



Comprehensive Annual Financial Report

For Fiscal Year Ended June 30, 2003

Public Employees
Retirement Association
of Minnesota

Public
Employees
Retirement
Association
of Minnesota

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2003

72
Years of
Service
to
Minnesota's
Public
Employees



Pension Trust Funds of the State of Minnesota

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Executive Director

Mary Most Vanek

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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, 2002

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.



President

Executive Director

GFOA

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 18th time in the last 19 years PERA has been so honored.

President's Report

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Employer Response Lines: 651-296-3636 or 1-888-892-7372
PERