strategy for the MPRIF in fiscal year 1993 to reflect the goals associated with the new post-retirement benefit increase formula. In order to maximize long-term rates of return in the equity markets, the SBI gradually allocated 50 percent of the assets to domestic stocks, and added allocations to international stocks and alternative assets. As of June 30, 2001, approximately 67 percent of the assets were invested in domestic and international stocks.

In contrast to the investment goals of the Basic Fund, invested for current working members, the MPRIF's goal is to ensure returns are adequate to meet the actuarially assumed return of 6 percent on its invested assets on an annualized basis and are sufficient to finance lifetime benefit increases.

The SBI measures performance of the MPRIF against a composite of market indices that is weighted to reflect its long-term asset allocation policy. The MPRIF is expected to exceed the composite index over a five-year period. Similar to the Basic Fund, MPRIF performance is reported net of all fees and costs to assure the SBI's focus is on true net return. For the five-year period since July 1, 1996, the MPRIF outperformed its composite index by six-tenths of one percent with an annualized return of 10.3 percent.

For the seventh year of experience with the new formula, we are pleased to announce the MPRIF will provide a benefit increase of 4.4935 percent earned in fiscal year 2001, payable January 1, 2002. This increase is comprised of two components:

➤ **Inflation adjustment of 2.5%.** This equals 100 percent of the reported Consumer Price Index for wage earners (CPI-W) for the 12 months ended June 30, 2001. This inflation component is always granted, regardless of investment performance. The formula sets a maximum, or cap, of 2.5 percent in order to maintain the actuarial soundness of the plan. This amount is the difference between the 8.5 percent return assumption for the Basic Funds and the 6 percent return assumption for the MPRIF.

➤ **Investment adjustment of 1.9935%.** This represents a portion of the investment gains that exceed the amount needed to finance the actuarial assumed rate of return (6%) and the inflation component (2.5%). The formula requires that investment gains and losses be spread forward over five years to adjust for the volatility of short-term returns. Also, all accumulated investment losses must be recovered before an investment adjustment is granted.

**Fair Value of Investments, June 30, 2001**

(in thousands)

<u>Fund</u>	<u>Active Members</u>	<u>Retired Members</u>
PERF	\$4,479,533	\$5,434,051
PEPFF	2,326,619	1,819,152
PECF	22,893	121
<b>Totals</b>	<b><u>\$6,829,045</u></b>	<b><u>\$7,253,324</u></b>

The SBI has responsibility for investment of the assets of the Minnesota Post Retirement Investment Fund (MPRIF). When a member retires, a sum of money sufficient to finance



# Letter of Transmittal

(Continued)

## Economic Conditions and Outlook

After experiencing the longest economic expansion in U.S. history, the national economy finally showed signs of slowing down in fiscal year 2001. The year began with good news. By the end of 2000, the nation's poverty rate had dropped to 11.3 percent, the lowest level in 21 years and close to all-time lows of 11.1 percent set in 1973. Real median household income, which had risen 5 years in a row to all-time highs, remained high at \$42,148. Personal income rose 7 percent from 1999 levels. Beginning in the fall of 2000, however, consumer confidence began to drop as soaring oil prices and manufacturing sector layoffs threatened the economy.

Unemployment rates, which began the year at all-time lows of 4.0 percent, climbed back to 4.5 percent by June 2001 as the manufacturing sector shed tens of thousands of jobs. American worker's productivity fell for the first time in six years. GDP, which had been growing over 4.0 percent per year, slowed considerably, but never dipped into negative territory. The Federal Reserve, hoping to keep the economy from going into a recession, lowered short term interest rates a total of 275 points to 3.25 percent in six separate actions during the first six months of 2001. Congress also made attempts to give a boost to the slowing economy by enacting tax cuts and offering a tax rebate during the summer of 2001. In August, however, the unemployment rate jumped to 4.9 percent and newspaper want ads, a key barometer of the job market, sunk to an 18-year low. Fear of an oncoming recession was reflected in the stock market. The Basic Retirement Fund and the MPRIF had annualized rates of return of negative 7.4 percent and negative 6.9 percent, respectively, while the S&P500 posted a negative return of 14.8 percent for the year.

Although the links between the state and national economies have led to a slowing of Minnesota's employment growth, Minnesota continued to outperform the nation with 3.4 percent unemployment by the end of the fiscal year. During the year, the state's civilian labor force increased by 28,000 people. The median household income of \$49,846 was the fifth highest in the nation, and Minnesota's poverty rate of 6.6 percent was the second lowest in the nation. Low interest rates helped boost the housing industry. The median price of a home in the Twin Cities rose 13 percent during the fiscal year.

The economic outlook for Minnesota and the rest of the country is difficult to assess. In light of the terrorist attack on America on September 11th, the short-term outlook is unfavorable. It is expected that thousands of jobs will be shed and consumers will limit their spending during this period of unrest. The long-term outlook, however, is much brighter. Interest rates are very low; inflation remains in check; the government continues to pump money into the economy; and foreign economies appear to be emerging from recessions. Stock markets, which have fallen considerably this past year,

are poised for a rebound, and should begin to rise before the economy bottoms. Fortunately, SBI's policy of diversification is designed to provide some insulation against high inflationary or deflationary environments, and to avoid excessive return volatility. As long as the Basic Retirement Fund earns the assumed 8.5 percent annual rate of return, PERA's funding status should improve.

## Current Funding Ratios

The primary funding objectives of the Association are: 1) to establish contribution rates which, when expressed as a percentage of active members payroll, will remain level from generation to generation; and 2) to meet the required deadlines for full funding. A pension plan is fully funded when it has present and projected assets sufficient to cover the liabilities for present and future annuities, benefits and refunds and the projected cost of fund administration. Minnesota Statutes, Section 356.215, requires that the PEPFF and PECF be fully funded by the year 2020.

Legislation enacted in 2001 changed the amortization period for the PERF. The full funding target date was extended from the year 2020 to 2031. This will allow increases in contributions to be kept to a minimum and allows PERA more time to become fully funded while adhering to generally accepted government accounting standards. This law is effective for actuarial valuations prepared after June 1, 2001.

An important measure of the health of a retirement system is the level of funding. The better the level of funding, the larger the ratio of assets to accrued liabilities and the greater the level of investment income potential. Also, a better level of funding gives the participants a higher degree of assurance that their pensions are secure.

The Association's progress toward meeting the full funding objective is displayed on the Schedule of Funding Progress on page 28. This report shows the funding levels using the entry age normal actuarial cost method. At the end of fiscal year 2001, the ratio of assets to liabilities of the PERF was 87.0 percent. For the PEPFF and the PECF, the ratios were 121.5 percent and 98.3 percent, respectively.

## Association's Status Report

The Board of Trustees and association staff spent the past fiscal year "*Meeting New Opportunities With Innovative Solutions.*" Advances in technology continue to provide opportunities for us to find more effective and efficient ways to do business with our members and employers. This

year we implemented Electronic Funds Transfer (EFT), allowing hundreds of our employers to send us contributions electronically, eliminating the need for them to manually write out and mail checks to us every two weeks. Employers can even phone in the amount and date that they want the money transferred up to 30 days before the actual transfer of funds, knowing the money will not leave their bank account until the date they have prescribed.

During the year we also re-designed our benefit and refund payment system, a system that was 20 years old. The new system, called PAID, will allow us to issue refunds quicker, and includes automated audit functions that we traditionally handled manually in the old system. The new system was rolled out in August, 2001.

The year was filled with activities in preparation for our new office building, which we occupied in September, 2001. The facility, called the Retirement Systems of Minnesota Building, will house six state agencies, including the Teacher's Retirement Association, Minnesota State Retirement System, and the State Board of Investment. Being housed with the other statewide retirement systems will provide opportunities for consolidating service delivery efforts: joint educational sessions; benefit estimate letters that include service in the other funds; and one-stop shopping for those members who have service in state or teaching professions. The new facility will have large conference and training rooms and convenient parking. We believe that owning a facility jointly with other state agencies is cheaper than leasing space over time, and look forward to the move.

The 2001 legislative session produced changes in the work we do to serve our members. In late 1999 we received verification from our actuaries that some of the assumptions we use to forecast our funding needs had to be changed. Those assumptions were changed in fiscal year 2000. Despite stellar returns from the markets and positive progress in our funding status, the modification of those assumptions meant that the contributions paid to our largest defined benefit plan, the Coordinated Plan, needed to be increased.

The Board held out-state meetings and, along with meetings held by staff, solicited help from all the parties that would be affected by increased contributions to develop an innovative solution that could be brought to the legislature. A four-fold solution was developed and passed by the legislature.

- First, contribution rates for the Coordinated Plan will be increased 0.35% for both employer and employee beginning in January, 2002.
- Second, as mentioned earlier, the amortization period for the unfunded actuarial accrued liability was increased from 19 years to 30 years in an effort to keep contribution increases to a minimum, yet ensuring sound funding over the life of our members.
- Third, we implemented pro-rated service credits for less than half-time members, effective January 2002. Members who work less than half-time will be granted service

for purposes of calculating their retirement benefits on a fractional basis, depending on how many hours they actually worked.

- Fourth, we changed our membership eligibility rules so that virtually all local government employees are eligible to belong to PERA except certain elected governing body officials, probationary employees, students and seasonal employees. This provision is effective July 1, 2002.

It is an exciting time as we consider all the possibilities for improving the delivery of services to our members and employers. The new building will provide large conference and training rooms so that we can invite members and employer representatives into our offices for retirement planning and education programs. Our web site will soon allow members to get an accurate estimate of future benefits any time of the day or night. We also hope to begin using e-mail to notify employers of legislative changes and breaking news that affects them, and we are adding a second fax machine to service our employers. We continue to discuss ways to expand our service delivery to members in other parts of the state through video/teleconferencing at selected sites or staffed satellite offices.

We hope you'll continue to track the on-going changes at PERA by accessing our web site, [www.mnpera.org](http://www.mnpera.org), on a regular basis, or by calling to chat with one of our service representatives. The staff at PERA are a group of dedicated individuals who sincerely believe that what we do will improve the lives of our members.

## Professional Services

The FY00 actuarial valuation of the PERA defined benefit plans was conducted by Milliman & Robertson, Inc., and completed in November 2000. Actuarial consulting services during the fiscal year were provided by William M. Mercer. In addition to providing a thorough review of Milliman's FY00 actuarial valuation, Mercer also developed cost estimates for a variety of legislative proposals.

The State's Attorney General continued to provide PERA with legal counsel. The State Board of Investment continued to manage and invest the assets of PERA's funds. KPMG Peat Marwick assisted in the development of our new payment system. Finally, the State's Legislative Auditor continued to provide professional financial auditing services. The comments of the Legislative Auditor are found on page 17 of this report.

## Reports to the Membership

This report is complemented by an annual financial newsletter that discloses, in summary form, the contents of this report. This financial newsletter is mailed in January of each year to all PERA members, and annuity and benefit recipients.

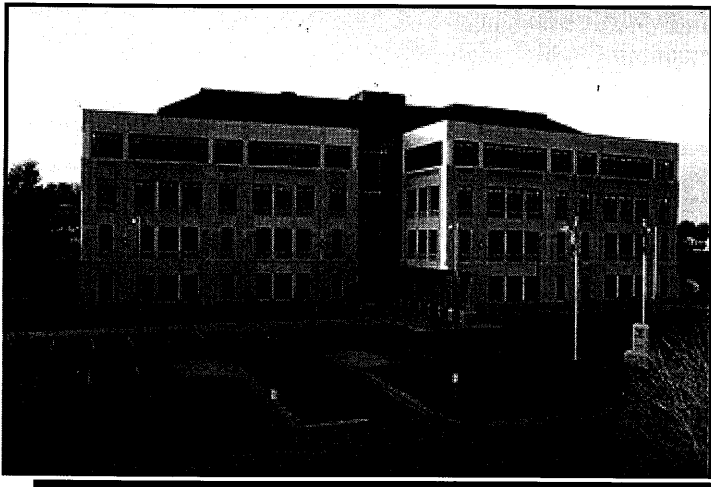
# Letter of Transmittal

(Continued)

## National Recognition

Finally, PERA is justly proud of the abilities, knowledge, drive and dedication of its employees. PERA recently received national recognition as a leader in pension fund administration and disclosure of financial information. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to PERA for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2000. PERA has received this honor for 16 of the last 17 years.

The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. Such comprehensive annual financial reports must satisfy both generally accepted accounting principles and applicable legal requirements. A



## PERA Office

PERA's office in St. Paul is located in the Retirement Systems of Minnesota Building. The address is 60 Empire Drive, Suite 200, St. Paul. Office hours are from 8 a.m. to 4:30 p.m., Monday through Friday.

Certificate of Achievement is valid for one year only. We believe our current report continues to conform to the certificate requirements and we are submitting it to the GFOA.

## Acknowledgments

As a compendium of financial, investment, actuarial and other statistical information, PERA's Comprehensive Annual Financial Report provides complete and reliable information on which management decisions may be based and through which compliance with statutory requirements may be assessed. In addition, the report serves as the primary source through which the effectiveness of the Trustees' management and administration of PERA and its funds may be judged.

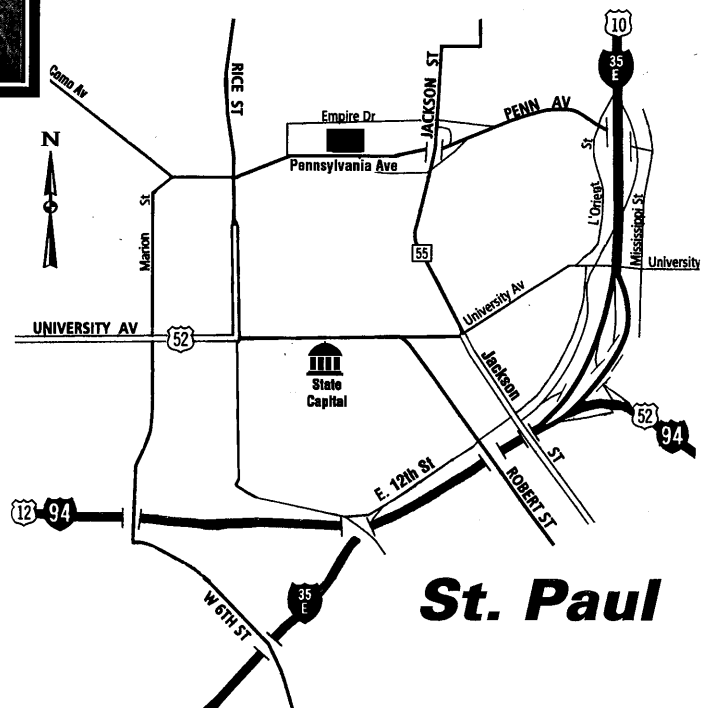
We are sure you join with us in expressing gratitude and appreciation to the staff and PERA's advisors for their efforts in producing this report and for their loyal and dedicated service to the Association and its members, annuitants, beneficiaries, and governmental unit employers.

Respectfully submitted,

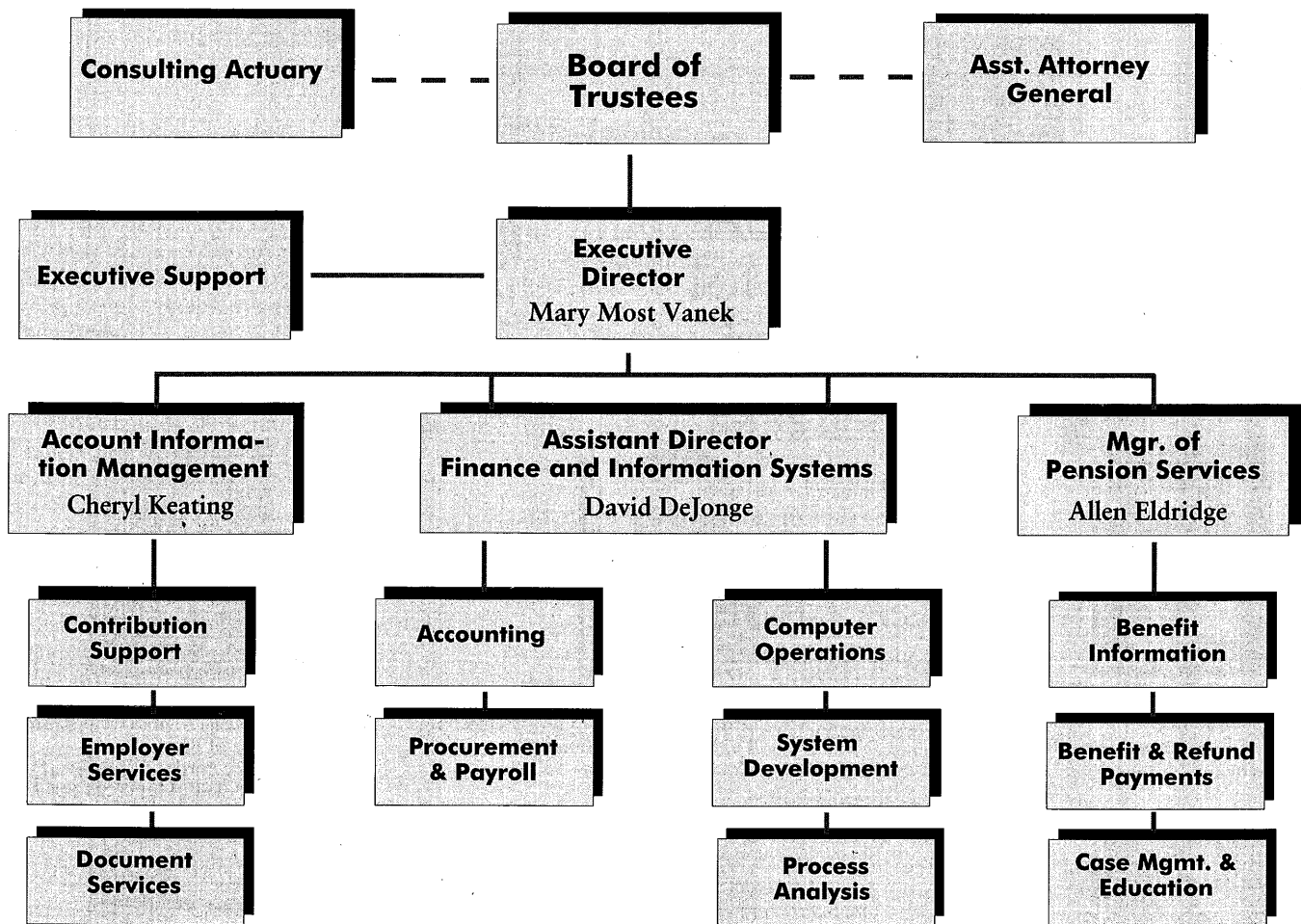
*Mary Most Vanek*      *David DeJonge*

Mary Most Vanek

David DeJonge



# Administrative Organization



## Mission Statement

PERA's mission is to create opportunities for members to achieve a successful and secure retirement by providing the highest quality benefits and services, that members will value and trust.

### PERA's Vision:

PERA is seen by its members as an important part of their retirement solution because we:

*Develop creative methods* that enable them to make sound retirement and life-planning decisions;

*Display relentless efforts* to protect the fund and provide the best public pension packages; and

*Deliver exceptional services* any time, any place!

# Board of Trustees

## Board President



**Michael G. Schwab**  
Police and Fire Representative  
St. Paul Police Department  
100 E. 11th St.  
St. Paul, Minnesota 55101

## Board Vice President



**Terri Heaton**  
Cities Representative  
City of Bloomington  
2215 W. Old Shakopee Rd.  
Bloomington, Minnesota 55431



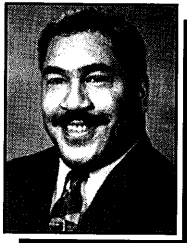
**Judith H. Dutcher**  
State Auditor  
525 Park Street, Suite 400  
Saint Paul, Minnesota 55103



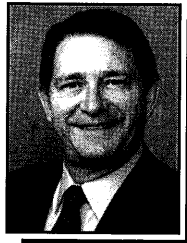
**Ross E. Arneson**  
General Membership Representative  
410 S. 5th St., PO Box 3129  
Mankato, Minnesota 56002



**Steven L. Devich**  
General Membership Representative  
City of Richfield  
6700 Portland Ave. S.  
Richfield, Minnesota 55423



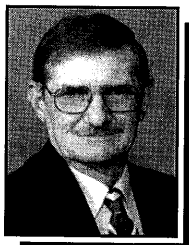
**Walter C. Gray**  
Public Representative  
5755 W. Broadway Ave, #206  
Crystal, Minnesota 55428



**Dennis Hegberg**  
Counties Representative  
Washington County Government Center  
14900 61st Street N., PO Box 6  
Stillwater, Minnesota 55082



**Dawn M. Hulmer**  
General Membership Representative  
City of Duluth, Treasurer's Office  
Duluth City Hall, Room 105  
Duluth, Minnesota 55802



**Terry A. Martinson**  
School Board Representative  
8521 Parkvilla Drive, Apt. # 101 W.  
Mountain Iron, Minnesota 55768



**Gary R. Norstrom**  
Retiree/Disabilitant Membership Representative  
2080 Western Ave. N.  
Roseville, Minnesota 55113



**Lois E. Riecken**  
Annuitant Representative  
8794 100th Avenue  
Clear Lake, Minnesota 55319

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# Summary of Retirement System Plan

Public Employees Retirement Association of Minnesota

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## Purpose

Established by the Minnesota Legislature in 1931, the Minnesota Public Employees Retirement Association (PERA) administers pension funds that serve approximately 200,000 county, school and local public employees, benefit recipients, their survivors, and dependents.

Funds administered by the association provide a variety of retirement pensions, and survivor and disability benefits. In the case of Coordinated and Correctional plans, these pensions and benefits are in addition to those provided by Social Security.

The PERA Board of Trustees is responsible for administering these funds in accordance with statutes passed by the Minnesota Legislature and has a fiduciary obligation to PERA's members, their governmental employers, the state, and its taxpayers.

## Administration

The PERA Board of Trustees is composed of 11 members. The State Auditor is a member by statute. Five trustees are appointed by the Governor. Serving four-year terms, these five trustees represent cities, counties, school boards, retired annuitants, and the general public, respectively.

The remaining five board members are elected by the PERA membership at large to serve four-year terms. Three represent the general active membership, one trustee represents Police and Fire Fund members, and one trustee represents annuitants and benefit recipients. All five membership representatives were elected in January 1999.

The board appoints an executive director to serve as chief administrative officer of PERA. With approval of the board, the director develops the annual administrative budget, determines staffing requirements, contracts for actuarial and other services, and directs the day-to-day operations of the association. The director also serves as a member of the State Investment Advisory Council, which advises the Minnesota State Board of Investment on the management and investment of public pension funds and other assets.

## Multi-Employer Participation

Approximately 2,000 separate units of government in Minnesota participate in the PERA-administered retirement system. These units include counties, cities, townships, and school districts.

## Employee Membership

With certain statutory exceptions, an employee performing personal services for a governmental employer whose salary is paid, in whole or in part, from revenues derived from taxation, fees, assessments, or other sources, is a member of PERA. Plan participation is dependent on the occupation of the member. In the case of Basic Plan members, it also depends upon when the individual was hired into public service. PERA has approximately 150,000 active members.

## Funds

PERA administers four separate funds. Each has specific membership, contribution, benefit, and pension provisions.

The **Public Employees Retirement Fund** encompasses two plans — the PERA Coordinated Plan and the PERA Basic Plan. The Coordinated Plan, created in 1968, provides retirement and other benefits in addition to those supplied by Social Security. The Basic Plan, established in 1931, is not coordinated with the federal program.\*

The **Public Employees Police and Fire Fund\***, originally established in 1959 for police officers and firefighters not covered by a local relief association, now encompasses all Minnesota police officers and firefighters hired since 1980. Legislation in 1999 also merged members of the former Police and Fire Consolidation Plan of PERA into the Police and Fire Plan.

## Note:

- \* PERA's Basic Plan was closed to new membership in 1968 with the creation of the Coordinated Plan. Basic members had the option of remaining in that plan or transferring to the new Coordinated Plan following its establishment.

# Summary

(Continued)

## Note:

\* Under legislation enacted in June, 2001, officials elected to governing bodies, such as city councils or county boards, may only participate in the Defined Contribution Plan if their first term in office begins after June 30, 2002.

\*\* Contribution rates for Coordinated and Basic Plan members will increase in January 2002. The new employee and employer rates will be 5.10% and 5.53%, respectively, for the Coordinated Plan and 9.10% and 11.78% for Basic Plan.

\*\*\* This is the rate established for elected public officials and physicians. For ambulance service personnel, service participation in the program and contributions made for employees are at the discretion of employers. Salaried employees may match this contribution.

† Former Police and Fire Consolidation Fund members who have not elected Police and Fire Plan benefits may do so when they terminate public service. Those who do not are covered under the benefit provisions of their local relief associations.

The **Local Government Correctional Service Retirement Fund** was created in 1999 for correctional officers serving in county and regional adult and juvenile corrections facilities. Participants must be responsible for the security, custody and control of the facilities and their inmates.

Also administered by PERA is the **Public Employees Defined Contribution Plan**. Established by the Minnesota Legislature in 1987 to provide a retirement plan for personnel employed by public ambulance services, the plan has been expanded to include physicians and locally-elected public officials, except for county sheriffs.\*

## Contributions

The table below shows contribution rates for employees and employers under the various plans administered by PERA as of June 30, 2001. Rates are applied to total salary and are set by statute.

Fund	Employee Contribution	Employer Contribution
<b>Public Employees Retirement Fund</b>		
Coordinated	4.75%	5.18%**
Basic	8.75%	11.43%**
<b>Public Employees Police and Fire Fund</b>	6.20%	9.30%
<b>Local Government Correctional Fund</b>	5.83%	8.75%
<b>Defined Contribution Plan</b>	5.00%	5.00%***

In addition to contributions to the funds administered by PERA, Coordinated and Correctional plan members contribute to Social Security and are eligible for benefits earned through those deductions. Police and Fire Fund members hired after March 31, 1986 contribute to Medicare, as do some Basic Plan members who elected such coverage in 1989.

## Retirement Benefits

### Eligibility and Annuity Formulas

#### Basic and Coordinated Members

Two methods are used to compute benefits for Coordinated and Basic Plan members—a step-rate benefit accrual formula (Method 1) and a level accrual formula (Method 2). The retiring member receives the higher of the two calculated amounts.

**Method 1:** Coordinated members accrue 1.2 percent of the average salary they were paid over their five highest-paid consecutive years of service for each of the first 10 years of public employment, and 1.7 percent of that average salary for each successive year. Basic members receive 2.2 percent of their average salary for each of their first 10 years of service and 2.7 percent for each year thereafter.

Using this calculation, members are eligible for a full (unreduced) retirement annuity if:

- They are age 65 or over with at least one year of public service; or
- Their age plus years of public service equal 90 (Rule of 90).

A reduced retirement annuity is payable as early as age 55 with three or more years of service. The reduction is .25 percent for each month under age 65. A member with 30 or more years of service may retire at any age with the .25 percent reduction made from age 62 rather than 65.

**Method 2:** Coordinated members earn 1.7 percent of their average salary for every year of public service while Basic members earn 2.7 percent of their average salary for each year.

This calculation provides for unreduced retirement benefits at age 65 for members first hired prior to July 1, 1989, and at the age for unreduced Social Security benefits, capped at age 66, for those first hired into public service on or after that date.

Early retirement results in an actuarial reduction with augmentation (about 6 percent per year) for members retiring prior to qualifying for unreduced retirement benefits.

#### Police and Fire Members

Members receive 3 percent of average salary for each of their years of service.

An unreduced retirement annuity is payable to members when they meet the following conditions:

- Age 55 with a minimum of three years of service; or
- Age plus years of service equal at least 90.

A reduced retirement annuity is available to members between the ages of 50 and 55. There is a 1.2 percent reduction in benefits for each year a member retires prior to qualifying for an unreduced retirement benefit.†

## Correctional Service Members

Correctional Plan members earn 1.9 percent of their average salary for every year of public service under the plan.

A full, unreduced pension, is earned at:

- ➡ Age 55 with three or more years of service; or
- ➡ Age plus years of service total at least 90.

An actuarial reduction with augmentation is made in a member's benefit for retirement prior to qualification for an unreduced pension.\*

## Defined Contribution Plan Members

The Defined Contribution Plan's benefit amount is determined by the performance of the funds in which contributions are invested. The entire market value of the member's account is payable upon termination of public service, disability, retirement, or death.

## Credited Service

Members of PERA's defined benefit plans receive one service credit for each month for which they are paid. Individuals may earn a maximum of 12 service credits per year. Under legislation enacted in 2001, employees hired into a PERA-covered position after December 31, 2001 will receive one credit for any month in which they are employed for a minimum of 80 hours. Service credit will be prorated for less than 80 hours of employment.

## Types of Pensions Available

Members of the PERA Basic, Coordinated, Correctional, and Police and Fire plans may select from several types of retirement benefits.

**Single-life Pension** — A Single-life Pension, formerly known as a Normal annuity, is a lifetime annuity that ceases upon the death of the retiree. No survivor benefit is payable.

**Survivor Options** — Upon retirement, members may choose from one of four Survivor Options. All these pensions are payable for the lifetime of the retiree. At the time of the retiree's death, the designated survivor continues to receive monthly benefit payments at varying levels for his or her lifetime. Depending on the Survivor Option chosen by the member, survivor payments are at a 25, 50, 75 or 100 percent level of that received by the member.\*\*

**Pre-Age 62 Increase** — This pension option allows a member who retires before age 62 to receive a greater monthly payment until he or she becomes eligible for Social Security at age 62. The monthly benefit amount is then reduced by at least \$100 at age 62.

**Deferred Pension** — A vested member who terminates public service may leave contributions in the fund or funds in which he or she participated and qualify for a pension at age 55 or over. The benefit amount, calculated as of the date of termination, will increase at a rate of 3 percent per year, compounded annually, until the first of the year following the member's 55th birthday. It will then increase at a rate of 5 percent per year, compounded annually.

**Combined Service and Proportionate Pensions** — Retiring members may elect to combine service in a PERA-covered position with service in any of 14 other Minnesota pension funds and qualify for a retirement benefit from each fund in which they participate. These funds are designated by statute. Members with three or more years of total service qualify for a combined service pension if they have six or more months of service in each fund and have not begun to receive a benefit from any of the designated funds. Pensions are based upon the formula of each fund and the member's average salary over the five highest-paid years of service, no matter when it was earned.

Public employees who retire at age 65 or older with between one and three years of service in one or more of 11 designated funds may qualify for a proportionate pension. Benefits are paid by each applicable fund in which the employee has credit and are based upon the formula of each fund and the member's average salary during the period of service covered by that fund.

**Earnings Limitation** — Retirees who return to work in a PERA-covered position are subject to the same earnings limitations as Social Security recipients. Under legislation passed in 2000, benefit reductions are escrowed, earning 6 percent interest compounded annually. At age 65 or a year after leaving the position, whichever is later, the retiree may request repayment of these funds.

The earnings limitation only applies to PERA-covered employment. Self- or private employment and elected service will result in no benefit reduction for retirees.

## Note:

\* Since most Correctional Plan members were previously members of PERA's Coordinated Plan, they will qualify for a pension from both plans following retirement. However, they must meet the age requirements of each plan and begin benefits within a year of each other to qualify for combined service.

\*\* Selection of a Survivor Option will result in a reduction in the amount of the pension from the Single-life pension level. This reduction is made because the benefit will be payable over the lifetimes of both the member and the designated survivor. The amount of the reduction depends on the age of both the retiring member and the survivor.

All survivor pension options incorporate an automatic "bounce back" feature. This returns the amount of the pension to the level of the Single-life benefit in the event the designated survivor predeceases the retiree. The cost of this protection is borne by the funds, not by the retiree.



# Summary

(Continued)

## Disability Benefits

Members may be eligible for benefits from PERA if they are unable to work because of a physical or mental disability. Disability is defined by statute, and PERA may require periodic medical examinations of those receiving these benefits.

Disability benefit calculations are based upon years of service and average salary earned during the five highest-paid consecutive years of service for Basic and Coordinated members. The same is true for Police and Fire and Correctional plan members disabled outside the line of duty. In the case of Police and Fire members, there is a minimum non-duty disability benefit of 45 percent of that salary. The minimum benefit for Correctional Plan members is 19 percent of salary.

For Police and Fire members disabled in the line of duty, the minimum benefit is 60 percent of salary, while the minimum duty-related disability benefit for Correctional members is 47.5 percent.\*

Basic and Coordinated members qualify for disability with three or more years of service and by meeting the statutory definition. Police and Fire and Correctional members qualify by meeting the definition with one or more years of service if disabled outside the line of duty. If disabled in the line of duty, there is no minimum service requirement.

## Survivor Benefits

PERA also provides survivor (death) benefits for families of members who qualify for such coverage. The qualifications and types of benefits vary with each fund.

A Lifetime Survivor Benefit is available to the surviving spouse of a Basic, Coordinated, Correctional, or Police and Fire member. For Police and Fire, and Basic members, this benefit is based on either 50 percent of the member's average salary during six months prior to death or a formula using the member's total years of service, average salary during the highest-paid five consecutive years of service, age at death and age of the spouse. The surviving spouse benefit for Coordinated and Correctional members is only based on the formula. This benefit is

payable to the spouse of a deceased member for life, even upon remarriage.\*\*

For the surviving spouse of a Basic or Coordinated member, there are alternative term-certain benefits of 5, 10, 15, or 20 years duration. The monthly payment, however, may not exceed 75 percent of the member's average high five-year salary. The same alternative benefits are available to the surviving spouse of a Correctional member, with the exception of the 5 percent option.

Survivor benefits are immediately suspended for any survivor charged with causing the death of an association member. The benefit is permanently revoked upon conviction for such a crime.

Dependent children of active or disabled Basic, and Police and Fire members are eligible for benefits until age 18, or age 23 if full-time students. In this case, the maximum family benefit is 70 percent of the member's average monthly salary. If a Coordinated or Correctional member dies and there is no surviving spouse, any children under age 20 qualify to receive a monthly term-certain benefit.

Instead of a monthly benefit, the surviving spouse, if a designated beneficiary, may elect a refund of any remaining employee contributions in the account, plus 6 percent interest compounded annually. A refund may not be elected by Basic or Police and Fire surviving spouses, however, if there are dependent children.

## Refunds

Refunds of contributions are available at any time to members who leave public service and have not yet begun receiving a pension. The refund includes employee contributions plus 6 percent interest, compounded annually, for a member who terminated public employment after May 15, 1989.

A refund of member contributions plus interest may also be elected by the designated beneficiary of a member or former member who dies before reaching retirement. If there is no beneficiary, payment is made to the surviving spouse or, if none, to the estate of the deceased member or former member.

If a retiree and designated survivor, if any, die before all employee contributions are paid in the form of a pension or benefits, the remaining balance would be paid in the same manner outlined for beneficiaries.

No interest is paid to beneficiaries on the balance in an account if the member was receiving retirement benefits.

## Note:

\* Minimum non-duty disability benefits for Police and Fire members are equivalent to unreduced pensions for 15 years of service, and 10 years of service for Correctional members. Duty-related minimum benefits are equivalent to unreduced pensions for 20 years of service for Police and Fire members and 25 years for Correctional members.

\*\* Lifetime Survivor Benefits are also available to the spouse of disabled Basic, and Police and Fire Fund members, and to survivors of disabled Coordinated and Correctional members who choose a Survivor Option to their disability benefit.

# Legislative Auditor's Report



**OFFICE OF THE LEGISLATIVE AUDITOR**  
STATE OF MINNESOTA • James Nobles, Legislative Auditor

## Independent Auditor's Report

Members of the Board of Trustees  
Public Employees Retirement Association  
and  
Ms. Mary Most Vanek, Executive Director  
Public Employees Retirement Association:

We have audited the accompanying basic financial statements of the Public Employees Retirement Association (PERA) as of and for the year ended June 30, 2001, as listed in the Table of Contents. These financial statements are the responsibility of PERA's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of PERA at June 30, 2001, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The required supplementary information on pages 28 to 30 is presented for purposes of additional analysis and is not a required part of the basic financial statements. We did not audit this information and do not express an opinion on it. The supplementary information is required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted mainly of inquiries of management regarding the methods of measurement and presentation for the Schedule of Funding Progress, Schedule of Employer Contributions, and Notes to Required Supplementary Information.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying financial information on pages 31 to 32 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The Introductory, Investment, Actuarial and Statistical Sections listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such additional information has not

been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

In accordance with *Government Auditing Standards*, we have issued a report dated December 7, 2001, on our consideration of PERA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations and contracts. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

James R. Nobles  
Legislative Auditor

Claudia J. Gudvangen, CPA  
Deputy Legislative Auditor

December 7, 2001

# Statement of Plan Net Assets

As of June 30, 2001 (in thousands)

	Defined Benefit Funds				Public Employees Defined Contribution Plan	Total
	Public Employees Retirement Fund	Public Employees Police and Fire Fund	Public Employees Correctional Fund			
<b>Assets</b>						
Cash	\$ 5,302	\$ 848	\$ 35	\$ 9	\$ 6,194	
Receivables						
Accounts Receivable	\$ 14,217	\$ 41,278	\$ 479	\$ 51	\$ 56,025	
Due from Other Funds	1,134	730	90	4	1,958	
Other Assets	243	155	6		404	
Total Receivables	<u>\$ 15,594</u>	<u>\$ 42,163</u>	<u>\$ 575</u>	<u>\$ 55</u>	<u>\$ 58,387</u>	
Investments at fair value						
Equity in Minnesota Post Retirement Investment Fund	\$ 5,434,051	\$1,819,152	\$ 121	\$ 0	\$ 7,253,324	
External Equity Pool	1,504,735	779,811	6,446		2,290,992	
Fixed Income Pool	1,086,230	563,342	4,653		1,654,225	
Global Equity Pool	627,142	324,436	2,687		954,265	
Passive Equity Pool	640,402	333,675	2,743		976,820	
Venture Capital Pool	334,530	175,858	1,431		511,819	
Real Estate Pool	170,317	89,492	737		260,546	
Resources Pool	68,213	35,867	290		104,370	
Short-Term Cash Equivalent	47,964	24,138	3,906		76,008	
Investments for Defined Contrib.				16,490	16,490	
Total Investments	<u>\$ 9,913,584</u>	<u>\$4,145,771</u>	<u>\$23,014</u>	<u>\$16,490</u>	<u>\$14,098,859</u>	
Securities Lending Collateral	\$ 866,388	\$ 359,474	\$ 3,392	\$ 908	\$ 1,230,162	
Fixed Assets						
Equipment Net of Accumulated Depreciation	\$ 944	\$ 0	\$ 0	\$ 0	\$ 944	
Property	11,040				11,040	
Total Fixed Assets	<u>\$ 11,984</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 11,984</u>	
Other Assets (Deferred Bond Charges)	\$ 145	\$ 0	\$ 0	\$ 0	\$ 145	
Total Assets	<u>\$10,812,997</u>	<u>\$4,548,256</u>	<u>\$27,016</u>	<u>\$17,462</u>	<u>\$15,405,731</u>	
<b>Liabilities</b>						
Accounts Payable	\$ 3,607	\$ 2,403	\$ 9	\$ 0	\$ 6,019	
Accrued Compensated Absences	\$ 590				\$ 590	
Payable to Other Funds	\$ 823	\$ 596	\$ 454	\$ 85	\$ 1,958	
Securities Lending Collateral	\$ 866,388	\$ 359,474	\$ 3,392	\$ 908	\$ 1,230,162	
Total Current Liabilities	<u>\$ 871,408</u>	<u>\$ 362,473</u>	<u>\$ 3,855</u>	<u>\$ 993</u>	<u>\$ 1,238,729</u>	
Bonds Payable	\$ 11,513				11,513	
Total Liabilities	<u>\$ 882,921</u>	<u>\$ 362,473</u>	<u>\$ 3,855</u>	<u>\$ 993</u>	<u>\$ 1,250,242</u>	
Net Assets held in trust for Pension Benefits	<u>\$ 9,930,076</u>	<u>\$4,185,783</u>	<u>\$23,161</u>	<u>\$16,469</u>	<u>\$14,155,489</u>	
(A schedule of funding progress for each plan is presented on page 28.)						

# Statement of Changes in Plan Net Assets

For the Fiscal Year Ended June 30, 2001 (in thousands)

	Public Employees Retirement Fund	Public Employees Police and Fire Fund	Police Correctional Fund	Public Employees Defined Contribution Plan	Total
<b>Additions</b>					
Contributions					
Employer	\$ 188,208	\$ 52,960	\$ 8,054	\$ 971	\$ 250,193
Plan member	173,380	31,341	5,308	875	210,904
<b>Total Contributions</b>	<b>\$ 361,588</b>	<b>\$ 84,301</b>	<b>\$ 13,362</b>	<b>\$ 1,846</b>	<b>\$ 461,097</b>
Investments					
Net appreciation (depreciation)	\$ (1,746,031)	\$ (703,088)	\$ (1,372)	\$ (1,513)	\$ (2,452,004)
Interest	107,375	55,705	607	134	163,821
Dividends	117,710	59,750	13		177,473
Distributed income of the Minnesota Post Retirement Investment Fund	768,299	254,619	4		1,022,922
<b>Total investment activity income</b>	<b>\$ (752,647)</b>	<b>\$ (333,014)</b>	<b>\$ (748)</b>	<b>\$ (1,379)</b>	<b>\$ (1,087,788)</b>
Less investment expenses	6,712	3,480	16		10,208
<b>Net income from investment activity</b>	<b>\$ (759,359)</b>	<b>\$ (336,494)</b>	<b>\$ (764)</b>	<b>\$ (1,379)</b>	<b>\$ (1,097,996)</b>
<i>From securities lending activities:</i>					
Securities lending income	\$ 59,671	\$ 24,802	\$ 186	\$ 69	\$ 84,728
Securities lending expenses:					
Borrower rebates	(52,922)	(21,988)	(168)	(62)	(75,140)
Management fees	(1,739)	(726)	(4)	(2)	(2,471)
<b>Net income from securities lending</b>	<b>\$ 5,010</b>	<b>\$ 2,088</b>	<b>\$ 14</b>	<b>\$ 5</b>	<b>\$ 7,117</b>
<b>Total Net Investment Income</b>	<b>\$ (754,349)</b>	<b>\$ (334,406)</b>	<b>\$ (750)</b>	<b>\$ (1,374)</b>	<b>\$ (1,090,879)</b>
Other additions	\$ 1,907	\$ 2,744	\$ 20	\$ 1	\$ 4,672
<b>Total Additions</b>	<b>\$ (390,854)</b>	<b>\$ (247,361)</b>	<b>\$ 12,632</b>	<b>\$ 473</b>	<b>\$ (625,110)</b>
<b>Deductions</b>					
Benefits	\$ 592,210	\$ 192,246	\$ 173	\$ 0	\$ 784,629
Refunds of contributions	18,768	3,358	160	847	23,133
Administrative expenses	8,344	639	130	85	9,198
Other deductions	2,441	447	1		2,889
<b>Total Deductions</b>	<b>\$ 621,763</b>	<b>\$ 196,690</b>	<b>\$ 464</b>	<b>\$ 932</b>	<b>\$ 819,849</b>
<b>Net Increase (Decrease)</b>	<b>\$ (1,012,617)</b>	<b>\$ (444,051)</b>	<b>\$ 12,168</b>	<b>\$ (459)</b>	<b>\$ (1,444,959)</b>
<b>Net assets held in trust for pension benefits</b>					
Beginning of year	\$10,942,693	\$4,629,834	\$ 10,993	\$16,928	\$15,600,448
End of year	<u>\$ 9,930,076</u>	<u>\$4,185,783</u>	<u>\$ 23,161</u>	<u>\$16,469</u>	<u>\$14,155,489</u>

The accompanying notes are an integral part of the financial statements.

# Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2001

## A. PLAN DESCRIPTION

**PERA is the administrator of three cost-sharing, multiple-employer retirement plans and one multiple-employer deferred compensation plan.**

### 1. Organization

The Public Employees Retirement Association (PERA) is the administrator of three cost-sharing, multiple-employer retirement plans, the Public Employees Retirement Fund (PERF), the Public Employees Police and Fire Fund (PEPFF), and the Public Employees Local Government Correctional Service Retirement Fund, called the Public Employees Correctional Fund (PECF). In addition, PERA administers one multiple-employer deferred compensation plan, the Public Employees Defined Contribution Plan (PEDCP). The plans, including benefit provisions and the obligation to make contributions, are established and administered in accordance with Minnesota Statutes, Chapters 353, 353A, 353B, 353D, 353E and 356. It is also these statutes that define financial reporting requirements.

### 2. Participating Employers

PERA serves approximately 2000 separate units of government in the PERF, 500 units of government in the PEPFF, 80 counties in the PECF, and 1000 units in the PEDCP. These units of government are made up of counties, cities, townships, school districts, and generally other units of government whose revenues are derived from taxation, fees, or assessments. The defined contribution plan serves any local unit of government whose current or former elected officials elect to participate. The PEDCP also serves any publicly operated ambulance service that receives an operating subsidy from a governmental entity, and elects to participate.

### 3. Participating Members

The PERF covers employees of counties, cities, townships and employees of schools in non-certified positions throughout the State of Minnesota. The PEPFF, originally established for police officers and fire-fighters not covered by a local relief association, now covers all police officers and firefighters hired since 1980. Effective July 1, 1999, the PEPFF also covers police officers and

fire-fighters belonging to a local relief association that elected to merge with and transfer assets and administration to PERA. The PECF covers employees in county correctional institutions who have direct contact with inmates. Coverage under the PEDCP is open to elected local government officials (except elected county sheriffs), emergency medical service personnel employed by or providing service to any of the participating ambulance services, and physicians employed at public facilities. Elected officials and ambulance personnel who are covered by a public or private pension plan because of their employment are not eligible to participate in the PEDCP. At June 30, 2001, there were 4,716 members in the plan.

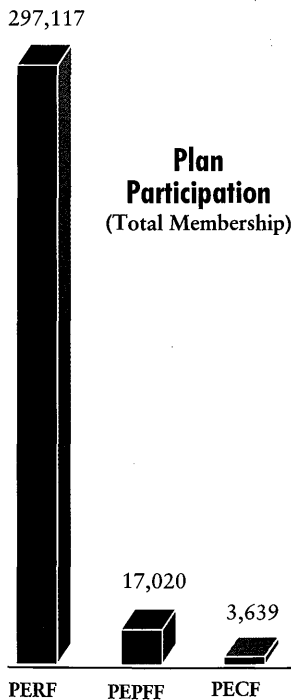
Shown in Figure 1 below are the membership totals in the PERA defined benefit plans as of June 30, 2001.

**Fig. 1 PERA Membership—Defined Benefit Plans**

	<u>PERF</u>	<u>PEPFF</u>	<u>PECF</u>	<u>TOTAL</u>
Retirees and beneficiaries receiving benefits	49,414	5,998	37	55,449
Terminated employees entitled to benefits/refunds but not yet receiving them:				
Vested	25,917	554	97	26,568
Non-Vested	83,027	610	267	83,904
Current, active employees:				
Vested	95,419	8,259	1,810	105,488
Non-Vested	43,340	1,599	1,428	46,367
<b>Total</b>	<u>297,117</u>	<u>17,020</u>	<u>3,639</u>	<u>317,776</u>

### 4. Benefit Provisions and Contribution Rates - Defined Benefit Plans

a) PERA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. All benefits vest after three years of credited service. Retirement benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. PERF members belong to either the Basic or Coordinated Plan. Coordinated members are covered by Social Security and Basic members are not. All new members must participate in the Coordinated Plan. Two methods are used to compute benefits for Coordinated and Basic members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2).



Under Method 1, the annuity accrual rate for Basic members is 2.2 percent of average salary for each of the first 10 years of service and 2.7 percent for each remaining year. For a Coordinated member, the annuity accrual rate is 1.2 percent of average salary for each of the first 10 years of service and 1.7 percent for each remaining year. Under Method 2, the annuity accrual rate is 2.7 percent of average salary for Basic members and 1.7 percent for Coordinated members for each year of service. For PEPFF members, the annuity accrual rate is 3.0 percent of average salary for each year of service. For PERF members whose annuity is calculated using Method 1, and for all PEPFF and PECF members, a full annuity is available when age plus years of service equal at least 90. A reduced retirement annuity is also available to eligible members seeking early retirement. The annuity accrual rate for PECF members is 1.9 percent of average salary for each year of service in that plan.

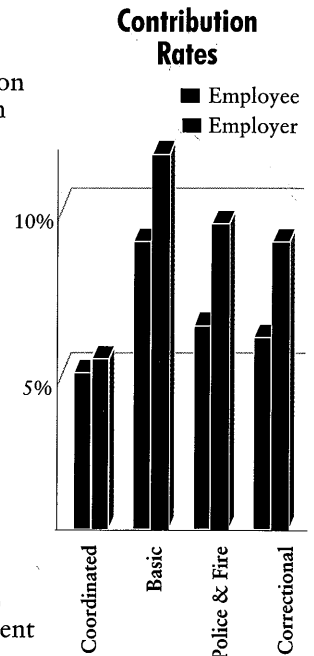
The benefit provisions stated in the preceding paragraphs of this section are current provisions and apply to active plan participants. Vested, terminated employees who are entitled to benefits but are not receiving them yet are bound by the provisions in effect at the time they last terminated their public service.

- b) Pension benefits are funded from member and employer contributions and income from the investment of fund assets. Administrative costs are funded from investment income. Current contribution rates for the PERA defined benefit plans are set by Minnesota Statutes, Chapters 353, 353A, 353B, 353E, and 356, and are shown in Figure 2 below.
- c) Legislation enacted in 2001 will increase contribution rates 0.35% for PERF members and employers. Effective January 1, 2002, Coordinated Plan rates for members will increase from 4.75% to 5.10% and employer rates will increase from 5.18% to 5.53%. Basic Plan rates for members will increase from 8.75% to 9.10% while employer rates will increase from 11.43% to 11.78%.

## 5. Benefit Provisions and Contribution Rates — Defined Contribution Plan

The Public Employees Defined Contribution Plan (PEDCP) is a multiple-employer deferred compensation plan. The PEDCP is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal. (See Notes A.2 and A.3 for employer and employee membership requirements.) The plan is established and administered in accordance with Minnesota Statutes, Chapter 353D.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. Minnesota Statutes, Chapter 353D.03, specifies the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official or physician who decides to participate contributes 5 percent of salary, which is matched by the employer. For ambulance service personnel, employer contributions are determined by the employer, and for salaried employees must be a fixed percentage of salary. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. Investment options include the Income Share, Growth Share, Common Stock Index, Bond Market, Money Market, International Share, and the Fixed Interest (formerly the Guaranteed Return) accounts. For administering the plan, PERA receives 2 percent of employer contributions paid during the year, plus four-tenths of one percent (0.4%) of the assets in each member's account each year.



**Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses.**

**Fig. 2 Retirement Plan Contribution Rates 6/30/01**

	Employee	Employer	Additional Employer
Public Employees Retirement Fund:			
Basic Plan*	8.75%	8.75%	2.68%
Coordinated Plan*	4.75%	4.75%	0.43%
Public Employees Police and Fire Fund	6.20%	9.30%	n/a
Public Employees Correctional Fund	5.83%	8.75%	n/a

\*Note: Contribution rates for these plans will change effective January 1, 2002. The new rates for the Basic Plan will increase to 9.10% for employees and 11.78% for employers. The contribution rates for the Coordinated Plan will increase to 5.10% for employees and 5.53% for employers.

## Notes

(Continued)

the State Board of Investment (SBI). As of June 30, 2001, the participation shares in the pooled accounts at fair value, excluding the Minnesota Post Retirement Investment Fund (MPRIF), totaled 24.10 percent for the PERF, 12.50 percent for the PEPFF and 0.12 percent for the PECF. The funds' shares of net assets of the Minnesota Post Retirement Investment Fund, at fair value, totaled 28.04 percent, 9.58 percent and 0.001 percent, respectively.

- b) Minnesota Statutes, Section 11A.24, broadly restricts retirement fund investments to obligations and stocks of United States and Canadian governments, their agencies and their registered corporations; short term obligations of specified high quality; restricted participation as a limited partner in venture capital, real estate or resource equity investments; restricted participation in registered mutual funds; and some qualified foreign instruments.
- c) Investments are categorized to give an indication of the level of risk that is assumed. Risk category 1 includes investments that are insured or registered, or for which the securities are held by the state or its agent in the state's name. Risk category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the state's name. Risk category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent, but not in the state's name. PERA does not own any investments that are considered securities for purposes of assessing credit risk. All PERA investments are held in Minnesota State Board of Investment-administered pools

**PERA functions as a separate statutory entity. The association maintains rights to sue or be sued in its own name and to hold property in its own name. For financial reporting purposes, however, PERA is considered a pension trust fund of the State of Minnesota.**

There is no vesting period required to receive benefits in the PEDCP. At the time of retirement or termination, PERA distributes the market value of a member's account to the member or transfers it to another qualified plan or individual retirement arrangement. Upon the member's death, PERA distributes the value of the account to the member's designated beneficiary.

The PEDCP is reported as a pension trust fund. Assets, including cash and investments totaling \$16,469,000 are presented at fair value at June 30, 2001. Obligations under the plan include an amount payable to other funds of \$85,000 to cover administrative expenses of the plan.

## B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PLAN ASSET MATTERS

### 1. Reporting Entity

PERA functions as a separate statutory entity. The association maintains rights to sue or be sued in its own name and to hold property in its own name. For financial reporting purposes, PERA is considered a pension trust fund of the State of Minnesota and is included in the State's Comprehensive Annual Financial Report with its fiduciary funds. PERA does not have any component units.

### 2. Basis of Accounting

PERA financial statements for all funds are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which they are earned and become measurable. Expenses are recorded when the liability is incurred. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

### 3. Investment Policies

- a) Pursuant to Minnesota Statutes, Section 11A.04, the state's retirement fund assets are commingled in various pooled investment accounts, administered by

**Fig. 3 PERA Investments—All Funds**  
(in Thousands)

	Cost June 30, 2001	Fair Value June 30, 2001
<b>Pooled Accounts</b>		
External Domestic Equity	\$ 2,604,586	\$ 2,290,992
Fixed Income	1,670,423	1,654,225
Global Equity	1,111,351	954,265
Passive Domestic Equity	872,881	976,820
Venture Capital	590,028	511,819
Real Estate	218,581	260,546
Resources	100,992	104,370
<b>Total Pooled Accounts</b>	<b>\$ 7,168,842</b>	<b>\$ 6,753,037</b>
Short Term Pooled Cash	76,008	76,008
Post Retirement Investment Account	7,469,568	7,253,324
Cash and Investments for Defined Contrib. Benefits	16,490	16,490
<b>Totals</b>	<b>\$14,730,908</b>	<b>\$14,098,859</b>

or open-end mutual funds. These investments are not considered securities for purposes of credit risk classification. The investments in any one organization do not represent 5 percent or more of plan net assets for any of the plans PERA administers.

d) Information about the primary government's (State of Minnesota) investments, including credit risk classification, can be obtained from the Minnesota Department of Finance, 400 Centennial Building, 658 Cedar Street, St. Paul, Minnesota 55155. Information on investment activity and a listing of specific investments owned by the pooled accounts can be obtained from the Minnesota State Board of Investment at Suite 355, Retirement Systems of Minnesota Building, 60 Empire Drive, St. Paul, Minnesota 55103.

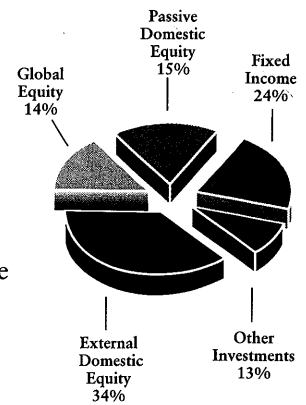
#### 4. Method Used to Value Investments

a) Investments in the pooled accounts, including assets of the PEDCP, are reported at fair value. The schedule in Figure 3 provides a summary of cost and fair values of the investments as of June 30, 2001 as reported on the Statement of Plan Net Assets. The fair value of investments is based upon valuations provided by a recognized pricing service. Securities traded on a national or international exchange are valued using the last reported trade price. Short-term investments are reported at cost, which approximates fair value. The fair value of real estate investments is based on independent yearly appraisals. No investments are reported at amortized cost since the fund does not meet the requirements of Rule 2a-7 of the Investment Company Act of 1940. Pooled accounts are not registered with the Securities and Exchange Commission. State Street, and consequently the investment vehicles sponsored by State Street (including SBI funds) are subject to the oversight of the Federal Reserve Board and the Massachusetts Commissioner of Banks. The fair value of PERA's position in the pools is the same as the value of the pool shares. There was no involuntary participation in an external investment pool, and no income from one fund was assigned to another fund during the fiscal year.

b) Investment income is recognized as earned. Accrued investment income of the pooled investment accounts is included in participation in the accounts. Gains and losses on sales or exchanges are recognized on the transaction date.

c) The cost of security transactions is included in the transaction price. Administrative expenses of the State Board of Investment and investment management fees of the external money managers and the state's master custodian for pension fund assets are allocated to the funds participating in the pooled investment accounts. PERA's share of these expenses totaled \$6,712,000 for PERF, \$3,480,000 for PEPFF, and \$16,000 for PECF.

**Pooled Accounts  
Investment Allocations**  
All Funds at Market  
6/30/2001



#### 5. Fixed Assets

Fixed assets are capitalized at the time of acquisition at cost. Depreciation is computed on a straight-line method over the useful life of the related assets. The estimated useful lives are three to 10 years for furniture and equipment, and three years for automobiles.

Fixed assets are presented on the June 30, 2001 Statement of Plan Net Assets at historical cost, net of accumulated depreciation, as summarized in Figure 4.

#### 6. Building and Land

Legislation was passed in 1999 allowing PERA, the Minnesota Teacher's Retirement Association and the Minnesota State Retirement System to purchase land and construct a building to house all three retirement systems. Ownership of the facility will be pro-rated based on the amount of square footage each retirement system will occupy in the building. PERA's ownership share is 39.8 percent. In fiscal year 2000 the systems purchased land. PERA's share of that piece of property is \$170,308, which is shown on the Statement of Plan Net Assets. The systems began construction on the building in May 2000. As of June 30, 2001, PERA's share of costs for construction in progress was \$10,869,932, also shown on the Statement of Plan Net Assets. The facility is scheduled to be completed September 1, 2001. In June 2000 the State issued revenue bonds for \$29,000,000 on behalf of the three retirement systems to pay for the facility. Those bonds are backed by the

**Legislation was passed in 1999 allowing PERA, the Minnesota Teacher's Retirement Association and the Minnesota State Retirement System to purchase land and construct a building to house all three retirement systems.**

**Fig. 4 Fixed Assets**

Asset	Value
Data Processing Equipment	\$ 1,640,812
Property	
Building	10,869,932
Land	170,308
Furniture and Fixtures	423,324
Office Equipment	131,141
Automobile	14,533
<b>Total Fixed Assets</b>	<b>\$13,250,050</b>
Less: Accumulated Depreciation	(1,265,831)
<b>Net Fixed Assets</b>	<b>\$11,984,219</b>



## Notes

(Continued)

**PERA does not own specific securities, but instead owns shares in pooled funds invested by the State Board of Investments (SBI).**

**Since the July 1, 2000 actuarial valuation, there were no changes in actuarial assumptions which impacted funding costs.**

assets of the three retirement systems, excluding equity in the Minnesota Post Retirement Investment Fund and assets in the Defined Contribution Plans, and both principal and interest payments will be made by the retirement systems using the same ownership ratio to determine amounts. At year end, PERA's share of the bonds payable is \$11,513,000. Once the building is constructed, we will depreciate the facility over 40 years. PERA's share of bond issuance costs are shown on the Statement of Plan Net Assets as Deferred Bond Charges and are being amortized over 30 years, the life of the bonds. The bond repayment schedule is shown in Figure 5.

#### 7. Accrued Compensated Absences

Employees of PERA accrue vacation leave, sick leave and compensatory leave at various rates within limits specified in collective bargaining agreements. Accumulated amounts for compensated absences are accrued when incurred. Such leave is liquidated in cash primarily at the time of termination of employment.

#### 8. Securities Lending

PERA does not own specific securities, but instead owns shares in pooled funds invested by the State Board of Investments (SBI). The SBI is authorized to enter into securities lending transactions in accordance with Minnesota Statutes, Chapter 356A.06, subd. 7 and has, pursuant to a Custodial Trust Agreement, authorized State Street Bank and Trust Company to act as agent in lending securities to broker-dealers and banks.

During the fiscal year State Street lent, on behalf of the SBI, certain securities held by State Street as custodian and received cash (both United States and foreign currency) and securities issued or guaranteed by the United States government, sovereign debt of foreign countries, and irrevocable bank letters of credit as collateral. State Street did not have the ability to pledge or sell collateral securities absent a borrower default. Borrowers were required to deliver collateral for each loan in amounts equal to not less than 100% of the market value of the loaned securities.

The SBI did not impose any restrictions during the fiscal year on the amount of the loans that State Street made on its behalf and State Street

indemnified the SBI by agreeing to purchase replacement securities, or return the cash collateral in the event a borrower failed to return a loaned security or pay distributions thereon. There were no such failures by any borrower to return loaned securities or pay distributions thereon during the fiscal year. Moreover, there were no losses during the fiscal year resulting from a default of the borrowers or State Street.

During the fiscal year, the SBI and the borrowers maintained the right to terminate all securities lending transactions on demand. The cash collateral received on each loan was invested, together with the cash collateral of other qualified tax-exempt plan lenders, in a collective investment pool. Because the loans were terminable at will their duration did not generally match the duration of the investments made with cash collateral. On June 30, 2001 SBI had no credit risk exposure to borrowers. PERA's portion of the cash collateral held and the fair value of securities on loan from the SBI as of June 30, 2001 were \$1,230,161,479 and \$1,190,248,797 respectively. Cash collateral is reported on the Statement of Plan Net Assets as an asset. Liabilities resulting from these securities lending transactions are also reported on the Statement of Plan Net Assets.

### C. CHANGES IN ASSUMPTIONS AND PROVISIONS

#### 1. Changes in Actuarial Assumptions and Methods

Since the July 1, 2000 actuarial valuation, there were no changes in actuarial assumptions of the PERF, PEPFF, and PECF which impacted funding costs. Unfunded actuarial accrued liabilities are calculated using the formula shown in Figure 6.

**Fig. 5 Revenue Bond Repayment Schedule**  
June 30, 2001 (in thousands)

<u>Fiscal Year(s)</u>	<u>Amount</u>
2002	\$ 662
2003	826
2004	827
2005	827
2006	826
Thereafter	<u>20,509</u>
Total	<u>\$24,477</u>
Interest	\$12,964
Principal	\$11,513

## 2. Changes in Benefit Provisions

Legislation enacted in 2001 will increase contribution rates in the PERF by 0.35 percent for both the members and the employers, effective January 1, 2002. That same legislation extends the amortization period for the unfunded accrued liability from the year 2020 to the year 2031, and provides for pro-rated service credits for members who work less than half-time. Eligibility rules were also changed, allowing virtually all local government employees to become members of PERA regardless of how much they earn. The legislation gives exceptions to certain elected officials, probationary employees, students and seasonal employees. This provision is effective July 1, 2002.

\$49,237,000 in the PERF, a contribution sufficiency of \$12,579,000 in the PEPFF, and a sufficiency of \$366,000 in the PECF. The large deficiency in the PERF was caused by a change in actuarial assumptions in fiscal year 2000.

Legislation enacted in 2001 will increase contribution rates in the PERF beginning in January 2002 to help alleviate the deficiency in that fund. Significant actuarial assumptions used to compute contribution requirements are listed in the notes to the schedules of trend information on page 30. Six-year historical trend information designed to provide information about PERA's funding progress and employer contributions can be found on pages 28 and 29.

**The large deficiency in the PERF was caused by a change in actuarial assumptions in fiscal year 2000. Legislation enacted in 2001 will increase contribution rates in the PERF beginning in January 2002 to help alleviate the deficiency in that fund**

## D. CONTRIBUTIONS REQUIRED AND CONTRIBUTIONS MADE

Minnesota Statutes, Chapters 353, 353A, 353B, 353E and 356 set the rates for employer and employee contributions. Contribution rates are shown in Figure 2. Minnesota Statutes require the PERF to be fully funded by the year 2031 and the PEPFF and PECF to be fully funded by the year 2020. As part of the annual actuarial valuation, PERA's actuary determines the sufficiency of the statutory contribution rates toward meeting the required full funding deadlines. The actuary compares the actual contribution rate to an actuarially derived "required" contribution rate. The required contribution rate consists of:

- (a) normal costs based on entry age normal cost methods;
- (b) a supplemental contribution for amortizing any unfunded actuarial accrued liability by the dates required for full funding; and
- (c) an allowance for administrative expenses.

As shown in **Figure 7**, there is a projected contribution deficiency on June 30, 2001 of

## E. Minnesota Post Retirement Investment Fund (MPRIF) Reserve

For all retiring members, except those in the PEPFF who have not elected to have their post retirement adjustments determined by the MPRIF formula, the reserves required to pay the cost of the member's annuity are transferred to the MPRIF where the funds are invested along with funds from the other statewide retirement systems. Increases in annuities are based upon earnings of the MPRIF, as defined in Minnesota Statutes, Section 11.18, Subd. 9.

The MPRIF is a legally required reserve account, and is by definition fully funded. PERA's share of the MPRIF investments is shown at fair value, and is calculated based on each fund's level of participation in the pooled investments. Participation in the MPRIF is determined by the actuarially determined required reserves level in accordance with Minnesota Statutes, Section 11A.18, Subd. 7. It includes a 6 percent assumed income distribution, in accordance with Minnesota Statutes, Section 11A.18, and

**Fig. 6 Unfunded Actuarial Accrued Liability**  
(in thousands)

	PERF	PEPFF	PECF
Mkt. Value of Assets Available for Benefits	\$10,091,260	\$4,278,953	\$23,168
Less Unrecognized Asset Return Adjustment	(436,010)	(231,181)	(1,846)
Actuarial Value of Assets	<u>\$10,527,270</u>	<u>\$4,510,134</u>	<u>\$25,014</u>
Actuarial Accrued Liability	\$12,105,337	\$3,712,360	\$25,453
Less Actuarial Value of Assets	<u>10,527,270</u>	<u>4,510,134</u>	<u>25,014</u>
Unfunded Accrued Liability (Surplus Assets)	<u>\$ 1,578,067</u>	<u>\$ (797,774)</u>	<u>\$ 439</u>

# Notes F. OTHER NOTES

(Continued)

The MPRIF income available for distribution is determined using a post-retirement benefit increase formula based on total investment return rather than realized earnings.

any mortality gains or losses as determined by an independent actuary hired by the state legislature. As of June 30, 2001, the Public Employees Retirement Fund's share of net assets of the MPRIF, at cost, is \$5,598,061,000 and at fair value is \$5,434,051,000. The Public Employees Police and Fire Fund's share of net assets of the MPRIF, at cost, is \$1,913,055,000 and at fair value is \$1,819,152,000. The Public Employees Correctional Fund's share of net assets of the MPRIF, at cost, is \$193,000 and at fair value is \$121,000.

Beginning in fiscal year 1993, the MPRIF income available for distribution is determined using a post-retirement benefit increase formula based on total investment return rather than realized earnings. This formula contains both an inflation adjustment and an investment component. Stated as a percentage of eligible required reserves, annuitants and other individuals receiving benefits at May 31, 2000 are eligible to receive the following January 1, 2002 benefit increase:

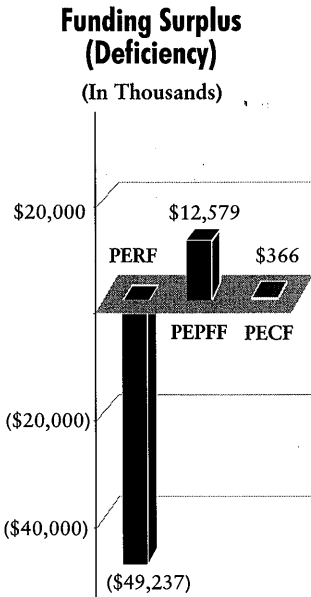
Inflation Based Benefit Increase	2.5000%
Investment Based Benefit Increase	1.9935%
<b>Total Benefit Increase</b>	<b>4.4935%</b>

## 1. Cash

Cash on deposit consists of year-end receipts not processed as of the investment cutoff deadline on June 30 and revenue bond proceeds remaining to pay facility construction costs. PERA cash funds are held in the state treasury, commingled with other state funds. Minnesota Statutes, Section 9.031, requires that deposits be secured by depository insurance or a combination of depository insurance and collateral securities held in the state's name by an agent of the state. Such insurance and collateral shall be in amounts sufficient to ensure that deposits do not exceed 90 percent of the sum of the insured amount and the market value of the collateral. Throughout fiscal year 2001, the combined depository insurance and collateral was sufficient to meet legal requirements and secure all PERA deposits.

## 2. Administrative Expenses

Administrative expenses of the Public Employees Retirement Association are paid during the year from the Public Employees Retirement Fund. At year-end, a portion of the expenses are allocated to the Public Employees Police and Fire Fund and the Public Employees Correctional Fund, based on membership counts. The PEDCF reimburses the PERF to the extent of fees collected for recovery of administrative costs. The applicable amounts are reported



**Fig. 7 Contribution Sufficiency (Deficiency):**  
(In Thousands)

	PERF	% of FY02 Estimated Covered Payroll	PEPFF	% of FY02 Estimated Covered Payroll	PECF	% of FY02 Estimated Covered Payroll
<b>Contributions statutorily required:</b>						
Employee share	\$189,604	4.94%	\$ 32,793	6.20%	\$ 5,858	5.83%
Employer share	206,389	5.38%	49,189	9.30%	8,792	8.75%
Subtotal - Statutorily required	<u>\$395,993</u>	<u>10.32%</u>	<u>\$ 81,982</u>	<u>15.50%</u>	<u>\$14,650</u>	<u>14.58%</u>
<b>Contributions actuarially required:</b>						
Normal Cost	\$360,850	9.40%	\$106,905	20.21%	\$14,093	14.02%
Supplemental contribution amortization of UAAL	75,558	1.97%	(38,190)	-7.22%	30	0.03%
Allowance for administrative expenses	8,822	0.23%	688	0.13%	161	0.16%
Subtotal - Actuarially required	<u>\$445,230</u>	<u>11.60%</u>	<u>\$69,403</u>	<u>13.12%</u>	<u>\$14,284</u>	<u>14.21%</u>
Contribution Sufficiency (deficiency)	<u>\$ (49,237)</u>	<u>-1.28%</u>	<u>\$12,579</u>	<u>2.38%</u>	<u>\$ 366</u>	<u>0.37%</u>
Estimated FY02 Covered Payroll	\$3,835,448		\$528,942		\$100,460	

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as expenses of the four funds and reported on the Statement of Plan Net Assets.

For fiscal year 2001, administrative expenses allocated to PERF, PEPFF, PECF, and PEDCP totaled \$8,344,000, \$639,000, \$130,000, and \$85,000 respectively.

### **3. Operating Leases**

PERA is committed under lease agreements for rental of office and storage space through October 31, 2001. For accounting purposes, these leases are considered operating leases. Lease expenditures for fiscal year 2001 totaled \$315,000. Future minimum rental payments required as of June 30, 2001 equal \$109,739.

# Schedule of Funding Progress

(last six years, in thousands, unaudited)

## Public Employees Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)-Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
6/30/1996	\$5,786,398	\$ 7,270,073	\$1,483,675	79.6%	\$2,814,126	52.7%
6/30/1997	6,658,410	8,049,666	1,391,256	82.7%	2,979,260	46.7%
6/30/1998	7,636,668	8,769,303	1,132,635	87.1%	3,271,737	34.6%
6/30/1999	8,489,177	9,443,678	954,501	89.9%	3,302,808	28.9%
6/30/2000	9,609,367	11,133,682	1,524,315	86.3%	3,437,954	44.3%
6/30/2001	10,527,270	12,105,337	1,578,067	87.0%	3,466,587	45.5%

## Public Employees Police and Fire Fund\*

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)-Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
6/30/1996	\$1,633,010	\$ 1,334,202	\$ (298,808)	122.4%	\$ 316,189	-94.5%
6/30/1997	1,974,635	1,556,483	(418,152)	126.9%	346,319	-120.7%
6/30/1998	2,337,313	1,741,344	(595,969)	134.2%	375,131	-158.9%
6/30/1999	2,626,817	1,956,263	(670,554)	134.2%	352,066	-190.5%
6/30/2000	4,145,351	3,383,187	(762,164)	122.5%	392,796	-194.0%
6/30/2001	4,510,134	3,712,360	(797,774)	121.5%	500,839	-159.3%

## Police and Fire Consolidation Fund(terminated 7/1/99)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)-Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
6/30/1996	\$ 753,862	\$ 791,353	\$ 37,491	95.3%	\$ 52,194	71.8%
6/30/1997	876,171	880,211	4,040	99.5%	50,274	8.0%
6/30/1998	1,011,362	971,286	(40,076)	104.1%	49,117	-81.6%
6/30/1999	1,092,684	1,030,917	(61,767)	106.0%	45,086	-137.0%

## Public Employees Correctional Fund (established 7/1/99)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)-Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
6/30/2000	\$ 11,116	\$ 10,195	\$ (921)	109.0%	\$ 70,690	-1.3%
6/30/2001	25,014	25,453	439	98.3	91,025	0.5%

\* Members and assets from the Police and Fire Consolidation Plan were transferred to the Public Employees Police and Fire Fund on 7/1/99.

# Schedule of Employer Contributions

(last six years, in thousands, unaudited)

## Public Employees Retirement Fund

Year Ended June 30	Actuarially Required Contribution Rate (A)*	Actual Covered Payroll (B)	Actual Member Contributions (C)	Annual Required Contribution [(A) x (B)] - (C)	Actual Employer Contribution	Percentage Contributed
1996	9.61%	\$2,814,126	\$121,525	\$148,913	\$129,738	87.12%
1997	9.75%	2,979,260	128,234	162,244	136,686	84.25%
1998	9.62%	3,271,737	140,385	174,356	151,499	86.89%
1999	9.63%	3,302,808	158,475	159,585	173,370	108.64%
2000	9.22%	3,437,954	171,073	145,906	186,637	127.92%
2001	11.84%	3,466,587	173,380	237,064	188,208	79.39%

## Public Employees Police and Fire Fund\*\*

Year Ended June 30	Actuarially Required Contribution Rate (A)*	Actual Covered Payroll (B)	Actual Member Contributions (C)	Annual Required Contribution [(A) x (B)] - (C)	Actual Employer Contribution	Percentage Contributed
1996	16.49%	\$ 316,189	\$ 24,065	\$ 28,075	\$ 36,066	128.46%
1997	15.11%	346,319	26,354	25,975	39,508	152.10%
1998	15.69%	375,131	28,552	30,306	42,786	141.18%
1999	12.32%	352,066	30,897	12,478	46,280	370.89%
2000	12.87%	392,796	31,214	19,339	53,178	274.98%
2001	12.21%	500,839	31,341	29,811	52,960	177.65%

## Police and Fire Consolidation Fund (terminated 7/1/99)

Year Ended June 30	Actuarially Required Contribution Rate (A)*	Actual Covered Payroll (B)	Actual Member Contributions (C)	Annual Required Contribution [(A) x (B)] - (C)	Actual Employer Contribution	Percentage Contributed
1996	36.69%	\$ 52,194	\$ 4,061	\$ 15,091	\$ 15,091	100%
1997	34.72%	50,274	3,950	13,509	13,509	100%
1998	8.53%	49,117	3,733	455	13,229	2,909%
1999	-4.20%	45,086	3,429	(5,323)	11,569	NA

## Public Employees Correctional Fund (established 7/1/99)

Year Ended June 30	Actuarially Required Contribution Rate (A)*	Actual Covered Payroll (B)	Actual Member Contributions (C)	Annual Required Contribution [(A) x (B)] - (C)	Actual Employer Contribution	Percentage Contributed
2000	15.03%	\$ 70,690	\$ 4,382	\$ 6,243	\$ 6,487	103.91%
2001	14.36%	91,025	5,308	7,763	8,054	103.75%

\* For years prior to July 1997, the Actuarially required Contribution was not calculated according to the parameters of GASB Statement number 25. However, the actual employer contributions paid were actuarially determined in accordance with statutes and actuarial standards in effect at the time.

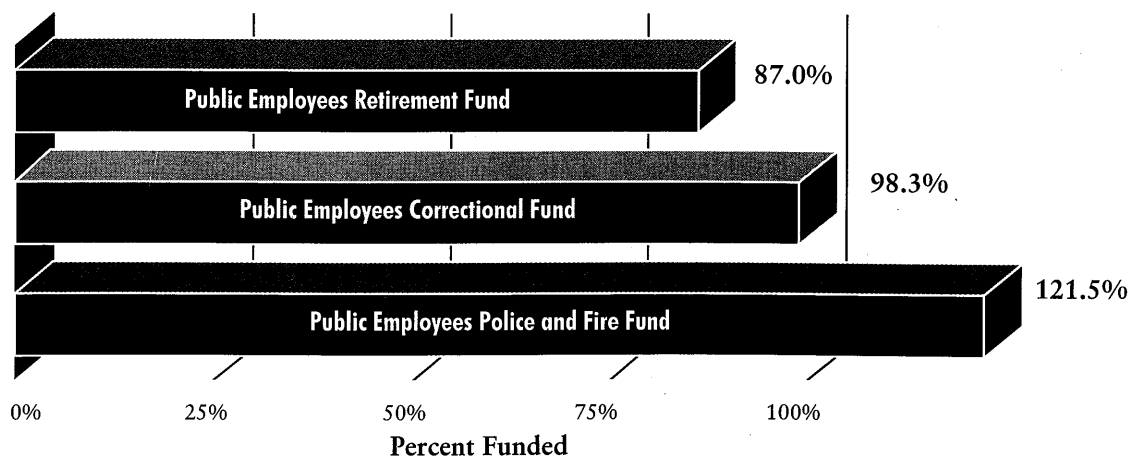
\*\* Members and assets from the Police and Fire Consolidation Plan were transferred to the Public Employees Police and Fire Fund on 7/1/99.

# Required Supplementary Information Notes (unaudited)

## Notes to Required Supplementary Information

	<u>Public Employees Retirement Fund</u>	<u>Public Employees Police &amp; Fire Fund</u>	<u>Public Employees Correctional Fund</u>
Valuation Date	6/30/2001	6/30/2001	6/30/2001
Actuarial Cost Method	Entry Age	Entry Age	Entry Age
Amortization Method	Level Percent Closed	Level Percent Closed	Level Percent Closed
Remaining Amortization Period	30 years	30 years	19 years
Asset Valuation Method	Fair Market Value Smoothed Over 5 Years	Fair Market Value Smoothed Over 5 Years	Fair Market Value Smoothed Over 5 Years
<b>Actuarial Assumptions:</b>			
Investment Rate of Return	8.5%	8.5%	8.5%
Projected Salary Increases	5.0% - 6.75%	5.25% - 11.5%	5.25% - 7.75%
Assumed Inflation Rate	5.0%	5.0%	5.0%
Payroll Growth Rate	6.0%	6.0%	6.0%
Mortality Table - Active	1983 GAM Set Back 8 Years, Males; 7 Years, Females	1983 GAM Set Back 5 Years	1983 GAM Set Back 1 Year, Males
Mortality Table - Retired	1983 GAM Set Back 1 Year, female	1983 GAM	1983 GAM Set Forward 2 Years
Cost of Living Adjustment	No Assumption	No Assumption	No Assumption

### Funding Ratios



The chart above reflects funding ratios for the three defined benefit funds administered by PERA, as reported on page 28.

# Schedule of Investment Expenses

For the Fiscal Year Ended June 30, 2001 (in thousands)

	Public Employees Retirement Fund	Public Employees Police and Fire Fund	Public Employees Correctional Fund	Total (Memorandum Only)
Outside Money Managers—Equities	\$5,358	\$2,778	\$ 13	\$ 8,149
Outside Money Managers—Bonds	1,104	573	2	1,679
Minnesota State Board of Investment	221	114	1	336
Financial Control Systems	29	15	0	44
<b>Total</b>	<b><u>\$6,712</u></b>	<b><u>\$3,480</u></b>	<b><u>\$ 16</u></b>	<b><u>\$10,208</u></b>

# Schedule of Commissions and Payments to Consultants

For the Fiscal Year Ended June 30, 2001 (in thousands)

Individual or Firm Name	Nature of Service	Fee Paid
KPMG Peat Marwick LLP	System Development	\$945
Benefacts, Inc.	Management	209
William M. Mercer Inc.	Actuarial	131
Ciber Inc.	System Development	53
Richards & Tierney	Investment	45
First Data Corp.	Management	30
Metamor Industries Solutions	System Development	22
Millman & Robertson	Actuarial	21
Independent Medical Consultants (15)	Medical Services	19
Van Wagner	Medical Services	14
Pension Consulting Alliance	Investment	11
PSI Net Consulting	System Development	11
Landmark Environmental	Legal	6
Novaeon Inc.	Medical Services	5
Business Microvar, Inc.	Management	4
Kusske Financial Mgmt.	Management	3
Berwyn Group	Management	2
Segal Company	Legal	1
<b>State of Minnesota —</b>		
Legislative Commission on Pensions and Retirement	Actuary	140
Department of Health	Medical Services	96
Attorney General	Legal	85
Administrative Law Judge	Medical Services	14
<b>Total</b>		<b><u>\$1,867</u></b>



# Schedule of Administrative Expenses

For the Fiscal Year Ended June 30, 2001 (in thousands)

## Personal Services:

Staff Salaries	\$4,856	
Part-Time, Seasonal Labor	283	
Other Benefits	79	
<b>Total Personal Services</b>		<b>\$5,218</b>

## Professional Services:

Actuarial	\$ 292	
Legal	92	
Investment Consultants	56	
Management Consultants	248	
Medical Evaluations	148	
System Development	1,031	
<b>Total Professional Services</b>		<b>1,867</b>

## Communication:

Printing	\$ 148	
Mail & Telephone Services	533	
<b>Total Communication</b>		<b>681</b>

## Rentals & Maintenance:

Office Space	\$ 323	
Repairs & Maintenance	71	
System Services	53	
<b>Total Rentals &amp; Maintenance</b>		<b>447</b>

## Other:

Operating Costs	\$ 44	
In-State Travel	91	
Out-State Travel	3	
Employee Development	162	
Supplies & Materials	342	
Indirect Costs	146	
Depreciation	197	
<b>Total Other</b>		<b>985</b>
<b>Total Administrative Expense</b>		<b><u>\$9,198</u></b>

## Allocation of Administrative Expense:

<b>Defined Benefit Plans</b>		
Public Employees Retirement Fund		\$8,344
Public Employees Police and Fire Fund		639
Public Employees Correctional Fund		130
<b>Defined Contribution Plans</b>		
Public Employees Defined Contribution Plan		85
<b>Total Administrative Expenses</b>		<b><u>\$9,198</u></b>

# Investment Report



## MINNESOTA STATE BOARD OF INVESTMENT



### Board Members:

Governor  
Jesse Ventura

State Auditor  
Judi Dutcher

State Treasurer  
Carol C. Johnson

Secretary of State  
Mary Kiffmeyer

Attorney General  
Mike Hatch

### Executive Director:

Howard J. Bicker

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Suite 355

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[www.sbi.state.mn.us](http://www.sbi.state.mn.us)

An Equal Opportunity  
Employer

## Investment Authority

The assets of the Public Employees Retirement Association are invested under the direction and authority of the State Board of Investment (SBI) in accordance with Minnesota Statutes, Chapters 11A and 356A. The SBI is made up of the State Governor, State Auditor, State Treasurer, Secretary of State, and the Attorney General. The Legislature has also established a 17-member Investment Advisory Council to advise the SBI and its staff on investment-related matters. The Executive Director of PERA is a permanent member of this Council.

## Investment Policy

Investment policy states that the SBI will operate within standard investment practices of the prudent person. The SBI is to "exercise that degree of judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived therefrom." The SBI is authorized to own government obligations, corporate obligations, various short-term obligations, corporate stocks, venture capital interests, mutual funds, resource investments, and real estate interests subject to specific parameters. Above all, pension fund assets are to be invested for the exclusive benefit of the members of the fund.

## Investment Objectives

Pension fund assets are managed and accounted for separately in the Basic Funds and the Post Fund. The SBI reviews the performance of all the assets in the Combined Funds.

Pension contributions of PERA members are invested in the **Basic Funds** along with pension contributions from active members in seven other statewide retirement funds. PERA does not own any underlying assets, but instead owns a participation in these pooled Basic Funds. Because these assets normally accumulate in the Basic Funds for thirty to forty years, SBI's objective is to take advantage of the long investment time horizon offered by equities and alternative assets in order to meet its actuarial return target of 8.5 percent per year and ensure that sufficient funds are available to finance promised benefits at the time of retirement.

When a member retires, PERA transfers assets on behalf of the member to the **Minnesota Post Retirement Investment Fund (MPRIIF)**. The assets of the Post Fund, which include the eight plans which participate in the Basic Funds as well as the Legislative and Survivors Retirement Fund, finance monthly annuity payments paid to retirees. Investments in the Post Fund are generally invested a bit more conservatively, but still invest heavily in equities to take advantage of the 15-20 year time horizon associated with the length of time a typical retiree can be expected to draw benefits. The actuarial return target for the Post Fund is 6 percent.

The **Combined Funds**, while not existing under statute, represents the assets of both the active and retired public employees who participate in the defined benefit plans administered by PERA, the Minnesota State Retirement System, and the Teachers Retirement Association. They are used by the SBI for comparison purposes only, since most public pension plans do not separate the assets of their active employees and retirees. The long term objectives of the Combined Funds are: (1) provide returns that are 3-5 percentage points greater than inflation over the latest 10-year period; (2) outperform a composite market index weighted in a manner that reflects the actual asset mix of the Combined funds over the latest 5-year period; and (3) provide returns that are ranked in the top half of a universe of public and corporate plans over the latest 5-year period. As of June 30, 2001 the Combined Funds returned 9.1 percentage points above the CPI over the last 10 years. The Combined Funds outperformed the Composite Index by 0.6 percentage points over the past five years, and ranked in the 51<sup>st</sup> percentile, slightly below the median fund in the Trust Universe Comparison Service.

## Investment Presentation

Data reported in the investment section of this CAFR is presented in conformance with the presentation standards of the Association for Investment Management and Research (AIMR). Investment returns were prepared using a time-weighted rate of return methodology in accordance with those standards.

Howard Bicker  
Executive Director  
State Board of Investment

# Investment Results

## Investment Returns by Sector

### Performance of Asset Pools (Net of Fees)

	Rates of Return (Annualized)		
	FY 2001	3-Year	5-Year
<b>Domestic Stock Pool</b>	-15.2%	2.7%	12.9%
Wilshire 5000 Investable	-15.8	3.0	12.7
<b>Bond Pool</b>	11.8%	6.3%	7.9%
Lehman Agg.	11.2	6.3	7.5
<b>International Stock Pool</b>	-22.1%	-0.2%	3.5%
Composite Index	-23.9	-0.7	1.9
<b>Real Estate Pool (Basic Funds Only)</b>	15.8%	10.5%	15.4%
<b>Private Equity Pool (Basic Funds Only)</b>	-7.0%	10.0%	20.5%
<b>Resource Pool (Basic Funds Only)</b>	35.8%	7.1%	16.6%
<b>Yield Oriented Pool (Post Fund Only)</b>	17.3%	15.5%	13.2%

## Asset Allocation (at June 30, 2001)\*

Asset allocation will have a dominant effect on returns. SBI has focused considerable attention on the selection of the appropriate long-term asset allocation policy for the Basic and MPRIF funds.

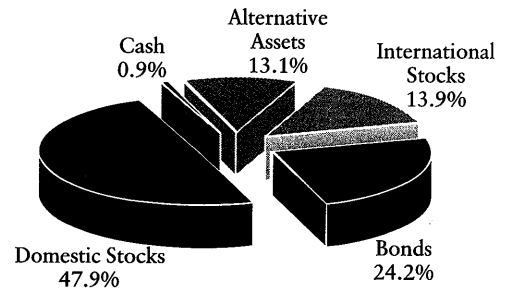
Investment Type	Basic		MPRIF	
	Actual Asset Mix	Long-term Policy Target	Actual Asset Mix	Long-term Policy Target
Domestic Stocks	47.9%	45.0%	52.6%	50.0%
International Stocks	13.9	15.0	14.2	15.0
Bonds	24.2	24.0	28.8	27.0
Alternative Assets**	13.1	15.0	3.4	5.0
Cash	0.9	1.0	1.0	3.0
<b>Total</b>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

\* Source: Minnesota State Board of Investment (SBI) FY 2001 Annual Report.

\*\* Alternative assets include real estate, venture capital and resource (oil, gas, etc.) funds.

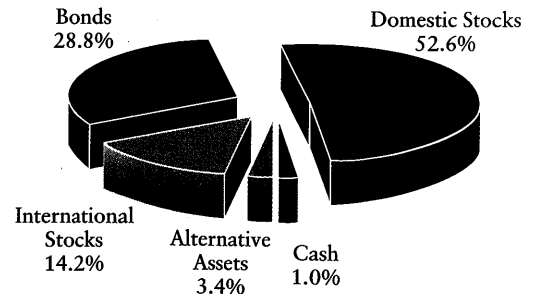
### Basic Funds

#### Actual Asset Mix



### Post Retirement Investment Fund

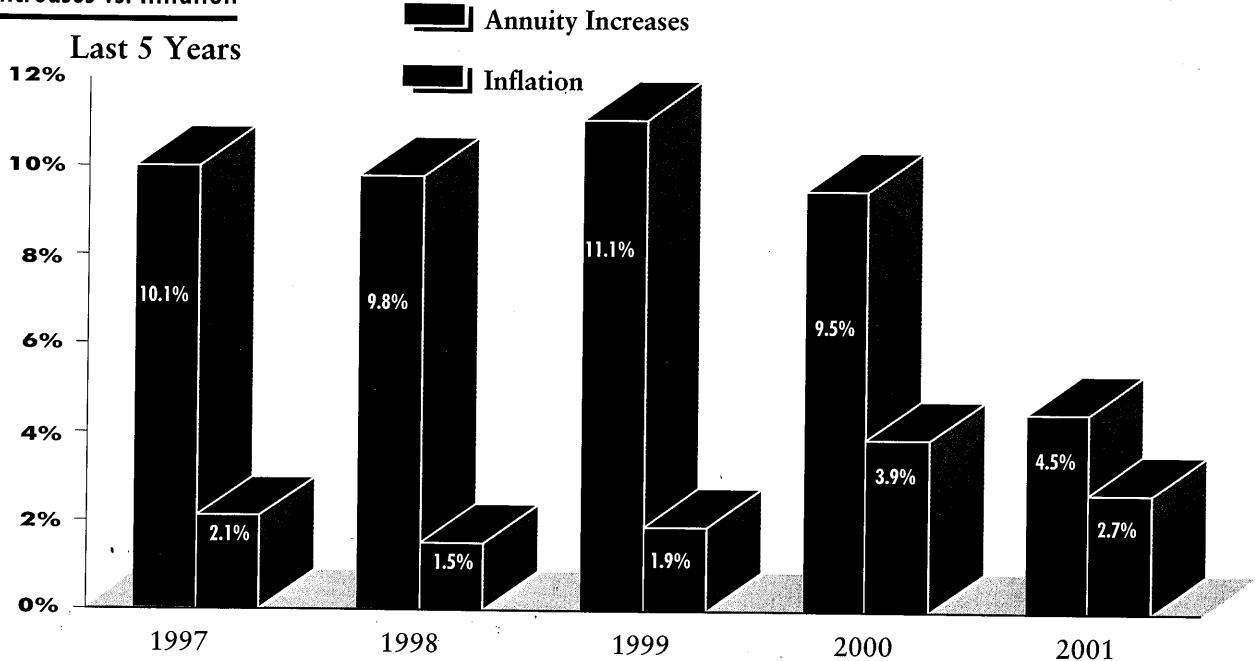
#### Actual Asset Mix



The charts above show the asset allocation of the Basic Funds and the MPRIF at June 30, 2001.

# Investment Results

## Annuity Increases vs. Inflation



Increases awarded to PERA retirees under the MPRIF have outpaced inflation each of the past five years. Increases and inflation are both measured as of June 30, the end of PERA's fiscal year. Increases are effective January 1 of the following year.

## Fund Performance

Fund	Rates of Return (Annualized)		
	FY 2001	3-Year	5-Year
<b>Basic Funds (Active Accounts)</b>			
Basic Composite Market Index	-7.4%	4.5%	11.2%
	-8.4	4.5	10.7
<b>MPRIF Fund (Retiree Accounts)</b>			
MPRIF Composite Market Index	-6.9%	4.2%	10.3%
	-8.0	4.2	9.7
<b>Combined Funds (Active/Retiree)*</b>			
Combined Composite Market Index	-7.1%	4.4%	10.8%
	-8.2	4.4	10.2

\* Percentages are net of all management fees. Amounts include Basic and MPRIF funds.

Note: All composite indices are composed of the following market indicators, weighted according to asset allocation: Stocks—Wilshire 5000 Investable; Int'l. Stocks—EAFE-Free; Domestic Bonds—Lehman Aggregate; Alternative Assets—Wilshire Real Estate Index, Venture Capital Funds, Resource Funds; Unallocated Cash—91 Day T-Bills.

# List of Largest Assets Held

June 30, 2001

## Composite Holdings of Top Ten Equities (by Fair Value)

<u>Security</u>	<u>% of Portfolio</u>
General Electric Co.	1.87%
Microsoft Corp.	1.46
Citigroup Inc.	1.34
Exxon Mobile Corp.	1.15
Pfizer Inc.	1.11
AOL Time Warner Inc.	1.09
Intel Corp	0.81
Wal Mart Stores Inc.	0.79
American International Group Inc.	0.78
Cisco Systems Inc.	0.76

## Composite Holdings of Top Ten Bond Holdings (by Fair Value)

<u>Security</u>	<u>Coupon</u>	<u>Maturity Date</u>	<u>Rating</u>	<u>% of Portfolio</u>
GNMA	6.50%	12/15/2029	AAA	0.57%
FNMA	7.50	12/31/2029	AAA	0.40
FNMA	6.00	12/31/2029	AAA	0.38
GNMA	7.00	12/31/2029	AAA	0.36
FNMA	6.50	12/31/2029	AAA	0.31
FHLMC	6.50	12/31/2029	AAA	0.27
United States Treasury Bonds	3.63	04/15/2028	AAA	0.26
United States Treasury Bonds	8.50	02/15/2020	AAA	0.26
FNMA	7.00	12/31/2029	AAA	0.22
FNMA Pool	8.50	01/01/2031	AAA	0.21

PERA's assets are commingled in various pooled investment accounts administered by the State Board of Investment. PERA does not own specific values of the underlying assets. The percentages shown are those of the total pooled accounts. Information on investment activity, a listing of specific investments owned by the pooled accounts and a schedule of fees and commissions can be obtained from the Minnesota State Board of Investment.

# Investment Summary at Cost\*

For the Fiscal Year Ended June 30, 2001 (in thousands)

## Public Employees Retirement Fund

	Cost June 30, 2000	Total Acquisitions	Total Dispositions	Cost June 30, 2001
<b>Pooled Accounts</b>				
External Domestic Equity	\$1,635,078	\$179,543	\$120,740	\$1,693,881
Passive Domestic Equity	489,292	194,858	124,907	559,243
Global Equity	681,497	197,500	153,237	725,760
Fixed Income	1,238,679	242,081	383,800	1,096,960
Real Estate	145,541	29,041	33,344	141,238
Resources	50,469	24,875	8,913	66,431
Venture Capital	314,896	107,131	36,849	385,178
Short-term Cash Equivalents**	<u>50,072</u>		<u>2,108</u>	<u>47,964</u>
<b>Total Pooled Accounts</b>	<u>\$4,605,524</u>	<u>\$975,029</u>	<u>\$863,898</u>	<u>\$4,716,655</u>

## Public Employees Police and Fire Fund

	Cost June 30, 2000	Total Acquisitions	Total Dispositions	Cost June 30, 2001
<b>Pooled Accounts</b>				
External Domestic Equity	\$ 865,523	\$ 93,350	\$ 55,238	\$ 903,635
Passive Domestic Equity	276,363	101,312	67,090	310,585
Global Equity	357,629	101,726	76,724	382,631
Fixed Income	632,287	126,634	190,115	568,806
Real Estate	78,009	15,731	17,151	76,589
Resources	24,816	13,442	3,983	34,275
Venture Capital	163,603	56,643	16,983	203,263
Short-term Cash Equivalents**	<u>31,580</u>		<u>7,442</u>	<u>24,138</u>
<b>Total Pooled Accounts</b>	<u>\$2,429,810</u>	<u>\$508,838</u>	<u>\$434,726</u>	<u>\$2,503,922</u>

## Public Employees Correctional Fund

	Cost June 30, 2000	Total Acquisitions	Total Dispositions	Cost June 30, 2001
<b>Pooled Accounts</b>				
External Domestic Equity	\$	\$ 7,172	\$ 102	\$ 7,070
Passive Domestic Equity		3,070	17	3,053
Global Equity		3,079	119	2,960
Fixed Income		5,391	734	4,657
Real Estate		887	133	754
Resources		298	12	286
Venture Capital		1,622	35	1,587
Short-term Cash Equivalents**	<u>10,485</u>		<u>6,579</u>	<u>3,906</u>
<b>Total Pooled Accounts</b>	<u>\$ 10,485</u>	<u>\$ 21,519</u>	<u>\$ 7,731</u>	<u>\$ 24,273</u>

\* Figures shown are for PERA's active member pooled funds.

\*\* Dispositions shown are acquisitions and dispositions netted together.

# Investment Summary at Fair Value\*

For the Fiscal Year Ended June 30, 2001 (in thousands)

## Public Employees Retirement Fund

	Fair Value June 30, 2000	Fair Value June 30, 2001	Percent of Portfolio
<b>Pooled Accounts</b>			
External Domestic Equity	\$1,713,223	\$1,504,735	34%
Passive Domestic Eq Pool	777,554	640,402	14
Global Equity Pool	723,833	627,142	14
Fixed Income	1,220,500	1,086,230	24
Real Estate	180,901	170,317	4
Resources Pool	45,348	68,213	2
Venture Capital	333,783	334,530	7
Short-term Cash Equivalents	50,072	47,964	1
<b>Total Pooled Accounts</b>	<b><u>\$5,045,214</u></b>	<b><u>\$4,479,533</u></b>	<b><u>100%</u></b>

## Public Employees Police and Fire Fund

	Fair Value June 30, 2000	Fair Value June 30, 2001	Percent of Portfolio
<b>Pooled Accounts</b>			
External Domestic Eq Pool	\$ 877,279	\$ 779,811	34%
Passive Domestic Eq Pool	399,148	333,675	14
Global Equity Pool	370,411	324,436	14
Fixed Income	623,144	563,342	24
Real Estate	93,409	89,492	4
Resources Pool	23,007	35,867	2
Venture Capital	172,349	175,858	7
Short-term Cash Equivalents	31,580	24,138	1
<b>Total Pooled Accounts</b>	<b><u>\$2,590,327</u></b>	<b><u>\$2,326,619</u></b>	<b><u>100%</u></b>

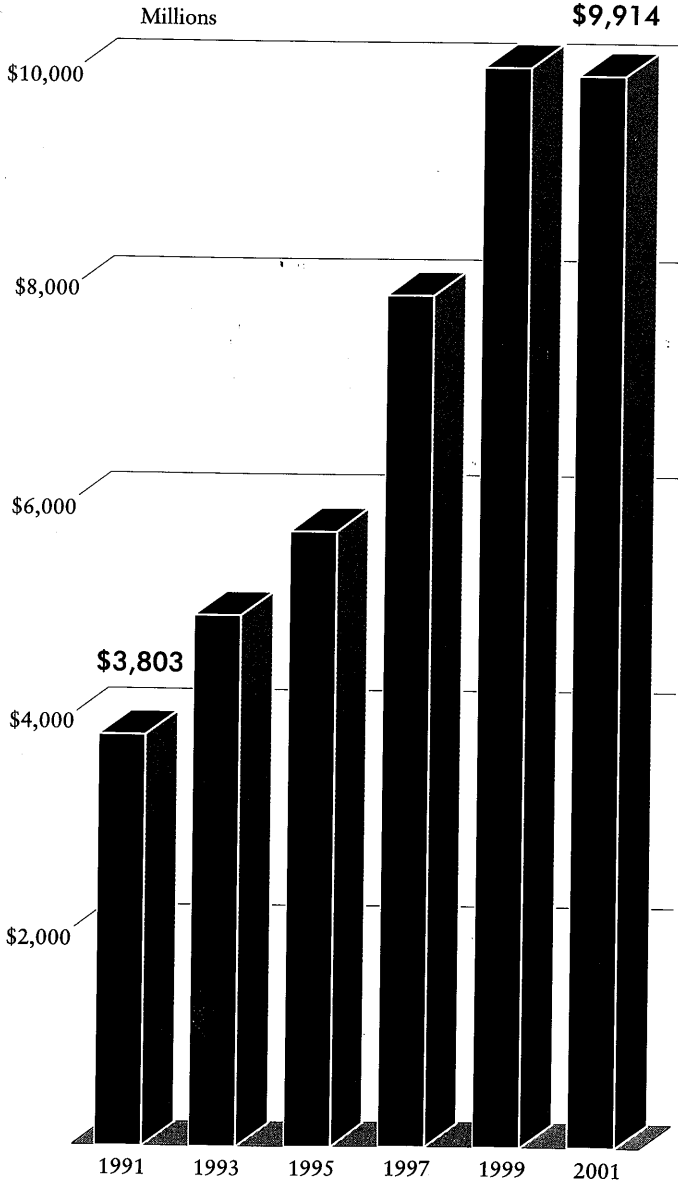
## Public Employees Correctional Fund

	Fair Value June 30, 2000	Fair Value June 30, 2001	Percent of Portfolio
<b>Pooled Accounts</b>			
External Domestic Eq Pool	\$	\$ 6,446	28%
Passive Domestic Eq Pool		2,743	12
Global Equity Pool		2,687	12
Fixed Income		4,653	20
Real Estate		737	3
Resources Pool		290	1
Venture Capital		1,431	7
Short-term Cash Equivalents	10,485	3,906	17
<b>Total Pooled Accounts</b>	<b><u>\$ 10,485</u></b>	<b><u>\$ 22,893</u></b>	<b><u>100%</u></b>

# Fair Value of Investments

## Fair Value of Investments\*

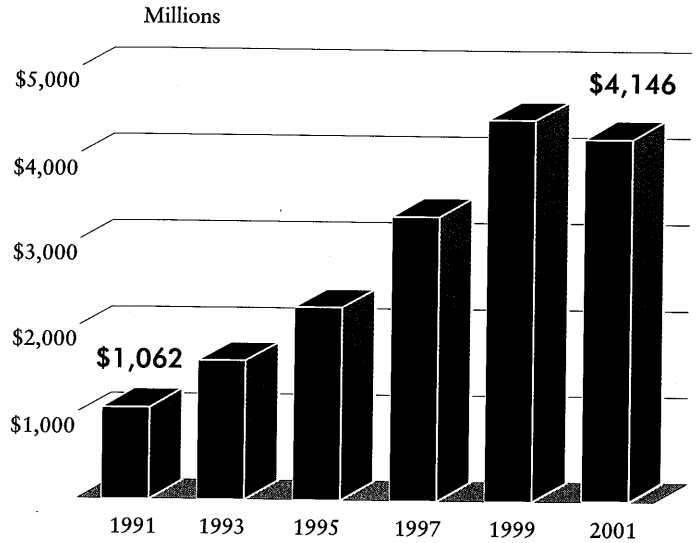
### Public Employees Retirement Fund



Over the past 10 years, the value of investments of the Public Employees Retirement Fund has grown from \$3.8 billion in 1991 to \$9.9 billion in 2001.

## Fair Value of Investments\*

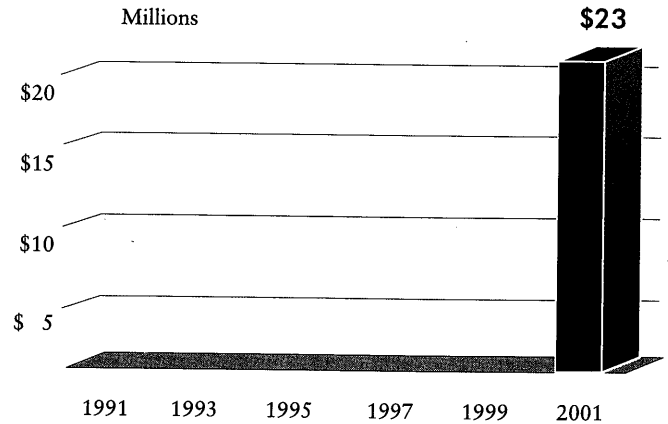
### Police and Fire Fund



Fair value of Police and Fire Fund investments increased from \$1 billion in 1991 to \$4.1 billion in 2001.

## Fair Value of Investments\*

### Public Employees Correctional Fund



Created in 1999, the Public Employees Correctional Fund now has investments valued at \$23 million.

\* Charts indicate value of both Active and MPRIF holdings.



# Certification Letter

Actuarial  
Section



A MILLIMAN GLOBAL FIRM

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November 29, 2001

Board of Trustees  
Public Employees Retirement  
Association of Minnesota  
60 Empire Drive, Suite 200  
St. Paul, Minnesota 55103-1855

Members of the Board:

We have completed our annual actuarial valuation of the Public Employees Retirement Association of Minnesota to test how well the fundamental financing objectives are being achieved and to determine the actuarial status of the Public Employees Retirement Fund (PERF), the Public Employees Police and Fire Fund (PEPFF), and the Public Employees Correctional Fund (PECF) as of June 30, 2001.

The fundamental financing objectives of the funds are to establish contribution rates which, when expressed as a percentage of active member payroll, will remain approximately level from generation to generation and meet the required deadline for full funding.

The results of the valuation indicate that the PEPFF is already fully funded and the PECF is ahead of schedule to be fully funded by 2020. The valuation of the PERF resulted in a funding deficiency of 1.28% of payroll, calculated using fiscal year 2001-02 contribution rates. Using a full year of the new contribution rates, which go into effect January 2002, the PERF has a deficiency of 0.95%.

The actuarial valuation was based upon applicable GASB 25 and statutory provisions and the Standards for Actuarial Work in effect on July 1, 2001. In the aggregate, the basic financial and membership data provided to us by the association office appears reasonable in comparison to last year, and we have relied upon the data as submitted in performing the actuarial valuation and preparing trend data schedules. It is our understanding that the data has subsequently been audited with no significant changes made. We are responsible for providing the numbers for each of the supporting schedules in the Actuary section of PERA's comprehensive annual financial report. We are also responsible for preparing both of the Required Supplementary Information schedules found in the Financial section of this annual report.

The three valuations were performed by using the actuarial cost methods and actuarial assumptions that are described in a separate table of this report. The actuarial cost method and the assumptions related to asset valuation, investment return, earnings progression and active member payroll growth are specified by state statute. All other assumptions are based on actual experience with changes recommended by the actuary, adopted by the PERA Board and approved by the Legislative Commission on Pensions and Retirement.

There were not any assumption changes made during the year that affected any of PERA's defined benefit plans. Legislation passed in

2001, however, did increase future PERF contribution rates by 0.35 percent of payroll for both employees and employers, beginning January 1, 2002. Legislation also extended the date by which the PERF must be full funded from 2020 to 2031.

The following table shows the funding percentage for the 2001 valuation. The funding percentage expresses current assets as a percentage of the actuarial accrued liability determined on the entry age normal cost method.

<u>Fund</u>	<u>Funding Percentage</u>
PERF	87.0%
PEPFF	121.5%
PECF	98.3%

We certify that to the best of our knowledge and belief, this actuarial valuation was performed in accordance with the requirements of Section 356.215, Minnesota Statutes, and the requirements of the Standards for Actuarial Work.

Respectfully submitted,

Thomas K. Custis, F.S.A.  
Consulting Actuary

OFFICES IN PRINCIPAL CITIES WORLDWIDE

40

Public Employees  
Retirement Association  
of Minnesota

# Summary of Actuarial Assumptions and Methods

## Public Employees Retirement Fund

<b>Actuarial Cost Method</b>	Entry Age Normal, with costs allocated as a level percentage of payroll. Actuarial gains (losses) reduce (increase) the unfunded actuarial accrued liability.*
<b>Actuarial Assumptions</b>	
1. Mortality	
a. Active	1983 GAM Mortality Table set back 8 years for males and 7 years for females.†††
b. Retired	1983 GAM Mortality Table set back 1 year for females.†††
c. Disabled	1965 Railroad Workers Select Mortality Table through age 54. 1983 GAM Table set back 1 year for females after age 64. Graded rates from age 55 to 64.†††
2. Retirement Age	Age related table from age 55 to 70.†††
3. Disability	Graded rates.†††
4. Termination	Select & Ultimate Table with select rates applicable to the first 3 years of employment.†††
5. Allowance for Expenses	Prior year expenses expressed as a percentage of prior year payroll.**
6. Earnings Progression	Select & Ultimate Table incorporating a 5.0% base inflation assumption.†††
7. Active Member Payroll Growth	6.0% per year.**
8. Investment Return	8.5% compounded annually, pre-retirement.** 6.0% compounded annually, post-retirement.†
<b>Asset Valuation Method</b>	Market value smoothed over 5 years.†††

## Public Employees P & F Fund

<b>Actuarial Cost Method</b>	Entry Age Normal, with costs allocated as a level percentage of payroll. Actuarial gains (losses) reduce (increase) the unfunded actuarial accrued liability.*
<b>Actuarial Assumptions</b>	
1. Mortality	
a. Active	1983 GAM Mortality Table set back 5 years.†
b. Retired	1983 GAM Mortality Table. †
c. Disabled	1965 Railroad Workers Select Mortality Table.**
2. Retirement Age	Age related table from age 50 to 70.†
3. Disability	Graded rates.**
4. Termination	Graded rates.**
5. Allowance for Expenses	Prior year expenses expressed as a percentage of prior year payroll.**
6. Earnings Progression	Age related table which incorporates a 5% base inflation assumption.†
7. Active Member Payroll Growth	6.0% per year.†
8. Investment Return	8.5% compounded annually, pre-retirement.** 6.0% compounded annually, post-retirement.†
<b>Asset Valuation Method</b>	Market value smoothed over 5 years.†††

### Adoption Dates

* 1960	*** 1989	† 1997	††† 2000
** 1984	**** 1990	†† 1999	

### Public Employees Correctional Fund

Actuarial Cost Method	Entry Age Normal, with costs allocated as a level percentage of payroll. Actuarial gains (losses) reduce (increase) the unfunded actuarial accrued liability.*
<b>Actuarial Assumptions</b>	
1. Mortality	
a. Active	1983 GAM Mortality Table set back 1 year for males.††
b. Retired	1983 GAM Mortality Table set forward 2 years for retirees.††
c. Disabled	Graded rates.††
2. Retirement Age	Age related table from age 50 to 70.††
3. Disability	Graded rates.††
4. Termination	Graded rates.††
5. Allowance for Expenses	Prior year expenses expressed as a percentage of prior year payroll.††
6. Earnings Progression	Age related table incorporating a 5.0% base inflation assumption.†††
7. Active Member Payroll Growth	6.0% per year.††
8. Investment Return	8.5% compounded annually, preretirement.†† 6.0% compounded annually, post-retirement.††
Asset Valuation Method	Market value smoothed over 5 years.†††

### Other Assumptions

#### Salary Increases

PERF uses Select Table for first 10 years— $[0.2\% \times (10-T)]$  where T is completed years of service—added to the ultimate rate.

#### Separation

PERF uses Select Table for first three years.

Year	Percent
1	0.24%
2	0.08%
3	0.04%

#### Allowance for Combined Service Annuity

Liability for active and deferred vested members is increased by 2.5% to account for the effect of some participants having eligibility for combined service with another Minnesota public pension plan.

#### Family Composition

85% of males and 65% of female members are married. Female is four years younger than male.

#### Special Consideration

Married members are assumed to elect the following forms of annuities:

#### Public Employees Retirement Fund

Gender	Benefit Option (% chosen)				
	Single-life	25%	50%	75%	100%
Male	25%		30%		45%
Female	70		15		15

#### Public Employees Police and Fire Fund

Gender	Benefit Option (% chosen)				
	Single-life	25%	50%	75%	100%
Male	15%		40%		45%
Female	70		15		15

#### Public Employees Correctional Fund

Gender	Benefit Option (% chosen)				
	Single-life	25%	50%	75%	100%
Male	50%		25%		25%
Female	90		5		5

# Actuarial Tables

Sample Annual Rates per 10,000 Employees, June 30, 2001

## Public Employees Retirement Fund

Age	Mortality		Disability		Termination		Salary Increase
	Male	Female	Male	Female	Male	Female	
20	3	1	1	1	370	400	6.75%
25	3	2	1	1	350	390	6.50%
30	4	2	2	2	260	340	6.25%
35	5	3	5	4	210	290	6.05%
40	7	4	9	6	162	240	5.85%
45	10	6	14	9	132	190	5.65%
50	15	8	23	16	112	166	5.50%
55	28	14	49	26	96	146	5.25%
60	48	21	82	46	-	-	5.00%
65	71	35	-	-	-	-	5.00%

## Public Employees Police and Fire Fund

Age	Mortality		Disability		Termination		Salary Increase
	Male	Female	Male	Female	Male	Female	
20	3	1	11	11	859	859	11.50%
25	4	2	13	13	463	463	9.50%
30	5	3	16	16	280	280	8.00%
35	6	3	19	19	183	183	7.00%
40	9	5	26	26	126	126	6.00%
45	12	7	36	36	91	91	5.50%
50	22	10	69	69	50	50	5.25%
55	39	16	135	135	11	11	5.25%
60	61	25	-	-	-	-	5.25%
65	92	42	-	-	-	-	5.25%

## Public Employees Correctional Plan

Age	Mortality		Disability		Termination		Salary Increase
	Male	Female	Male	Female	Male	Female	
20	4	2	4	4	2,400	1,600	7.75%
25	4	3	6	6	1,470	1,420	7.00%
30	6	3	8	8	910	1,350	7.00%
35	8	5	11	11	600	1,290	7.00%
40	11	7	18	18	440	1,040	6.50%
45	19	10	29	29	340	640	5.75%
50	35	16	50	50	240	470	5.50%
55	57	25	88	88	140	330	5.25%
60	84	42	141	141	-	-	5.25%
65	129	71	-	-	-	-	5.25%

A summary of plan provisions is provided on pages 13-16.

# Solvency Test

Last Six Years  
(in thousands)

## Public Employees Retirement Fund

Valuation Date	Actuarial Accrued Liability For:			Valuation Assets	Portion of Accrued Liabilities Covered by Valuation Assets		
	Active Member Contribution (1)	Current Retirees and Beneficiaries(2)	Active Members (Employer Financed) Portion (3)		1	2	3
	6-30-96	\$ 992,911	\$3,458,961		\$2,818,201	\$5,786,398	100%
6-30-97	1,074,489	3,795,580	3,179,597	6,658,410	100	100	56.2
6-30-98	1,151,861	4,307,232	3,310,210	7,636,668	100	100	65.8
6-30-99	1,248,385	4,788,636	3,406,657	8,489,177	100	100	71.9
6-30-00	1,351,224	5,757,420	4,025,038	9,609,367	100	100	62.1
6-30-01	1,459,256	6,354,527	4,291,554	10,527,270	100	100	63.2

## Public Employees Police and Fire Fund\*

Valuation Date	Actuarial Accrued Liability For:			Valuation Assets	Portion of Accrued Liabilities Covered by Valuation Assets		
	Active Member Contribution (1)	Current Retirees and Beneficiaries(2)	Active Members (Employer Financed) Portion (3)		1	2	3
	6-30-96	\$ 212,498	\$473,265		\$ 648,439	\$1,633,010	100%
6-30-97	230,492	567,300	758,691	1,974,635	100	100	155.1
6-30-98	245,499	711,514	784,331	2,337,313	100	100	176.0
6-30-99	260,239	867,514	828,510	2,626,817	100	100	180.9
6-30-00	304,430	1,983,413	1,095,344	4,145,351	100	100	169.6
6-30-01	323,110	2,225,362	1,163,188	4,510,134	100	100	168.6

## Police and Fire Consolidation Fund (terminated 7/1/99)

Valuation Date	Actuarial Accrued Liability For:			Valuation Assets	Portion of Accrued Liabilities Covered by Valuation Assets		
	Active Member Contribution (1)	Current Retirees and Beneficiaries(2)	Active Members (Employer Financed) Portion (3)		1	2	3
	6-30-96	\$ 51,545	\$483,250		\$ 256,558	\$ 753,862	100%
6-30-97	51,500	583,784	244,926	876,171	100	100	98.3
6-30-98	48,581	702,706	219,999	1,011,362	100	100	118.2
6-30-99	45,620	777,960	207,337	1,092,684	100	100	129.0

## Public Employees Correctional Fund (established 7/1/99)

Valuation Date	Actuarial Accrued Liability For:			Valuation Assets	Portion of Accrued Liabilities Covered by Valuation Assets		
	Active Member Contribution (1)	Current Retirees and Beneficiaries(2)	Active Members (Employer Financed) Portion (3)		1	2	3
	6-30-00	\$ 4,055	\$ 473		\$ 5,667	\$ 11,116	100%
6-30-01	9,241	2,726	13,486	25,014	100	100	96.7

\* Members and assets from the Police and Fire Consolidation Plan were transferred to the Public Employees Police and Fire Fund on 7/1/99.

# Schedule of Active Member Valuation Data

Last Six Years

## Public Employees Retirement Fund

Valuation Date	Number	Valuation Payroll	Annual Average Pay	% Increase in Average Pay
6-30-96	129,431	\$2,901,000,000	\$22,413	2.5%
6-30-97	130,865	3,036,000,000	23,199	3.5
6-30-98	136,166	3,199,000,000	23,494	1.3
6-30-99	137,528	3,350,000,000	24,355	3.5
6-30-00	135,560	3,416,000,000	25,202	3.4
6-30-01	138,759	3,614,000,000	26,042	3.3

## Public Employees Police and Fire Fund\*

Valuation Date	Number	Valuation Payroll	Annual Average Pay	% Increase in Average Pay
6-30-96	7,680	\$ 316,332,000	\$41,189	3.1%
6-30-97	8,079	347,187,000	42,974	4.3
6-30-98	8,499	375,460,000	44,177	2.8
6-30-99	8,778	403,619,000	45,980	4.1
6-30-00	9,627	465,186,000	48,321	4.8
6-30-01	9,858	497,070,000	50,423	4.4

## Police and Fire Consolidation Fund (terminated 7/1/99)

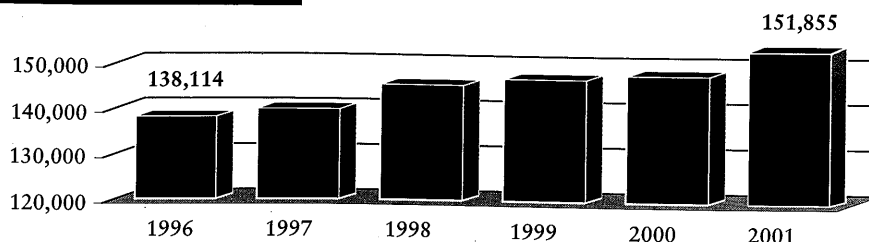
Valuation Date	Number	Valuation Payroll	Annual Average Pay	% Increase in Average Pay
6-30-96	1,003	\$ 52,194,000	\$52,038	3.6%
6-30-97	933	50,274,000	53,884	3.5
6-30-98	797	45,027,000	56,496	4.8
6-30-99	699	41,753,000	59,733	5.7

## Public Employees Correctional Fund (established 7/1/99)

Valuation Date	Number	Valuation Payroll	Annual Average Pay	% Increase in Average Pay
6-30-00	2,781	\$ 76,427,000	\$27,482	n/a
6-30-01	3,238	94,737,000	29,258	6.5%

\* Members and assets from the Police and Fire Consolidation Plan were transferred to the Public Employees Police and Fire Fund on 7/1/99.

## Retirement Fund Active Members



The number of active employees participating in PERA's three defined benefit plans has increased 19 percent during the past six fiscal years.

# Schedule of Retirees and Beneficiaries

## Public Employees Retirement Fund

Year Ended	Number Added	Number Removed	Year-End Total		% Increase in Annual Allowances	Average Annual Allowances
			Number	Annual Allowances		
6-30-96	3,090	1,416	39,380	\$311,243,000	9.3%	\$ 7,904
6-30-97	2,917	1,483	40,814	367,718,000	18.1	9,010
6-30-98	3,805	1,477	43,142	421,981,000	14.8	9,781
6-30-99	3,714	1,597	45,259	475,555,000	12.7	10,507
6-30-00	3,778	1,690	47,347	538,720,000	13.3	11,378
6-30-01	3,760	1,693	49,414	598,709,000	11.1	12,116

## Public Employees Police and Fire Fund\*

Year Ended	Number Added	Number Removed	Year-End Total		% Increase in Annual Allowances	Average Annual Allowances
			Number	Annual Allowances		
6-30-96	214	66	2,155	\$ 39,365,000	16.1%	\$18,266
6-30-97	206	67	2,294	49,633,000	26.1	21,636
6-30-98	311	81	2,524	61,262,000	23.4	24,272
6-30-99	338	90	2,772	74,656,000	21.9	26,932
6-30-00	601	182	5,678	178,965,000	19.9	31,519
6-30-01	505	185	5,998	203,033,000	13.4	33,850

## Police and Fire Consolidation Fund (terminated 7/1/99)

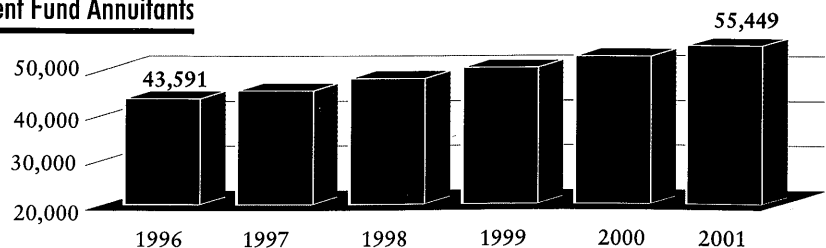
Year Ended	Number Added	Number Removed	Year-End Total		% Increase in Annual Allowances	Average Annual Allowances
			Number	Annual Allowances		
6-30-96	149	75	2,056	\$ 43,879,000	10.9%	\$21,342
6-30-97	273	91	2,238	54,949,000	25.2	24,552
6-30-98	280	101	2,417	65,775,506	19.7	27,213
6-30-99	177	107	2,487	74,564,533	13.0	29,982

## Public Employees Correctional Fund (established 7/1/99)

Year Ended	Number Added	Number Removed	Year-End Total		% Increase in Annual Allowances	Average Annual Allowances
			Number	Annual Allowances		
6-30-00	12	0	12	\$ 35,100	n/a	\$2,925
6-30-01	25	0	37	179,997	412.8%	4,865

\* Members and assets from the Police and Fire Consolidation Plan were transferred to the Public Employees Police and Fire Fund on 7/1/99.

## Retirement Fund Annuitants



The number of people receiving retirement annuities from PERA's three defined benefit plans has increased 27 percent during the past six fiscal years.

# Schedule of Changes in Unfunded Actuarial Accrued Liabilities (UAAL)

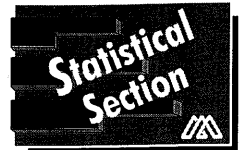
(in thousands)

	<u>PERF</u>	<u>PEPFF</u>	<u>PECF</u>
A. UAAL at Beginning of Year (7/1/00)	\$1,524,315	\$(762,164)	\$ (921)
B. Change Due to Interest Requirements and Current Rate of Funding			
1. Normal Cost and Expenses	344,374	99,424	11,649
2. Contributions	(361,588)	(84,301)	(13,362)
3. Interest on A, B1 and B2	128,835	(64,141)	(151)
C. Expected UAAL at End of Year (A+B)	<u>\$1,635,936</u>	<u>\$(811,182)</u>	<u>\$ (2,785)</u>
D. Increase (Decrease) Due to Actuarial Losses (Gains) Because of Experience Deviations from Expected			
1. Salary Increases. If there are smaller salary increases than assumed, there is a gain; if larger, a loss.	(50,387)	(5,139)	2,110
2. Investment Return. If there is greater investment return than assumed, there is a gain; if less, a loss.	(24,896)	(14,635)	489
3. MPRIF Mortality. If Post Fund annuitants live longer than assumed, there is a loss; if not as long, a gain.	(2,847)	(38,828)	(54)
4. Mortality of Other Benefit Recipients. If annuitants live longer than assumed, there is a loss; if not as long, a gain.	(11,472)	13,051	16
5. Other Items. Miscellaneous gains and losses resulting from data adjustments, timing of financial transactions, etc.	31,733	58,959	663
E. UAAL at End of Year Before Plan Amendments and changes in Actuarial Assumption (C+D)	<u>\$1,578,067</u>	<u>\$(797,774)</u>	<u>\$ 439</u>
F. Change in Actuarial Accrued Liability Due to Plan Amendments	0	0	0
G. Change in Actuarial Accrued Liability Due to Changes in Actuarial Assumptions	0	0	0
H. UAAL at End of Year 6/30/01 (E+F+G)	<u><u>\$1,578,067</u></u>	<u><u>\$(797,774)</u></u>	<u><u>\$ 439</u></u>



# Schedule of Revenue by Source

(In thousands)



## Public Employees Retirement Fund

Fiscal Year	Member Contribution	Employer Contribution		Net Investment Income*	Other	Total
		Amount	Percent of Covered Payroll			
1996	\$121,525	\$129,738	4.5%	\$ 708,969	\$ 1,202	\$ 961,434
1997	128,234	136,686	4.5%	1,389,595	1,133	1,655,648
1998	140,386	151,499	4.7%	1,581,550	1,382	1,874,817
1999	158,475	173,370	5.2%	1,052,303	2,405	1,386,553
2000	171,073	186,637	5.4%	914,574	1,299	1,273,583
2001	173,380	188,208	5.4%	(754,349)	1,907	(390,854)

## Public Employees Police and Fire Fund\*

Fiscal Year	Member Contribution	Employer Contribution**		Net Investment Income*	Other	Total
		Amount	Percent of Covered Payroll			
1996	\$ 24,065	\$ 36,065	11.4%	\$ 214,691	\$ 159	\$ 274,980
1997	26,354	39,508	11.4%	392,640	59	458,561
1998	28,552	42,786	11.4%	491,525	193	563,056
1999	30,897	46,280	11.4%	323,707	310	401,194
2000	31,213	53,178	13.5%	439,566	503	524,460
2001	31,341	52,960	10.6%	(334,406)	2,744	(247,361)

## Police and Fire Consolidation Fund (terminated 7/1/99)

Fiscal Year	Member Contribution	Employer Contribution	Net Investment Income*	Other	Total
1996	\$ 4,061	\$ 15,091	\$ 89,994	\$ 7,931	\$ 117,077
1997	3,950	13,509	179,895	33,647	231,001
1998	3,733	13,229	230,710	24,222	271,894
1999	3,429	11,569	136,094	2,077	153,169

## Public Employees Correctional Fund (established 7/1/99)

Fiscal Year	Member Contribution	Employer Contribution		Net Investment Income*	Other	Total
		Amount	Percent of Covered Payroll			
2000	\$ 4,382	\$ 6,487	9.1%	\$ 253	\$ 32	\$ 11,154
2001	5,308	8,054	8.8%	(750)	20	12,632

\* FY97-FY01 Net Investment Income includes unrealized gains and losses in accordance with GASB 25.

\*\* Includes additional municipal contributions for former Police and Fire Consolidation Fund cities that were underfunded when the fund was terminated.

# Schedule of Expense by Type

Last Six Years  
(in thousands)

## Public Employees Retirement Fund

<u>Fiscal Year</u>	<u>Benefits</u>	<u>Refunds</u>	<u>Administrative Expenses</u>	<u>Other</u>	<u>Total</u>
1996	\$312,511	\$14,683	\$5,515	\$ 835	\$333,544
1997	342,155	16,267	5,667	1,119	365,208
1998	412,745	16,922	7,076	1,301	438,044
1999	467,601	17,219	9,631	1,618	496,069
2000	527,119	19,366	8,329	1,527	556,341
2001	592,210	18,768	8,344	2,441	621,763

## Public Employees Police and Fire Fund\*

<u>Fiscal Year</u>	<u>Benefits</u>	<u>Refunds</u>	<u>Administrative Expenses</u>	<u>Other</u>	<u>Total</u>
1996	\$ 37,132	\$ 845	\$ 400	\$ 111	\$ 38,488
1997	43,045	933	426	161	44,565
1998	56,034	1,182	525	129	57,870
1999	68,672	1,076	737	222	70,707
2000	165,719	94,754	679	1,549	262,701
2001	192,246	3,358	639	447	196,690

## Police and Fire Consolidation Fund (terminated 7/1/99)

<u>Fiscal Year</u>	<u>Benefits</u>	<u>Refunds</u>	<u>Administrative Expenses</u>	<u>Other</u>	<u>Total</u>
1996	\$ 41,841	\$ 79	\$ 133	\$ 182	\$ 42,235
1997	47,322	8	159	138	47,627
1998	61,106	296	221	405	62,028
1999	70,780	30	278	188	71,276

## Public Employees Correctional Fund (established 7/1/99)

<u>Fiscal Year</u>	<u>Benefits</u>	<u>Refunds</u>	<u>Administrative Expenses</u>	<u>Other</u>	<u>Total</u>
2000	\$ 20	\$ 30	\$ 111	\$ 0	\$ 161
2001	173	160	130	1	464

\* Members and assets from the Police and Fire Consolidation Plan were transferred to the Public Employees Police and Fire Fund on 7/1/99.

# Benefit Expense by Type

Last Six Years  
(in thousands)

## Public Employees Retirement Fund

<u>Fiscal Year</u>	<u>Retirement</u>	<u>Survivor</u>	<u>Disability</u>	<u>Refund</u>	<u>Total</u>
1996	\$291,331	\$13,955	\$ 7,225	\$14,683	\$327,194
1997	320,236	14,022	7,897	16,267	358,422
1998	387,629	15,343	9,773	16,922	429,667
1999	439,892	16,603	11,106	17,219	484,820
2000	497,357	17,282	12,480	19,366	546,485
2001	559,482	18,650	14,078	18,768	610,978

## Public Employees Police and Fire Fund\*

<u>Fiscal Year</u>	<u>Retirement</u>	<u>Survivor</u>	<u>Disability</u>	<u>Refund</u>	<u>Total</u>
1996	\$ 31,384	\$ 2,547	\$ 3,201	\$ 845	\$ 37,977
1997	36,190	2,730	4,125	933	43,978
1998	46,849	3,297	5,888	1,182	57,216
1999	57,470	3,702	7,500	1,076	69,748
2000	140,927	9,858	14,934	94,754	260,473
2001	162,863	11,149	18,234	3,358	195,604

## Police and Fire Consolidation Fund (terminated 7/1/99)

<u>Fiscal Year</u>	<u>Retirement</u>	<u>Survivor</u>	<u>Disability</u>	<u>Refund</u>	<u>Total</u>
1996	\$ 37,534	\$ 2,761	\$1,546	\$ 79	\$ 41,920
1997	42,207	3,277	1,838	8	47,330
1998	54,246	4,177	2,683	296	61,402
1999	61,797	4,927	4,056	30	70,810

## Public Employees Correctional Fund (established 7/1/99)

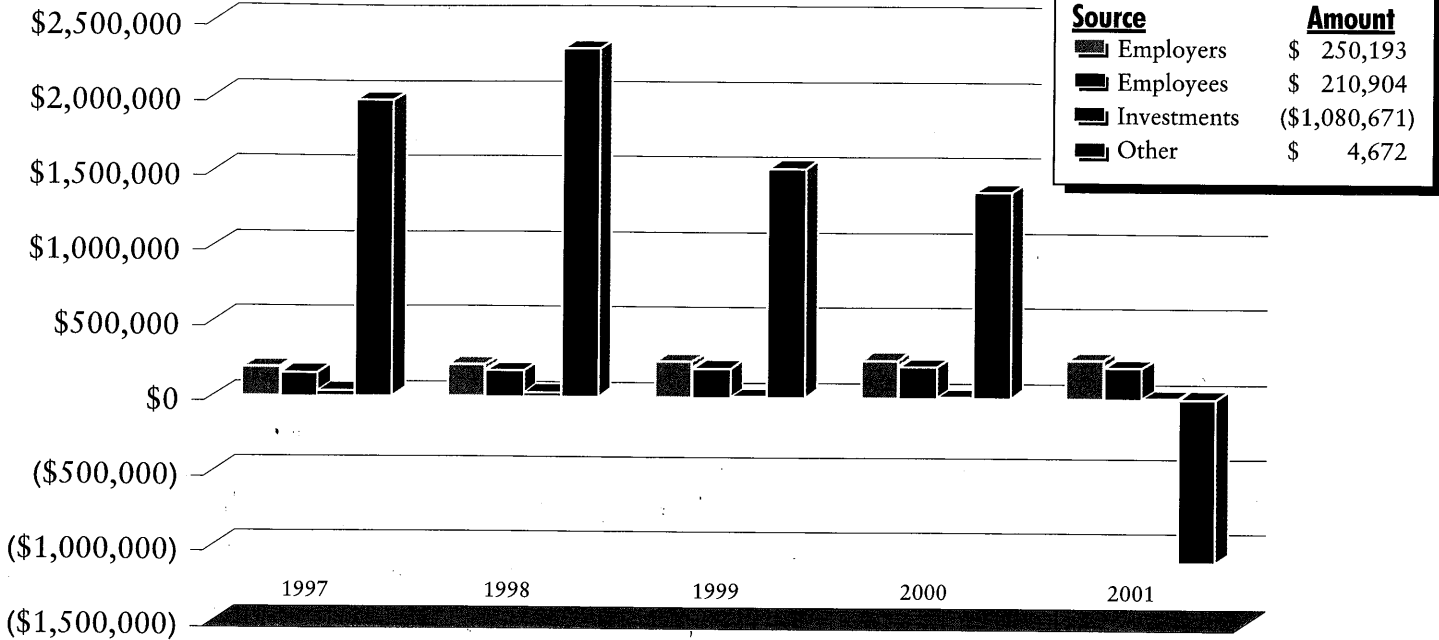
<u>Fiscal Year</u>	<u>Retirement</u>	<u>Survivor</u>	<u>Disability</u>	<u>Refund</u>	<u>Total</u>
2000	\$ 2	\$ 0	\$ 18	\$ 30	\$ 50
2001	12	0	161	160	333

\* Members and assets from the Police and Fire Consolidation Plan were transferred to the Public Employees Police and Fire Fund on 7/1/99.

# Revenues

## Revenue by Source

All Funds (In Thousands)

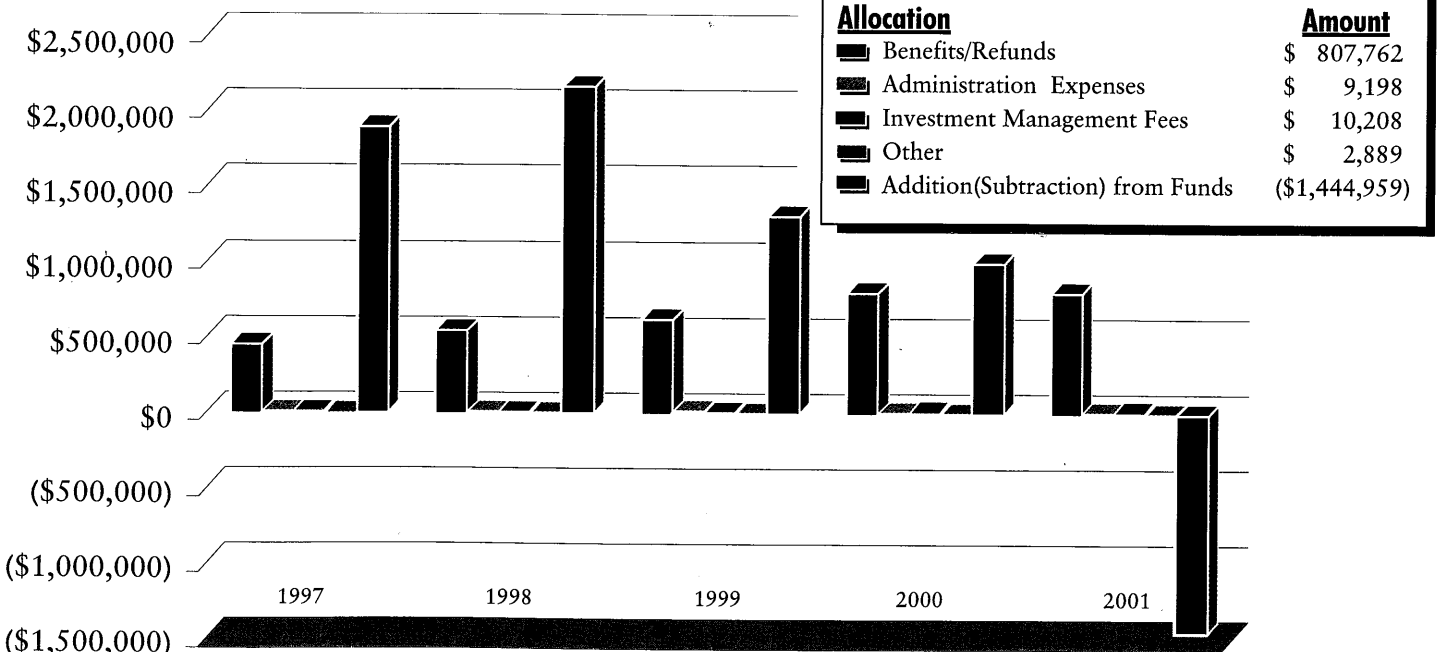


Source	FY 2001 Amount
Employers	\$ 250,193
Employees	\$ 210,904
Investments	(\$1,080,671)
Other	\$ 4,672

Until the market downturn in FY2001, investment earnings represented the bulk of PERA's revenues for over a decade.

## Revenue Allocation

All Funds (In Thousands)



Allocation	FY 2001 Amount
Benefits/Refunds	\$ 807,762
Administration Expenses	\$ 9,198
Investment Management Fees	\$ 10,208
Other	\$ 2,889
Addition(Subtraction) from Funds	(\$1,444,959)

Unlike previous years, FY2001 saw fund allocations exceed revenues

# Schedule of Retired Members

by Amount and Type of Benefit

## Public Employees Retirement Fund

Amount of Monthly Benefit	Annuitant	Optional Annuitant	Disabilitant	Survivor	Total
\$ 1- 500	18,399	1,749	618	731	21,497
501-1,000	9,653	1,128	466	378	11,625
1,001-1,500	4,673	602	208	196	5,679
1,501-2,000	2,447	402	95	176	3,120
2,001-2,500	1,742	243	32	77	2,094
2,501-3,000	1,384	155	20	27	1,586
3,001-3,500	1,090	103	7	13	1,213
3,501-4,000	787	72	9	3	871
4,001-4,500	539	38	6	3	586
4,501-5,000	352	22	4	0	378
Over 5,000	731	31	3	0	765
<b>Total</b>	<b>41,797</b>	<b>4,545</b>	<b>1,468</b>	<b>1,604</b>	<b>49,414</b>

## Public Employees Police and Fire Fund

Amount of Monthly Benefit	Annuitant	Optional Annuitant	Disabilitant	Survivor	Total
\$ 1- 500	185	44	12	66	307
501-1,000	152	55	19	84	310
1,001-1,500	213	125	29	125	492
1,501-2,000	250	195	57	200	702
2,001-2,500	363	128	70	91	652
2,501-3,000	612	44	95	24	775
3,001-3,500	707	23	85	18	833
3,501-4,000	762	16	56	12	846
4,001-4,500	370	5	50	3	428
4,501-5,000	229	6	41	1	277
Over 5,000	345	1	29	1	376
<b>Total</b>	<b>4,188</b>	<b>642</b>	<b>543</b>	<b>625</b>	<b>5,998</b>

## Public Employees Correctional Fund\*

Amount of Monthly Benefit	Annuitant	Optional Annuitant	Disabilitant	Survivor	Total
\$ 1- 500	20	0	14	0	34
501-1,000	0	0	2	0	2
1,001-1,500	0	0	0	0	0
1,501-2,000	0	0	1	0	1
2,001-2,500	0	0	0	0	0
2,501-3,000	0	0	0	0	0
3,001-3,500	0	0	0	0	0
3,501-4,000	0	0	0	0	0
4,001-4,500	0	0	0	0	0
4,501-5,000	0	0	0	0	0
Over 5,000	0	0	0	0	0
<b>Total</b>	<b>20</b>	<b>0</b>	<b>17</b>	<b>0</b>	<b>37</b>

\* Since PECF members participated in the PERF prior to 7/1/99, most of the plan's annuitants derive the majority of their benefit from the latter fund.

# Average Benefit Payments

Last Five Years

## Public Employees Retirement Fund

Retirement Effective Dates July 1, 1996 to June 30, 2001	Years of Service						
	0-5	5-10	10-15	15-20	20-25	25-30	30+
<b>Period 7/1/96 to 6/30/97:</b>							
Average Monthly Benefit	\$117.44	\$228.72	\$424.46	\$623.00	\$882.15	\$1,379.15	\$3,144.64
Number of Current Retirees	226	312	383	383	368	287	224
<b>Period 7/1/97 to 6/30/98:</b>							
Average Monthly Benefit	\$124.71	\$212.59	\$418.99	\$612.39	\$870.36	\$1,345.08	\$2,796.36
Number of Current Retirees	261	431	505	527	491	391	366
<b>Period 7/1/98 to 6/30/99:</b>							
Average Monthly Benefit	\$ 89.52	\$206.36	\$370.82	\$574.98	\$797.50	\$1,128.13	\$2,489.85
Number of Current Retirees	288	427	534	496	440	396	374
<b>Period 7/1/99 to 6/30/00:</b>							
Average Monthly Benefit	\$ 91.02	\$196.05	\$340.47	\$535.75	\$740.42	\$1,104.56	\$2,099.38
Number of Current Retirees	291	419	536	493	463	433	402
<b>Period 7/1/00 to 6/30/01:</b>							
Average Monthly Benefit	\$ 86.95	\$176.88	\$326.38	\$523.10	\$750.17	\$1,093.59	\$2,038.47
Number of Current Retirees	288	463	513	463	501	382	405
<b>Period 7/1/96 to 6/30/01:</b>							
Average Monthly Benefit	\$100.74	\$202.31	\$373.17	\$572.75	\$804.92	\$1,1968.79	\$2,444.16
Number of Current Retirees	1,354	2,052	2,471	2,362	2,263	1,889	1,771

# Average Benefit Payments

Last Five Years

## Public Employees Police and Fire Fund

Retirement Effective Dates July 1, 1996 to June 30, 2001	Years of Service						
	0-5	5-10	10-15	15-20	20-25	25-30	30+
<b>Period 7/1/96 to 6/30/97:</b>							
Average Monthly Benefit	\$2,342.02	\$1,249.96	\$2,098.34	\$2,183.32	\$2,766.61	\$3,701.22	\$4,748.06
Number of Current Retirees	38	4	20	26	58	93	64
<b>Period 7/1/97 to 6/30/98:</b>							
Average Monthly Benefit	\$355.09	\$1,119.34	\$1,607.03	\$2,055.62	\$2,654.93	\$3,583.16	\$4,548.71
Number of Current Retirees	11	13	20	26	87	144	106
<b>Period 7/1/98 to 6/30/99:</b>							
Average Monthly Benefit	\$ 357.76	\$1,186.07	\$1,823.11	\$1,644.42	\$2,539.72	\$3,470.76	\$4,283.70
Number of Current Retirees	17	8	20	18	60	137	70
<b>Period 7/1/99 to 6/30/00:</b>							
Average Monthly Benefit	\$ 551.34	\$ 893.43	\$1,141.96	\$1,676.38	\$2,415.13	\$3,357.59	\$3,887.73
Number of Current Retirees	12	10	14	20	84	202	85
<b>Period 7/1/00 to 6/30/01:</b>							
Average Monthly Benefit	\$ 355.22	\$1,845.55	\$ 966.43	\$1,890.46	\$2,574.30	\$3,127.35	\$3,661.95
Number of Current Retirees	14	7	8	18	67	146	44
<b>Period 7/1/96 to 6/30/01:</b>							
Average Monthly Benefit	\$1,151.85	\$ 948.25	\$1,555.26	\$1,622.67	\$2,104.88	\$2,793.89	\$3,484.40
Number of Current Retirees	92	42	82	108	356	722	369

## Public Employees Correctional Fund\*

Retirement Effective Dates July 1, 1999 to June 30, 2001	Years of Service						
	0-5	5-10	10-15	15-20	20-25	25-30	30+
<b>Period 7/1/99 to 6/30/00:</b>							
Average Monthly Benefit	\$263.77	\$0	\$0	\$0	\$0	\$0	\$0
Number of Current Retirees	12	0	0	0	0	0	0
<b>Period 7/1/00 to 6/30/01:</b>							
Average Monthly Benefit	\$473.38	\$0	\$0	\$0	\$0	\$0	\$0
Number of Current Retirees	25	0	0	0	0	0	0
<b>Period 7/1/99 to 6/30/01:</b>							
Average Monthly Benefit	\$405.40	\$0	\$0	\$0	\$0	\$0	\$0
Number of Current Retirees	37	0	0	0	0	0	0

\* Since PECF members participated in the PERF prior to 7/1/99, most of the plan's annuitants derive the majority of their benefit from the latter fund.

# Participating Employers

Employers listed below have employees in PERA's Basic, Coordinated, Correctional or Police and Fire benefit plans

## CITIES

ADA	BEMIDJI	CENTERVILLE	DANVERS	EVANSVILLE	GRAND MEADOW	INTERNATIONAL FALLS
ADAMS	BENA	CEYLON	DARWIN	EVELETH	GRAND RAPIDS	INVER GROVE HEIGHTS
ADRIAN	BENSON	CHAMPLIN	DASSEL	EXCELSIOR	GRANITE FALLS	IONA
AFTON	BERTHA	CHANDLER	DASSEL NURSING HOME	EYOTA	GRANT	IRONTON
AITKIN	BETHEL	CHANHASSEN	DAWSON	FAIRFAX	GRASSTON	ISANTI
AKELEY	BIG FALLS	CHASKA	DAYTON	FAIRMONT	GREEN ISLE	ISLE
ALBANY	BIG LAKE	CHATFIELD	DE GRAFF	FALCON HEIGHTS	GREENBUSH	IVANHOE
ALBERT LEA	BIGFORK	CHISHOLM	DEEPHAVEN	FARIBAULT	GREENFIELD	JACKSON
ALBERTA	BINGHAM LAKE	CHISHOLM-HIBBING AIRPORT AUTHORITY	DEER CREEK	FARMINGTON	GREENWOOD	JANESVILLE
ALBERTVILLE	BIRCHWOOD	CHOKIO	DEER RIVER	ELTON	GREY EAGLE	JANESVILLE NURSING HOME
ALDEN	BIRD ISLAND	CIRCLE PINES	DEERWOOD	FERGUS FALLS	GROVE	JASPER
ALEXANDRIA	BISCAY	CLARA CITY	DELANO	FERTILE	GRYGLA	JEFFERS
ALPHA	BIWABIK	CLARA CITY CARE CENTER	DELANAVAN	FERTILE FAIR MEADOW NURSING HOME	HACKENSACK	JENKINS
ALTURA	BLACKDUCK	CLAREMONT	DELLWOOD	FIFTY LAKES	HADLEY	JORDAN
ALVARADO	BLAINE	CLARISSA	DENT	FINLAYSON	HALLOCK	KANDIYOHI
AMBOY	BLOOMING PRAIRIE	CLARKFIELD	DETROIT LAKES	FLENSBURG	HALSTAD	KARLSTAD
ANDOVER	BLOOMINGTON	CLARKFIELD CARE CENTER	DEXTER	FLOODWOOD	HAM LAKE	KASOTA
ANNANDALE	BLUE EARTH	CLARKS GROVE	DILWORTH	FOLEY	HAMBURG	KASSON
ANOKA	BOVEY	CLEAR LAKE	DODGE CENTER	FOREST LAKE	HAMPTON	KEEWATIN
APPLE VALLEY	BOYD	CLEARBROOK	DONNELLY	FORESTON	HANCOCK	KELLIHER
APPLETON	BRAHAM	CLEARWATER	DOVER	FOSSTON	HANLEY FALLS	KELLOGG
ARDEN HILLS	BRAINERD	CLEMENTS	DULUTH	FOUNTAIN	HANOVER	KENNEDY
ARGYLE	BRANDON	CLEVELAND	DULUTH AIRPORT AUTHORITY	FRANKLIN	HANSKA	KENSINGTON
ARLINGTON	BRECKENRIDGE	CLIMAX	DUMONT	FRAZEE	HARDWICK	KENT
ASHBY	BREEZY POINT	CLINTON	DUNDAS	FREEBORN	HARMONY	KENYON
ASKOV	BREWSTER	CLOQUET	DUNDEE	FREEPORT	HARRIS	KERKHOVEN
ATWATER	BRICELYN	COATES	DUNNELL	FRIDLEY	HARTLAND	KETTLE RIVER
AUDUBON	BROOK PARK	COHASSET	EAGAN	FROST	HASTINGS	KIMBALL
AURORA	BROOKLYN CENTER	COKATO	EAGLE BEND	FULDA	HAWLEY	KINNEY
AUSTIN	BROOKLYN PARK	COLD SPRING	EAGLE LAKE	GARFIELD	HAYFIELD	LA CRESCENT
AVOCA	BROOTEN	COLERAINE	EAST BETHEL	GARRISON	HAYFIELD FIELD CREST CARE CENTER	LAFAYETTE
AVON	BROWERVILLE	COLOGNE	EAST GRAND FORKS	GARVIN	HAYWARD	LAKE BENTON
BABBITT	BROWNS VALLEY	COLUMBIA HEIGHTS	EAST GULL LAKE	GARY	HECTOR	LAKE BRONSON
BACKUS	BROWNSDALE	COMFREY	EASTON	GAYLORD	HENDERSON	LAKE CITY
BADGER	BROWNSVILLE	CONGER	ECHO	GAYLORD LAKEVIEW HOME	HENDRICKS	LAKE CRYSTAL
BAGLEY	BROWNTON	COOK	EDEN PRAIRIE	GENEVA	HENDRUM	LAKE ELMO
BALATON	BUFFALO	COON RAPIDS	EDEN VALLEY	GEORGETOWN	HENNING	LAKE LILLIAN
BARNESVILLE	BUFFALO LAKE	CORCORAN	EDGERTON	GHENT	HERMAN	LAKE LILLIAN
BARNUM	BUHL	CORRELL	EDINA	GIBBON	HERMANTOWN	LAKE PARK
BARRETT	BURNSVILLE	COSMOS	EITZEN	GILBERT	HERON LAKE	LAKE SHORE
BATTLE LAKE	BUTTERFIELD	COTTAGE GROVE	ELBOW LAKE	GILMAN	HIBBING	LAKE ST CROIX BEACH
BATTLE LAKE NURSING HOME	BYRON	COTTONWOOD	ELGIN	GLENCOE	HILL CITY	LAKE WILSON
BAUDETTE	CALEDONIA	COURTLAND	ELIZABETH	GLENCOE REGIONAL HEALTH CENTER	HILLS	LAKEFIELD
BAXTER	CALLAWAY	CROMWELL	ELK RIVER	GLENVILLE	HILLTOP	LAKEFIELD COLONIAL NURSING HOME
BAYPORT	CALUMET	CROOKSTON	ELKO	GLENWOOD	HINCKLEY	LAKELAND
BEARDSLEY	CAMBRIDGE	CROSBY	ELKTON	GLYNDON	HITTERDAL	LAKEVIEW HOME
BEAVER BAY	CAMPBELL	CROSSLAKE	ELLENDALE	GOLDEN VALLEY	HOFFMAN	LAKEVILLE
BEAVER CREEK	CANBY	CROSSLAKE TELEPHONE	ELLSWORTH	GONVICK	HOKAH	LAMBERTON
BECKER	CANNON FALLS	CRYSTAL	ELLSWORTH PARKVIEW MANOR NURSING	GOOD THUNDER	HOLLAND	LAMBERTON VALLEY VIEW MANOR
BEJOU	CANTON	CURRIE	ELMORE	GOODHUE	HOLLANDALE	LANCASTER
BELGRADE	CARLOS	CYRUS	ELY	GOODRIDGE	HOLLOWAY	LANDFALL
BELLE PLAINE	CARLTON	DALTON	ELYSIAN	GOODVIEW	HOPKINS	LANESBORO
BELLECHESTER	CARVER	DANUBE	EMILY	GRACEVILLE	HOUSTON	LAPRAIRIE
BELLINGHAM	CASS LAKE		EMMONS	GRANADA	HOWARD LAKE	LAUDERDALE
BELVIEW	CEDAR MILLS		ERHARD	GRAND MARAIS	HOYT LAKES	LE CENTER
BELVIEW PARKVIEW HOME	CENTER CITY		ERSKINE		HUGO	LE SUEUR
					HUTCHINSON	LENGBY
					INDEPENDENCE	



LEROY	MILLVILLE	OKLEE	ROTHSAY	THOMSON	WINTHROP	BELLE RIVER
LESTER PRAIRIE	MILROY	OLIVIA	ROUND LAKE	TINTAH	WINTON	BELLEVUE
LEWISTON	MILTON	ONAMIA	ROYALTON	TONKA BAY	WOLF LAKE	BELMONT
LEWISVILLE	MILTONA	ORONO	RUSH	TOWER	WOLVERTON	BELVIDERE
LEXINGTON	MINNEAPOLIS	ORONOCO	RUSHFORD	TRACY	WOOD LAKE	BEMIDJI
LILYDALE	MINNEOTA	ORR	RUSHFORD VILLAGE	TRIMONT	WOODBURY	BENTON
LINDSTROM	MINNESOTA LAKE	ORTONVILLE	RUSHMORE	TRIMONT HEALTH CARE CENTER	WOODLAND	BERGEN
LINO LAKES	MINNETONKA	OSAKIS	RUSSELL	TRUMAN	WORTHINGTON	BERNADOTTE
LISMORE	MINNETONKA BEACH	OSLO	RUTHTON	TWIN LAKES	WRENSHALL	BIG LAKE
LITCHFIELD	MINNETRISTA	OSSEO	SACRED HEART	TWIN VALLEY	WYKOFF	BIG STONE
LITTLE CANADA	MONTEVIDEO	OSTRANDER	SANBORN	TWO HARBORS	WYOMING	BIRCH CREEK
LITTLE FALLS	MONTGOMERY	OTSEGO	SANDSTONE	TYLER	ZIMMERMAN	BISMARCK
LITTLEFORK	MONTICELLO	OWATONNA	SARTELL	ULEN	ZUMBRO FALLS	BIWABIK
LONG BEACH	MONTROSE	PALISADE	SAUK CENTRE	ULEN VIKING MANOR	ZUMBROTA	BLACKBERRY
LONG LAKE	MOORHEAD	PARK RAPIDS	SAUK RAPIDS	UNDERWOOD		BLACKHOOF
LONG PRAIRIE	MOOSE LAKE	PARKERS PRAIRIE	SAVAGE	UPSALA		BLAKELEY
LONGVILLE	MORA	PAYNESVILLE	SCANLON	VADNAIS HEIGHTS		BLIND LAKE
LONSDALE	MORGAN	PELICAN RAPIDS	SEBEKA	VENTURA	<b>TOWNSHIPS</b>	BLOOMFIELD
LORETTO	MORRIS	PEMBERTON	SHAFER	VERGAS	ACOMA	BLOOMING GROVE
LUCAN	MORRISTOWN	PENNOCK	SHAKOPEE	VERMILLION	ADAMS	BLUE HILL
LUVERNE	MORTON	PEQUOT LAKES	SHELLY	VERNDALE	ADRIAN	BOGUS BROOK
LYLE	MOTLEY	PERHAM	SHERBURN	VERNON CENTER	AETNA	BONDIN
LYND	MOUND	PETERSON	SHOREVIEW	VESTA	AITKIN	BOWSTRING
MABEL	MOUNDS VIEW	PIERZ	SHOREWOOD	VICTORIA	ALBA	BOY LAKE
MADELIA	MOUNTAIN IRON	PILLAGER	SILVER BAY	VIKING	ALBERT LEA	BRADFORD
MADISON	MOUNTAIN LAKE	PINE CITY	SILVER LAKE	VILLARD	ALBION	BRANDON
MADISON LAKE	MURDOCK	PINE ISLAND	SLAYTON	VIRGINIA	ALDRICH	BREITUNG
MAHNOMEN	NASHWAUK	PINE RIVER	SLEEPY EYE	WABASHA	ALTON	BREMEN
MAHTOMEDI	NERSTRAND	PIPESTONE	SOUTH HAVEN	WABASSO	ALVWOOD	BRIGHTON
MANKATO	NEVIS	PLAINVIEW	SOUTH ST PAUL	WACONIA	AMHERST	BRISTOL
MANTORVILLE	NEW AUBURN	PLATO	SPICER	WADENA	ANDOVER	BROCKWAY
MAPLE GROVE	NEW BRIGHTON	PLUMMER	SPRING GROVE	WAHCON	ANN LAKE	BROWNS VALLEY
MAPLE LAKE	NEW GERMANY	PLYMOUTH	SPRING LAKE PARK	WAITE PARK	ANTRIM	BROWNSVILLE
MAPLE PLAIN	NEW HOPE	PRESTON	SPRING PARK	WALDORF	ARBO	BRUNSWICK
MAPLETON	NEW LONDON	PRINCETON	SPRING VALLEY	WALKER	ARDENHURST	BUFFALO
MAPLEVIEW	NEW MUNICH	PRINSBURG	SPRINGFIELD	WALNUT GROVE	ARENDAHL	BUH
MAPLEWOOD	NEW PRAGUE	PRIOR LAKE	ST ANTHONY	WANAMINGO	ARLINGTON	BURNHAMVILLE
MARBLE	NEW RICHLAND	PROCTOR	ST BONIFACIUS	WANDA	ARNA	BURNS
MARIETTA	NEW ULM	RACINE	ST CHARLES	WARREN	ARTHUR	BURTON
MARINE ON ST CROIX	NEW YORK MILLS	RAMSEY	ST CLAIR	WARROD	ASHLAND	BUTTERFIELD
MARSHALL	NEWFOLDEN	RANDALL	ST CLOUD	WASECA	ATHENS	BUTTERNUT VALLEY
MAYER	NEWPORT	RANDOLPH	ST FRANCIS	WATERTOWN	ATKINSON	BUZZLE
MAYNARD	NICOLLET	RANIER	ST HILAIRE	WATERVILLE	AVON	BYRON
MAZEPPA	NIELSVILLE	RAYMOND	ST JAMES	WATKINS	BADOURA	CAIRO
MC GRATH	NISSWA	RED LAKE FALLS	ST JOSEPH	WATSON	BAKER	CALEDONIA
MC GREGOR	NORTH BRANCH	RED WING	ST LEO	WAUBUN	BALDWIN	CAMBRIA
MC INTOSH	NORTH BRANCH	REDWOOD FALLS	ST LOUIS PARK	WAVERLY	BALKAN	CAMBRIA
MC KINLEY	NORTH MANKATO	REMER	ST MICHAEL	WAYZATA	BALL BLUFF	CAMBRIDGE
MEADOWLANDS	NORTH OAKS	RENDSVILLE	ST PAUL	WELCOME	BALSAM	CAMDEN
MEDFORD	NORTH ST PAUL	RENVILLE	ST PAUL PARK	WELLS	BANDON	CAMP
MEDINA	NORTHFIELD	RENVILLE NURSING HOME	ST PETER	WENDELL	BARCLAY	CANNON FALLS
MELROSE	NORTHHOME	RICE	ST STEPHEN	WEST CONCORD	BARRY	CANOSIA
MENAHGA	NORTHROP	RICHFIELD	STACY	WEST ST PAUL	BARTLETT	CANTON
MENAHGA NURSING HOME	NORWOOD	RICHMOND	STAPLES	WESTBROOK	BASHAW	CARIMONA
MENDOTA HEIGHTS	YOUNG AMERICA	ROBBINSDALE	STARBUCK	WHEATON	BASS BROOK	CARLOS
MENTOR	OAK GROVE	ROCHESTER	STEPHEN	WHITE BEAR LAKE	BASSETT	CARPENTER
MIDDLE RIVER	OAK PARK HEIGHTS	ROCK CREEK	STEWART	WILLERNIE	BAY LAKE	CARROLTON
MILACA	OAKDALE	ROCKFORD	STEWARTVILLE	WILLIAMS	BEARVILLE	CARSON
MILAN	ODESSA	ROCKVILLE	STILLWATER	WILLMAR	BEATY	CASCADE
MILLERVILLE	OGEMA	ROGERS	STOCKTON	WILMONT	BEAULIEU	CASTLE ROCK
	OGILVIE	ROLLINGSTONE	STORDEN	WINDOM	BEAVER CREEK	CEDAR
	OKABENA	ROSE CREEK	STURGEON LAKE	WINGER	BEAVER FALLS	CEDAR MILLS
		ROSEAU	SWANVILLE	WINNEBAGO	BECKER	CENTER
		ROSEMOUNT	TACONITE	WINONA	BELGRADE	CHANARAMBIE
		ROSEVILLE	TAYLORS FALLS	WINSTED	BELLE CREEK	CHARLESTOWN
			THIEF RIVER FALLS		BELLE PLAINE	CHASKA
					BELLE PRAIRIE	CHATHAM

CHENGWATANA	ELK LAKE	GRAND RAPIDS	IRONDALE	LITTLE ELBOW	NASHVILLE	PLEASANT PRAIRIE
CHERRY	ELLINGTON	GRANITE FALLS	IRVING	LITTLE FALLS	NASHWAUK	PLINY
CHERRY GROVE	ELLSBURG	GRANT VALLEY	ISANTI	LITTLE PINE	NELSON	POKEGAMA
CHESTER	ELM CREEK	GREAT SCOTT	ISLAND LAKE	LIVONIA	NESSSEL	POPPLE GROVE
CHIPPEWA FALLS	ELM DALE	GREENBUSH	JANESVILLE	LONE PINE	NEVADA	POSEN
CHISAGO LAKE	ELMER	GREENLEAF	JAY	LONE TREE	NEVIS	POWERS
CLAYTON	ELMIRA	GREENVALE	JO DAVIS	LONG LAKE	NEW AUBURN	PRAIRIE VIEW
CLEAR LAKE	EMBARRASS	GREENWAY	JOHNSONVILLE	LOUISVILLE	NEW HAVEN	PREBLE
CLEARWATER	EMPIRE	GREENWOOD	KANABEC	LUXEMBURG	NEW LONDON	PRESTON
CLIFTON	ERIN	GREY CLOUD ISLAND	KANARANZI	LYLE	NEW PRAIRIE	PRINCETON
CLOVER	ESPELIE	GREY EAGLE	KANDIYOHI	LYNDEN	NEW RICHLAND	PRIOR
COKATO	EVANSVILLE	GULLY	KASOTA	LYNN	NEW SCANDIA	PROVIDENCE
COLLEGEVILLE	EVERGREEN	GUTHRIE	KATHIO	MACVILLE	NEW SOLUM	PULASKI
COLUMBIA	FAIR HAVEN	HALDEN	KEGO	MAGNOLIA	NEWBURG	QUEEN
COLUMBUS	FAIRBANKS	HALSTAD	KENYON	MAINE	NOKAY LAKE	QUINCY
COLVIN	FAIRFIELD	HAMMER	KETTLE RIVER	MAINE PRAIRIE	NORA	RABBIT LAKE
COMPTON	FAIRMONT	HAMPTON	KIESTER	MANANNAH	NORDLAND	RACINE
CONCORD	FAIRVIEW	HARMONY	KILKENNY	MANFRED	NORMAN	RANDOLPH
COON CREEK	FALL LAKE	HARRIS	KIMBERLY	MANKATO	NORTH HERO	RANSOM
CORINNA	FALUN	HARRISON	KING	MANTORVILLE	NORTH STAR	RAPIDAN
CORMORANT	FARM ISLAND	HASSAN	KINGSTON	MANTRAP	NORTHERN	RAVENNA
COSMOS	FARMINGTON	HAUGEN	KNIFE LAKE	MAPLE LAKE	NORTHFIELD	RED LAKE FALLS
COTTON	FAYAL	HAVANA	KNUTE	MAPLE RIDGE	NORWAY	RICE LAKE
COTTONWOOD	FENTON	HAVEN	KRAGERO	MARBLE	NORWEGIAN	RICH VALLEY
CRATE	FILLMORE	HAYERHILL	KRAIN	MARCELL	GROVE	RICHARDSON
CREDIT RIVER	FISH LAKE	HAWLEY	KROSCHER	MARION	OAK LAWN	RICHMOND
CROOKED LAKE	FLEMING	HAY CREEK	LA CRESCENT	MARSHALL	OAK PARK	RIVER FALLS
CROW RIVER	FLOODWOOD	HAYLAND	LA CROSSE	MARSHAN	OAK VALLEY	RIVERSIDE
CROW WING	FLORENCE	HAYWARD	LA GARDE	MARTIN	OAKLAND	ROCHESTER
CROW WING LAKES	FLORIDA	HAZELTON	LA GRANDE	MARYSVILLE	ODESSA	ROCK DELL
CRYSTAL BAY	FOLDAHL	HEGBERT	LAFAYETTE	MASON	ORION	ROCKFORD
CULDRUM	FOREST	HEIGHT OF LAND	LAKE ANDREW	MAXWELL	OROCK	ROCKSBURY
CULVER	FOREST CITY	HELEN	LAKE EDWARD	MAY	ORTON	ROCKWOOD
DAGGETT BROOK	FOREST LAKE	HELENA	LAKE ELIZABETH	MAYHEW LAKE	OSAGE	ROGERS
DAHLGREN	FORESTVILLE	HELGA	LAKE EMMA	MAYVILLE	OSBORNE	ROLLING GREEN
DALBO	FOX LAKE	HENDERSON	LAKE FREMONT	MAZEPPA	OSHKOSH	ROLLINGSTONE
DARLING	FRAMNAS	HENRIETTA	LAKE GEORGE	MCDAVITT	OTENEAGEN	ROOSEVELT
DARWIN	FRANCONIA	HERON LAKE	LAKE HANSKA	MEADOWLANDS	OTISCO	ROSEHILL
DEAD LAKE	FRANKFORT	HIGDEM	LAKE MARSHALL	MEHURIN	OTREY	ROSENDALE
DECORIA	FRANKLIN	HIGH FOREST	LAKE PLEASANT	MERTON	OTTERTAIL	ROSEVILLE
DEERWOOD	FRASER	HIGHWATER	LAKE SARAH	MICKINOCK	PENINSULA	ROSS
DELL GROVE	FREDENBERG	HINES	LAKESIDE	MIDDLETOWN	TOWNSHIP	ROSS LAKE
DENVER	FREEDOM	HIRAM	LAKETOWN	MIDDLEVILLE	OWATONNA	ROUND GROVE
DERRYNANE	FREEMAN	HOBART	LAKEVIEW	MIDWAY	OXFORD	ROUND LAKE
DES MOINES RIVER	FRENCH	HOFF	LAI JOD	MILACA	PALMYRA	ROYALTON
DEWALD	FRENCH LAKE	HOKAH	LAI	MILFORD	PARKERS PRAIRIE	RUSHEBA
DEXTER	FRIBERG	HOLDEN	LAND	MILLERVILLE	PAXTON	RUTLAND
DORA	GARDEN CITY	HOLDING	LANESBURGH	MILO	PAYNESVILLE	SALEM
DOUGLAS	GARFIELD	HOLLAND	LANGOLA	MINDEN	PEACE	SAND LAKE
DOVER	GARNES	HOLLY	LAWRENCE	MINNEOTA	PELICAN	SANTIAGO
DOVRAY	GARRISON	HOLLYWOOD	LE SAUK	MINNEWASKA	PELICAN LAKE	SARGEANT
DRESBACH	GANNESSEE	HOLT	LEAF LAKE	MISSION	PEMBINA	SAUK RAPIDS
DRYDEN	GETTY	HOLYOKE	LEAF RIVER	MOE	PENN	SAVANNAH
DULUTH	GIRARD	HOME	LEECH LAKE	MOLTKE	PETERSBURG	SCANDIA VALLEY
DUNN	GLEN	HOMEBROOK	LEEDS	MONEY CREEK	PIKE BAY	SCHROEDER
EAGLE LAKE	GLENDORADO	HOMESTEAD	LENT	MONTGOMERY	PIKE CREEK	SCOTT
EAGLE VIEW	GNESEN	HONNER	LEON	MONTICELLO	PILOT MOUND	SEAVEY
EAGLES NEST	GOOD HOPE	HOUSTON	LERAY	MOONSHINE	PINE CITY	SEVERANCE
EAST SIDE	GOOSE PRAIRIE	IDA	LIBERTY	MORAN	PINE ISLAND	SHAMROCK
EASTERN	GRACEVILLE	IDEAL	LIDA	MORANVILLE	PINE LAKE	SHELBURNE
EDEN LAKE	GRAHAM	IDUN	LIME	MORKEN	PINE RIVER	SHELBY
EDNA	GRAHAM LAKES	INDUSTRIAL	LIME LAKE	MORRISON	PLAINVIEW	SHELL LAKE
EFFINGTON	GRANBY	INGUADONA	LINCOLN	MORSE		
ELDORADO	GRAND LAKE	INMAN	LINDEN	MOTLEY		
ELGIN	GRAND MEADOW	IONA	LINWOOD	MOUNT VERNON		
ELIZABETH	GRAND PRAIRIE	IRON RANGE	LITCHFIELD	MOUNTAIN LAKE		
				MUNSON		

SHERIDAN  
 SHETEK  
 SHIELDSVILLE  
 SHINGOBBE  
 SIBLEY  
 SILVER BROOK  
 SILVER CREEK  
 SILVER LAKE  
 SINCLAIR  
 SIOUX AGENCY  
 SKANDIA  
 SKELTON  
 SOLEM  
 SOLWAY  
 SOUTH BEND  
 SOUTH BRANCH  
 SOUTH HARBOR  
 SOUTHFORK  
 SOUTHSIDE  
 SPARTA  
 SPENCER  
 SPENCER BROOK  
 SPRING GROVE  
 SPRING LAKE  
 SPRINGDALE  
 SPRINGHILL  
 SPRINGVALE  
 SPRINGWATER  
 SPRUCE GROVE  
 ST JAMES  
 ST JOSEPH  
 ST MARTIN  
 ST OLAF  
 STANCHFIELD  
 STANFORD  
 STANTON  
 STAPLES  
 STAR LAKE  
 STERLING  
 STILLWATER  
 STOCKHOLM  
 STONY RUN  
 STORDEN  
 STURGEON  
 STURGEON LAKE  
 SUMMIT  
 SUMNER  
 SUMTER  
 SUNDOWN  
 SUNRISE  
 SVERDRUP  
 SWAN RIVER  
 SWANVILLE  
 SWEET  
 SYLVAN  
 TANSEM  
 THOMSON  
 THUNDER LAKE  
 TRANSIT  
 TRELIPE  
 TROUT LAKE  
 TUMULI

TURNER  
 TURTLE CREEK  
 TURTLE LAKE  
 TWIN LAKES  
 TWO RIVERS  
 URNESS  
 VAIL  
 VAN BUREN  
 VASA  
 VERDI  
 VERMILLION  
 VERNON  
 VESTA  
 VICTOR  
 VIKING  
 VILLARD  
 VINELAND  
 VIVIAN  
 WABEDO  
 WACONIA  
 WACOUTA  
 WAKEFIELD  
 WALDEN  
 WALTHAM  
 WANAMINGO  
 WANG  
 WARD  
 WARREN  
 WARSAW  
 WASOJA  
 WATAB  
 WATERBURY  
 WATERTOWN  
 WATERVILLE  
 WATOPA  
 WAWINA  
 WEBSTER  
 WEIMER  
 WELCH  
 WELLINGTON  
 WELLS  
 WEST HERON LAKE  
 WEST NEWTON  
 WESTBROOK  
 WHEATLAND  
 WHITE  
 WHITE BEAR  
 WHITE OAK  
 WILKINSON  
 WILLIAMS  
 WILMINGTON  
 WILMONT  
 WILSON  
 WINDEMERE  
 WING RIVER  
 WINNEBAGO  
 WINONA  
 WINSOR  
 WINSTED  
 WISCOY  
 WOLF LAKE  
 WOLFORD

WOOD LAKE  
 WOODLAND  
 WOODROW  
 WOODSIDE  
 WOODVILLE  
 WORKMAN  
 WRENSHALL  
 WRIGHT  
 WUORI  
 WYANETT  
 WYOMING  
 YORK  
 YOUNG AMERICA  
 YUCATAN  
 ZUMBRO  
 ZUMBROTA

**COUNTIES**

AITKIN  
 ANOKA  
 BECKER  
 BELTRAMI  
 BENTON  
 BIG STONE  
 BLUE EARTH  
 BROWN  
 CARLTON  
 CARVER  
 CASS  
 CHIPPEWA  
 CHISAGO  
 CLAY  
 CLEARWATER  
 COOK  
 COTTONWOOD  
 CROW WING  
 DAKOTA  
 DODGE  
 DOUGLAS  
 FARIBAULT  
 FILLMORE  
 FREEBORN  
 GOODHUE  
 GRANT  
 HOUSTON  
 HUBBARD  
 ISANTI  
 ITASCA  
 JACKSON  
 KANABEC  
 KANDIYOHI  
 KITTSON  
 KOOCHICHING  
 LAC QUI PARLE  
 LAKE  
 LAKE OF THE WOODS  
 LE SUEUR  
 LINCOLN  
 LYON  
 MAHNOMEN  
 MARSHALL  
 MARTIN  
 MCLEOD  
 MEEKER  
 MILLE LACS

MORRISON  
 MOWER  
 MURRAY  
 NICOLLET  
 NOBLES  
 NORMAN  
 OLMSTED  
 OTTERTAIL  
 PENNINGTON  
 PINE  
 PIPESTONE  
 POLK  
 POPE  
 RAMSEY  
 RED LAKE  
 REDWOOD  
 RENVILLE  
 RICE  
 ROCK  
 ROSEAU  
 ST LOUIS  
 SCOTT  
 SHERBURNE  
 SIBLEY  
 STEARNS  
 STEELE  
 STEVENS  
 SWIFT  
 TODD  
 TRAVERSE  
 WABASHA  
 WADENA  
 WASECA  
 WASHINGTON  
 WATONWAN  
 WILKIN  
 WINONA  
 WRIGHT  
 YELLOW MEDICINE  
 HENNEPIN

**SCHOOLS**

ACORN DUAL LANGUAGE  
 COMMUNITY ISD-4018  
 ADA-BORUP ISD-2854  
 ADRIAN ISD-511  
 AITKIN ISD-162  
 AKELEY-HACKENSACK-  
 WALKER ISD 113  
 ALBANY ISD-745  
 ALBERT LEA ISD-241  
 ALBERTA-CHOKIO  
 ISD-771  
 ALDEN-CONGER ISD-242  
 ALEXANDRIA ISD-206  
 AMBOY-MAPLETON-  
 MINNESOTA LAKE  
 ISD-2135  
 ANNANDALE ISD-876  
 ANOKA-HENNEPIN ISD-11  
 ARROWHEAD REGIONAL  
 COMPUTING  
 ASHBY ISD-261  
 ASKOV-SANDSTONE  
 ISD-2580  
 ATWATER-COSMOS-  
 GROVE CITY ISD-2396  
 AUDUBON ISD-21

AURORA CHARTER  
 SCHOOL  
 AURORA-HOYT-  
 BIWABIK ISD-2711  
 AUSTIN ISD-492  
 BABBITT-TOWER-  
 ST LOUIS CO ISD-2142  
 BACKUS-PINE RIVER  
 ISD-2174  
 BADGER ISD-676  
 BAGLEY ISD-162  
 BALATON ISD-411  
 BARNESVILLE ISD-146  
 BARNUM ISD-91  
 BATTLE LAKE ISD-542  
 BECKER ISD-726  
 BELGRADE-BROOTEN  
 ISD-2364  
 BELLE PLAINE ISD-716  
 BELLINGHAM ISD-371  
 BELVIEW-DANUBE-  
 RENVLL-SAC HRT ISD-3001  
 BEMIDJI ISD-31  
 BEMIDJI REGIONAL  
 INTERDISTRICT COUNCIL  
 BENSON ISD-777  
 BENTON-STEARNES  
 SPECIAL EDUCATION  
 BERTHA-HEWITT ISD-786  
 BIG LAKE ISD-727  
 BIRD ISLAND -  
 OLIVIA ISD-2534  
 BLACKDUCK ISD-32  
 BLOOMING PRAIRIE  
 ISD-756  
 BLOOMINGTON ISD-271  
 BLUE EARTH-  
 WINNEBAGO ISD-2860  
 BLUFFVIEW MONTESSORI  
 ISD-4001  
 BORDER REGION ED  
 DIST ISD-6020  
 BOYD-DAWSON ISD-378  
 BRAHAM ISD-314  
 BRAINERD ISD-181  
 BRANDON ISD-207  
 BRECKENRIDGE ISD-846  
 BREWSTER ISD-513  
 BRICELYN-EASTON-  
 FREEBORN-WELL ISD-2134  
 BROOKLYN CENTER  
 ISD-286  
 BROWERVILLE ISD-787  
 BROWNS VALLEY ISD-801  
 BUFFALO ISD-877  
 BUFFALO LAKE ISD-647  
 BUFFALO LAKE-  
 HECTOR ISD-2159  
 BUHL-MOUNTAIN IRON  
 ISD-712  
 BURNSVILLE ISD-191  
 BUTTERFIELD ISD-836  
 BYRON ISD-531  
 CALEDONIA ISD-299  
 CAMBRIDGE-  
 ISANTI ISD-911  
 CAMPBELL TINTAH  
 ISD-852  
 CANBY ISD-891  
 CANNON FALLS ISD-252  
 CANTON-MABEL ISD-238  
 CARLTON ISD-93

CARVER-SCOTT  
 EDUCATIONAL COOP  
 #930  
 CASS LAKE ISD-115  
 CEDAR-RIVERSIDE  
 COMMUNITY ISD-4004  
 CENTENNIAL ISD-12  
 CENTRAL MINNESOTA  
 DEAF SCHOOL ISD-4022  
 CENTRAL MINNESOTA E-  
 R D C  
 CHASKA ISD-112  
 CHISAGO LAKES ISD-2144  
 CHISHOLM ISD-695  
 CHOSEN VALLEY ISD-227  
 CIRCLE PINES ISD-12  
 CITY ACADEMY ISD-4000  
 CLARA CITY ISD-2180  
 CLAREMONT-DODGE  
 CNTR-W CONCOR  
 ISD-2125  
 CLEARBROOK-  
 GONVICK ISD-2311  
 CLEVELAND ISD-391  
 CLIMAX ISD-592  
 CLINTON-GRACEVILLE-  
 BEARDSLEY ISD-55  
 CLOQUET ISD-94  
 COKATO-DASSEL ISD-466  
 COLD SPRING ISD-750  
 COLERAINE ISD-316  
 COLUMBIA HEIGHTS  
 ISD-13  
 COMFREY ISD-81  
 COMMUNITY OF PEACE  
 ACADEMY ISD-4015  
 CONCORDIA EARLY  
 LEARNING SCHOOL  
 COOK -ISD166  
 COON RAPIDS  
 LEARNING CENTER  
 COTTONWOOD-  
 WOOD LAKE ISD-2167  
 CROMWELL ISD-95  
 CROOKSTON ISD-593  
 CROSBY-IRONTON  
 ISD-182  
 CROSSLAKE  
 COMMUNITY SCHOOL  
 CYBER VILLAGE  
 ACADEMY ISD-4025  
 CYRUS ISD-611  
 DAKOTA  
 INTERMEDIATE DIST-917  
 DEER RIVER ISD-317  
 DELANO ISD-879  
 DETROIT LAKES ISD-22  
 DETROIT LAKES NW  
 TECH COLLEGE ISD-2200  
 DILWORTH-GLYNDON-  
 FELTON ISD-2164  
 DOVER-EYOTA ISD-533  
 DULUTH ISD-709  
 E CHAIN-GRANADA-  
 HUNTLEY ISD-2536  
 EAGLE BEND ISD-2759  
 EAST CENTRAL ISD 2580  
 EAST GRAND FORKS  
 ISD-595  
 ECI NOOMPA WOONSPE  
 CHARTER SCH ISD-4028  
 EDEN PRAIRIE ISD-272  
 EDEN VALLEY-  
 WATKINS ISD-463

EDGERTON ISD-581  
 EDINA ISD-273  
 ELGIN ISD-806  
 ELK RIVER ISD-728  
 ELLSWORTH ISD-514  
 ELY ISD-696  
 EMILY ISD-4012  
 ESKO ISD-99  
 ESV REGION V  
 COMPUTER SERVICE  
 EVANSVILLE ISD-208  
 EVELETH-GILBERT  
 ISD-2154  
 FAIRMONT-CEYLON  
 ISD-2752  
 FARIBAULT ISD-656  
 FARMINGTON ISD-192  
 FERGUS FALLS ISD-544  
 FERGUS FALLS SPECIAL  
 EDUCATION 935  
 FERTILE ISD-599  
 FISHER ISD-600  
 FLOODWOOD ISD-698  
 FOLEY ISD-51  
 FOREST LAKE ISD-831  
 FORT SNELLING  
 ACADEMY  
 FOSSTON ISD-601  
 FOUR DIRECTIONS  
 CHARTER SCHOOL  
 FRAZEE-VERGAS  
 ISD-23  
 FREDERICK DOUGLASS  
 ACADEMY ISD-4010  
 FRESHWATER EDUC  
 DIST-6004  
 FRIDLEY ISD-14  
 FULDA ISD-505  
 GARFIELD ISD 215  
 GFW ISD-733  
 GLENCOE-  
 SILVER LAKE ISD-2859  
 GLENVILLE ISD-245  
 GOODHUE  
 EDUCATION DISTRICT  
 ISD-60  
 GOODHUE ISD-253  
 GOODRIDGE ISD-561  
 GRAND MEADOW  
 ISD-495  
 GRAND RAPIDS ISD-318  
 GRANITE FALLS-  
 CLARKFIELD-ECHO  
 ISD-2190  
 GREENBUSH-  
 MIDDLE RIVER  
 ISD-2683  
 GRYGLA ISD-447  
 HALSTAD-HENDRUM  
 ISD-2527  
 HANCOCK ISD-768  
 HARMONY-PRESTON-  
 FOUNTAIN ISD-2198  
 HARTLAND-N  
 RICHLAND-  
 ELLENDALE ISD-2168  
 HASTINGS ISD-200  
 HAWLEY ISD-150  
 HAYFIELD ISD-203  
 HEART OF THE EARTH  
 CENTER, AM INDIAN  
 ED  
 HENDERSON-  
 LE SUEUR ISD-2397  
 HENDRICKS ISD-402  
 HENNEPIN ISD-287  
 HENNING ISD-545  
 HERMAN ISD-264  
 HERMANTOWN ISD-700  
 HERON LAKE-  
 OKABENA ISD-330  
 HIAWATHA VALLEY ISD-6013  
 HIBBING ISD-701  
 HIGH SCHOOL FOR THE  
 RECORDING ARTS  
 HIGHER GROUND ACADEMY  
 HILL CITY ISD-2  
 HILLS BEAVER CREEK ISD-671  
 HINCKLEY-  
 FINLAYSON ISD-2165  
 HITTERDAL-ULEN ISD-914  
 HOLDINGFORD ISD-738  
 HOPKINS ISD-270  
 HOUSTON ISD-294  
 HOWARD LAKE-WAVERLY  
 -WINSTED ISD-2687  
 HUTCHINSON ISD-423  
 INTERNATIONAL FALLS  
 ISD-361  
 INVER GROVE HEIGHTS  
 ISD-199  
 ISLE ISD-473  
 IVANHOE ISD-403  
 JACKSON CENTRAL ISD-2862  
 JANESVILLE-PEMBERTON-  
 WALDORF ISD-2835  
 JEFFERS-STORDEN ISD-178  
 JORDAN ISD-717  
 KASSON-  
 MANTORVILLE ISD-204  
 KELLIHER ISD-36  
 KELLOGG-WABASHA ISD-811  
 KENYON-  
 WANAMINGO ISD-2172  
 KERKHOVEN-MURDOCK-  
 SUNBURG ISD-775  
 KIMBALL ISD-739  
 KITTSOON CENTRAL ISD-2171  
 LA CRESCENT ISD-300  
 LA CRESCENT MONTESSORI  
 ACADEMY  
 LAKE ISD-381  
 LAKE AGASSIZ SPECICAL  
 EDUCATION COOP  
 LAKE BENTON ISD-404  
 LAKE CITY ISD-813  
 LAKE COUNTRY  
 SERVICE COOP  
 LAKE CRYSTAL-WELCOME  
 MEMORIAL ISD-2071  
 LAKE OF THE WOODS ISD-390  
 LAKE PARK-  
 AUDUBON ISD-2889  
 LAKE SUPERIOR ISD-381  
 LAKEVILLE ISD-194  
 LANCASTER ISD-356  
 LANESBORO ISD-229  
 LAPORTE ISD-306  
 LEAF RIVER EDUCATIONAL  
 DISTRICT ISD-6961  
 LEARNING ADVENTURES  
 MIDDLE SCHOOL  
 LECENTER ISD-392  
 LEROY-OSTRANDER ISD-499  
 LESTER PRAIRIE ISD-424  
 LEWISTON ISD-857  
 LITCHFIELD ISD-465  
 LITTLE FALLS ISD-482  
 LITTLEFORK-  
 BIG FALLS ISD-362  
 LONG PRAIRIE-  
 GREY EAGLE ISD-2753  
 LONSDALE-  
 MONTGOMERY ISD-394  
 LUVERNE ISD-2184  
 LYLE ISD-497  
 LYND ISD-415  
 MADELIA ISD-837  
 MADISON ISD-2853  
 MAHNOMEN ISD-432  
 MAHTOMEDI ISD-832  
 MANKATO ISD-77  
 MAPLE LAKE ISD-881  
 MARSHALL CENTRAL ISD-441  
 MARSHALL ISD-413  
 MARTIN HUGHES  
 CHARTER ISD-4040  
 MATH AND SCIENCE ACADEMY  
 MAZEPPA-  
 ZUMBROTA ISD-2805  
 MC GREGOR ISD-4  
 MCLEOD WEST ISD-2887  
 MEDFORD ISD-763  
 MEEKER-WRIGHT SPECIAL  
 EDUC COOP  
 MELROSE ISD-740  
 MENAHA ISD-821  
 MENTOR ISD-604  
 METRO DEAF CHARTER  
 ISD-4005  
 METROPOLITAN ECSU REGION  
 II  
 MEXICA MULTICULTURAL  
 EDUCATION  
 MID STATE EDUCATION  
 ISD-6979  
 MIDWEST SPEC EDUC  
 COOP 398  
 MILACA ISD-912  
 MILROY ISD-635  
 MINNEAPOLIS SPECIAL SD-1  
 MINNEOTA ISD-414  
 MINNESOTA BUSINESS  
 ACADEMY  
 MINNESOTA RIVER VALLEY  
 ISD-6018  
 MINNESOTA SCHOOL DISTRICT  
 DP JOINT BOARD  
 MINNESOTA TECHNOLOGY  
 CHARTER DIST 4031  
 MINNESOTA TRANSITIONS  
 ISD-4017  
 MINNESOTA VALLEY  
 COOP CENTER  
 MINNESOTA VALLEY  
 EDUCATIONAL DISTRICT  
 MINNETONKA ISD-276  
 MINNEWASKA AREA ISD-2149  
 MONTEVIDEO ISD-129  
 MONTICELLO ISD-882  
 MOORHEAD ISD-152  
 MOOSE LAKE ISD-97  
 MORA ISD-332  
 MORGAN-  
 FRANKLIN ISD-2754  
 MORRIS ISD-769  
 MOUNDS VIEW ISD-621  
 MOUNTAIN LAKE ISD-173  
 NASHWALK-  
 KEEWATIN ISD-319  
 NETT LAKE ISD-707  
 NEVIS ISD-308  
 NEW HEIGHTS  
 CHARTER ISD-4003  
 NEW LONDON-  
 SPICER ISD-345  
 NEW PRAGUE ISD-721  
 NEW SPIRIT CHARTER  
 SCHOOL ISD-4029  
 NEW ULM ISD-88  
 NEW VISIONS CHARTER  
 ISD-4011  
 NEW YORK MILLS ISD-553  
 NICOLLET ISD-507  
 NORTH BRANCH ISD-138  
 NORTH CENTRAL  
 SERVICE COOPERATIVE 5  
 NORTH LAKES ACADEMY  
 NORTH ST PAUL-  
 MAPLEWOOD ISD-622  
 NORTHEAST EDUC COOP  
 SERVICE UNIT  
 NORTHEAST METRO  
 INTERMEDIATE ISD-916  
 NORTHFIELD ISD-659  
 NORTHWEST MINNESOTA  
 SERVICE COOP  
 NORTHWEST REGIONAL  
 INTERDISTRICT  
 NORWOOD-YOUNG AMERICA  
 ISD-108  
 ODYSSEY CHARTER ISD-4030  
 OGILVIE ISD-333  
 OKLEE ISD-627  
 ONAMIA ISD-480  
 ORONO ISD-278  
 ORTONVILLE ISD-62  
 OSAKIS ISD-213  
 OSSEO ISD-279  
 OWATONNA ISD-761  
 PACT CHARTER ISD-4008  
 PARK RAPIDS ISD-309  
 PARKERS PRAIRIE ISD-547  
 PAYNESVILLE ISD-741  
 PEAKS CHARTER DIST 4033  
 PEAKS CHARTER SCHOOL  
 ALEXANDRIA  
 PEAKS CHARTER SCHOOL  
 DULUTH  
 PEAKS CHARTER SCHOOL  
 FARIBAULT  
 PEAKS CHARTER SCHOOL  
 SAINT CLOUD  
 PELICAN RAPIDS ISD-548  
 PEQUOT LAKES ISD-186  
 PERHAM/DENT ISD-549  
 PETERSON-  
 RUSHFORD ISD-239  
 PIERZ ISD-484  
 PILLAGER ISD-116  
 PINE CITY ISD-578  
 PINE ISLAND ISD-255  
 PINE POINT EXP SCH 25  
 PIPESTONE-JASPER ISD-2689  
 PLAINVIEW ISD-810  
 PLUMMER ISD-628  
 PRINCETON ISD-477  
 PRIOR LAKE ISD-719  
 PROCTOR ISD-704  
 RANDOLPH ISD-195  
 RAYMOND ISD-346  
 RED LAKE FALLS AREA  
 SPEC EDUC COOP  
 RED LAKE FALLS ISD-630  
 RED LAKE ISD-38  
 RED WING ISD-256  
 REDCOCK CENTRAL ISD-2884  
 REDWOOD FALLS ISD-2758  
 REGION I ESV  
 REMER ISD-118  
 RESOURCE TRAINING  
 AND SOLUTIONS  
 RICHFIELD ISD-280  
 RIGHT STEP ACADEMY  
 RIVER BEND ISD-6049  
 ROBBINSDALE ISD-281  
 ROCHESTER ISD-535  
 ROCKFORD ISD-883  
 ROOT RIVER EDUC DIST 6042  
 ROSEAU ISD-682  
 ROSEMOUNT ISD-196  
 ROSEVILLE ISD-623  
 ROTHSAY ISD-850  
 ROUND LAKE ISD-516  
 ROYALTON ISD-485  
 RUNESTONE AREA LEARNING  
 CENTER 6014  
 RUSH CITY ISD-139  
 RUSSELL ISD-418  
 RUTHTON ISD-584  
 SARTELL ISD-748  
 SAUK CENTRE ISD-743  
 SAUK CENTRE WEST  
 EDUCATION ISD-6026  
 SAUK RAPIDS ISD-47  
 SCHOOLCRAFT  
 LEARNING COMMUNITY  
 SEBEKA ISD-820  
 SHAKOPEE ISD-720  
 SHERBURNE-TRIMONT-  
 WELCOME ISD-2448  
 SIBLEY EAST ISD-2310  
 SIOUX VALLEY ISD-328  
 SKILLS FOR TOMORROW  
 JR HIGH ISD-4037  
 SKILLS FOR TOMORROW  
 SR HIGH ISD-4006  
 SLAYTON-CHANDLER-  
 LAKE WILSON ISD-2169  
 SLEEPY EYE ISD-84  
 SOJOURNER TRUTH  
 ACADEMY CHARTER SCHOOL  
 SOUTH CENTRAL  
 SERVICE COOPERATIVE  
 SOUTH KOOCHICHING  
 ISD-363  
 SOUTH ST PAUL SPECIAL ISD-6  
 SOUTH WASHINGTON  
 ISD-833  
 SOUTHEAST SERVICE  
 COOPERATIVE  
 SOUTHLAND ISD-500  
 SPRING GROVE ISD-297  
 SPRING LAKE PARK ISD-16  
 SPRING VALLEY-  
 WYKOFF ISD-2137  
 SPRINGFIELD ISD-85  
 ST ANTHONY ISD-282  
 ST CHARLES ISD-858  
 ST CLAIR ISD-75

- ST CLOUD ISD-742  
 ST FRANCIS ISD-15  
 ST JAMES ISD-840  
 ST LOUIS -ISD 710  
 ST LOUIS PARK ISD-283  
 ST MICHAEL-ALBERTVILLE ISD-885  
 ST PAUL FAMILY LEARNING CENTER  
 ST PAUL ISD-625  
 ST PETER ISD-508  
 STAPLES/MOTLEY ISD-2170  
 STATE COMMUNITY COLLEGES  
 STEPHEN-ARGYLE ISD-2856  
 STEWARTVILLE ISD-534  
 STILLWATER ISD-834  
 SUCCESS ACADEMY ISD-4023  
 SUMMIT SCHOOL FOR THE ARTS ISD-4024  
 SW & W CENTRAL EDUC SERVICE  
 SWANVILLE ISD-486  
 THIEF RIVER FALLS ISD-564  
 TOIVOLA-MEADOWLANDS CHARTER ISD-4002  
 TRACY ISD-417  
 TRI DISTRICT ISD-6067  
 TRI-COUNTY SCHOOLS ISD-2358  
 TRUMAN ISD-458  
 TWIN CITIES ACADEMY  
 TWIN VALLEY/GARY ISD-2215  
 TYLER ISD-409  
 UNDERWOOD ISD-550  
 UPSALA ISD-487  
 VALLEY & LAKES ISD-6001  
 VERNDALE ISD-818  
 VIKING COOPERATIVE CENTER #945  
 VILLAGE SCHOOL OF NORTHFIELD ISD-4021
- VIRGINIA ISD-706  
 WABASSO ISD-640  
 WACONIA ISD-110  
 WADENA ISD-2155  
 WALNUT GROVE ISD-641  
 WARREN ISD-2176  
 WARROAD ISD-690  
 WASECA ISD-829  
 WASIOJA EDUCATION TECHNOLOGY COOPERATIVE  
 WATERTOWN-MAYER ISD-111  
 WATERVILLE-ELYSIAN-MORRISTOWN ISD-2143  
 WAUBUN ISD-435  
 WAYZATA ISD-284  
 WEST CENTRAL AREA ISD-2342  
 WEST ST PAUL ISD-197  
 WESTBROOK ISD-175  
 WESTONKA ISD-277  
 WHEATON ISD-803  
 WHITE BEAR LAKE ISD-624  
 WILLMAR ISD-347  
 WILLOW RIVER ISD-577  
 WINDOM ISD-177  
 WIN-E-MAC ISD-2609  
 WINONA ISD-861  
 WORLD LEARNER CHARTER ISD-4016  
 WORTHINGTON ISD-518  
 WRENSHALL ISD-100  
 WRIGHT TECHNICAL CENTER ISD-966  
 ZUMBRO ISD-6012
- BLUE EARTH RIVER BASIN INITIATIVE  
 BOARD OF PUBLIC DEFENDERS  
 BOIS DE SIOUX WATERSHED DISTRICT  
 BOVEY COLERAINE TREATMENT PLANT COMM  
 BRAHAM-ISANTI-MILACA JPB  
 BROWN COUNTY SWCD  
 CALLAWAY OGEMA POLICE DEPARTMENT JPB  
 CARLTON COUNTY SWCD  
 CARVER COUNTY SWCD  
 CASS COUNTY SWCD  
 CCLNS JOINT POWERS BOARD #3  
 CEDAR RIVER EDUC SERVICE COOP  
 CENTENNIAL LAKES POLICE DEPT  
 CENTRAL MINNESOTA COUNTY SWCD - CLUSTER 5  
 CENTRAL ST CROIX VALLEY CABLE  
 CHISAGO COUNTY SWCD  
 CITY EMPLOYEES' UNION 363  
 CLAY COUNTY SWCD  
 CLEARWATER COUNTY SWCD  
 CLEARWATER RIVER WATERSHED DISTRICT  
 COOK COUNTY SWCD  
 COON CREEK WATERSHED DISTRICT  
 CORRECTIONS AGENCY  
 COTTONWOOD COUNTY SWCD  
 COTTONWOOD-JACKSON HEALTH SERVICE  
 CROW RIVER RECREATION DEPARTMENT  
 CROW WING COUNTY SWCD  
 DAKOTA COUNTY SWCD  
 DELAVIN-EASTON PUBLIC SAFETY  
 DEPT OF MILITARY AFFAIRS  
 DODGE COUNTY SWCD  
 DOUGLAS COUNTY SWCD  
 DOVER-EYOTA ST CHARLES SANITARY DISTRICT  
 EAST CENTRAL COOPERATIVE CENTER  
 EAST CENTRAL REGIONAL DEVELOPMENT COMM  
 EAST CENTRAL REGIONAL LIBRARY  
 EAST OTTER TAIL COUNTY SWCD  
 EAST POLK COUNTY SWCD  
 EAST RANGE JOINT POWERS BOARD  
 EDUCATION MINNESOTA  
 EFSJ JOINT RECREATION BOARD  
 ESSENTIAL HEALTH PLAN JOINT POWERS BOARD  
 FARIBAULT COUNTY SWCD  
 FREEBORN COUNTY SWCD  
 GLENWOOD JOINTPOWER SCH DIST  
 GOODHUE COUNTY SWCD  
 GOVERNMENT TRAINING SERVICE  
 GRANT COUNTY SWCD  
 GREAT RIVER REGIONAL LIBRARY  
 GREENWAY JOINT RECREATION ASSOCIATION  
 HAWLEY AREA EMS JPB  
 HEADWATER NUTRITION PROJECT  
 HEADWATERS REGIONAL DEVELOPMENT COMM  
 HERON LAKE WATERSHED DISTRICT  
 HIGHLAND VOCATIONAL  
 HUBBARD COUNTY SWCD  
 HUMAN SERVICE BOARD MARTIN-FARIBAULT CO  
 IMPACK 6 JOINT POWERS BOARD  
 INTERNATIONAL UNION OPERATING ENGINEERS  
 ISANTI COUNTY SWCD  
 ITASCA COUNTY SWCD  
 JOINT POWERS BOARD  
 JPB ZONE 10  
 KANABEC COUNTY SWCD  
 KANDIYOHI AREA TRANSIT JPB
- KANDIYOHI COUNTY SWCD  
 KITCHIGAMI REGIONAL LIBRARY  
 KITTSOON COUNTY SWCD  
 KITTSOON-MARSHALL RURAL WATER SYST  
 KOOCHICHING COUNTY SWCD  
 LAC QUI PARLE COUNTY SWCD  
 LAC QUI PARLE/YELLOW MEDICINE WATERSHED  
 LAKE AGASSIZ REGIONAL LIBRARY  
 LAKE COUNTY SWCD  
 LAKE MINNETONKA COMMUNICATION COMMISSION  
 LAKE MINNETONKA CONSERVATION DISTRICT  
 LAKE OF THE WOODS COUNTY SWCD  
 LAKES AREA RECREATION  
 LEAGUE OF MINNESOTA CITIES  
 LINCOLN  
 LINCOLN COUNTY SWCD  
 LOCAL 132  
 LOGIS  
 LONG LAKE CONSERVATION CENTER  
 LOW INCOME ENERGY ASSISTANCE  
 LOWER MINNESOTA RIVER WATERSHED DISTRICT  
 LYON COUNTY SWCD  
 MAHNOMEN COUNTY SWCD  
 MAHNOMEN HEALTH CENTER JPB  
 MAPE  
 MARSHALL COUNTY SWCD  
 MARSHALL- POLK RURAL WATER SYSTEM  
 MARSHALL-BELTRAMI COUNTY SWCD  
 MARTIN COUNTY SWCD  
 MARTIN-FARIBAULT CO PRAIRIELAND WASTE BD  
 MC LEOD COUNTY SWCD  
 MEEKER COUNTY SWCD  
 METRO II  
 METRO INTER-COUNTY ASSOCIATION  
 METRO WASTE CONTROL COMMISSION  
 METRONET  
 METROPOLITAN AIRPORTS COMMISSION  
 METROPOLITAN CABLE NETWORK  
 METROPOLITAN COUNCIL  
 METROPOLITAN COUNCIL TRANSIT OPS  
 METROPOLITAN LIBRARY SERVICE AGENCY  
 METROPOLITAN MOSQUITO CONTROL DISTRICT  
 METROPOLITAN SPORTS FACILITY COMMISSION  
 MIDDLE RIVER/SNAKE RIVER WD  
 MID-MINNESOTA DEVELOPMENT COMMISSION  
 MILLE LACS  
 MILLE LACS COUNTY SWCD  
 MINNEAPOLIS YOUTH COOR BOARD  
 MINNEHAHA CREEK WD  
 MINNESOTA COUNTIES COMPUTER COOPERATIVE  
 MINNESOTA COUNTIES INS TRUST  
 MINNESOTA MUNICIPAL UTILITY ASSOCIATION  
 MINNESOTA RIVER SOURCE JPB  
 MINNESOTA STATE SHERIFFS ASSOCIATION  
 MINNESOTA TEAMSTER PUBLIC & LAW #320  
 MINNESOTA VALLEY REGIONAL LIBRARY  
 MINNESOTA VALLEY TRANSIT AUTHORITY  
 MOOSE LAKE-WINDEMERE  
 MORRISON COUNTY SWCD

**MISCELLANEOUS**

- ADAMS HEALTH CARE CENTER  
 AFSCME COUNCIL 65  
 AITKIN COUNTY SWCD  
 ALEXANDRIA LAKE AREA SANITARY DISTRICT  
 ANOKA COUNTY SWCD  
 AREA II MINNESOTA RIVER BASIN PRODUCTS  
 ARROWHEAD LIBRARY SYSTEM  
 ARROWHEAD REGIONAL DEVELOPMENT COMMISSION  
 ASSOCIATION OF MINNESOTA COUNTIES  
 BATTLE LAKE AREA LANDFILL ASSOCIATION  
 BATTLE LAKE MOTOR PATROL ASSOCIATION  
 BECKER COUNTY SWCD  
 BELLE CREEK WATERSHED DISTRICT  
 BELTRAMI COUNTY SWCD  
 BENTON COUNTY SWCD  
 BIG STONE COUNTY SWCD  
 BLUE EARTH COUNTY SWCD

MOTOR PATROL ASSOCIATION  
 MOWER COUNTY SWCD  
 MULTI NURSING SERVICE  
 NEW RICHLAND CARE CENTER  
 NICOLLET TRI-CITY JOINT POWERS BD  
 NICOLLET COUNTY SWCD  
 NOBLESCOUNTY SWCD  
 NORMAN COUNTY SWCD  
 NORTH CENTRAL MINNESOTA COUNTY SWCD JPB  
 NORTH COUNTRY LIBRARY COOPERATIVE  
 NORTH COUNTRY VOCATIONAL COOP CENTER  
 NORTH FORK CROW RIVER WATERSHED DISTRICT  
 NORTH KITTSON RWS  
 NORTH METRO MAYORS ASSOCIATION  
 NORTH METROPOLITAN TELECOMMUNICATIONS  
 NORTH SHORE COLLABORATIVE JPB  
 NORTH ST LOUISCOUNTY SWCD  
 NORTH SUBURBAN CABLE COMMISSION  
 NORTHEAST MINNESOTA OFFICE JOB TRAINING  
 NORTHERN DAKOTA CABLE COMMISSION  
 NORTHERN LIGHTS LIBRARY NETWORK  
 NORTHWEST HENNEPIN HUMAN SERVICE  
 NORTHWEST REGIONAL DEVELOPMENT COMM  
 NORTHWEST SUBURBAN CABLE COMMUN COMM  
 NORTHWESTERN MINNESOTA JOINT POWER BOARD  
 OAK TERRACE NURSING HOME  
 OLMSTED COUNTY SWCD  
 OTTERTAIL WATER MANAGMENT DIST  
 PACT 4 FAMLIES COLLABORATIVE  
 PELICAN RIVER WD  
 PENNINGTON COUNTY SWCD  
 PENNINGTON-RED LAKE NURSING SERVI  
 PINE COUNTY SWCD  
 PINE RIVER SD  
 PINE TO PRAIRIE COOP CENTER  
 PIONEERLAND LIBRARY SYSTEM  
 PIPESTONE COUNTY SWCD  
 PLAINVIEW-ELGIN WATER DISTRICT  
 PLUM CREEK LIBRARY SYSTEM  
 POLICE DEPT OF SHERBURN AND WELCOME POPE COUNTY SWCD  
 PRAIRIE LAKES DETENTION CENTER  
 PRIME WEST HEALTH SYSTEM JPB  
 PRIOR LAKE-SPRING LAKE WD  
 PUBLIC EMPLOYEES RETIREMENT ASSOCIATION  
 QUAD CITY CABLE COMMISSION  
 QUAD CITY COOPERATIVE  
 RAINBOW RIDER TRANSIT BOARD  
 RAMSEY-WASHINGTON SUBURBAN CABLE COMM  
 RANGE ASSOCIATION OF MUNICIPALITIES  
 RED LAKE COUNTY SWCD  
 RED LAKE WD  
 RED RIVER VALLEY VOCATIONAL COOP CTNR  
 REDWOOD COUNTY SWCD  
 REDWOOD-COTTONWOOD RIVERS CONTROL AREA  
 REGION IX DEVELOPMENT COMMISSION  
 REGION V DEVELOPMENT COMMISSION  
 RENVILLE COUNTY SWCD  
 RICE COUNTY SWCD  
 RICE CREEK WD  
 RICE-STEELE CONSOLIDATED DISPATCH  
 RICH PRAIRIE SEWER AND WATER DISTRICT  
 ROCK RWS  
 ROSEAU  
 ROSEAU COUNTY SWCD  
 ROSEAU RIVER WATERSHED DISTRICT  
 RUNESTONE COOPERATIVE CENTER  
 RUSH LAKE AREA SD  
 SAND HILL RIVER WATERSHED DISTRICT  
 SAUK CENTRE WD  
 SCOTT COUNTY SWCD  
 SCOTT JOINT CITY PROSECUTION  
 SERPENT LAKE SANITARY SEWER DISTRICT  
 SERVICE EMPLOYEES LOCAL 63  
 SHERBURNE COUNTY SWCD  
 SIBLEY COUNTY SWCD  
 SOUTH CENTRAL MINNESOTA INTERLIBRARY EXC  
 SOUTH LAKE MINNETONKA POLICE DEPT  
 SOUTH ST LOUIS COUNTY SWCD  
 SOUTH WASHINGTON WATERSHED DISTRICT  
 SOUTHEASTCOUNTY SWCD TECH SUPPORT JPB  
 SOUTHERN MN -BASED PURCHASING JPB  
 SOUTHERN MN MUNICIPAL POWER AGENCY  
 SPRING GROVE AMBULANCE CORP  
 SPRING LAKE PARK BLAINE MOUNDS VIEW FIRE  
 SPRING LAKE PARK FIRE JPB  
 ST BONIF/MINNESTRISTA POLICE COMMISSION  
 ST CLOUD AREA PLAN ORGINIZATION  
 ST CLOUD METRO TRANSIT COMMISSION  
 ST LOUIS & LAKE REGIONAL RAILROAD  
 ST PAUL ARENA COMPANY  
 STATE SUPREME COURT JUDICIAL DISTRICT  
 STEARNS COUNTY SWCD  
 STEELE COUNTY SWCD  
 STEVENS COUNTY SWCD  
 STMA ARENA JPB  
 SUB SCH EMP #284  
 SUNNYSIDE NURSING HOME  
 SW MULTI-CO INTERLIB EXCHG  
 SW REGIONAL DEVEL COMM  
 SWIFT COUNTY SWCD  
 THE RURAL FIRE ASSOCIATION  
 TODD COUNTY SWCD  
 TOWNSHIP MAINTANCE ASSOCIATION  
 TRA EMPLOYER  
 TRAILBLAZER JOINT POWERS BOARD  
 TRAVERSE COUNTY SWCD  
 TRAVERSE DES SIOUX REGIONAL LIBRARY  
 TRI-CITY BIOSOLIDS DISPOSAL AUTHORITY  
 TSES PLANNING  
 TURTLE CREEK WD  
 TWO RIVER WATERSHED DISTRICT  
 UNITED AUTO WORKERS  
 UNIVERSITY OF MINNESOTA  
 UPPER MINNESOTA RIVER WD  
 UPPER MINNESOTA VALLEY REG DEVEL COMM  
 UTILITIES PLUS  
 VADNAIS LAKE AREA  
 VIKING LIBRARY SYSTEM  
 WABASHA COUNTY SWCD  
 WADENA COUNTY SWCD  
 WASECA COOPERATIVE CENTER  
 WASECA COUNTY SWCD  
 WASHINGTONCOUNTY SWCD  
 WATONWAN COUNTY SWCD  
 WEST CENTRAL AREA AGENCY ON AGING  
 WEST CENTRAL MINNESOTA JPB  
 WEST HENNEPIN PUBLIC SAFETY  
 WEST METRO FIRE-RESCUE DISTRICT  
 WEST COUNTY SWCD  
 WEST POLK COUNTY  
 WESTERN AREA CITY & COOPERATIVE  
 WESTERN LAKE SUPERIOR SANITARY DISTRICT  
 WHITEWATER WATERSHED PROJECT JPB  
 WILKIN COUNTY SWCD  
 WINONA COUNTY SWCD  
 WORTHINGTON CABLE 3 JOINT POWERS BOARD  
 WWWRRR  
 YELLOW MEDICINE COUNTY SWCD  
 YELLOW MEDICINE RIVER WD



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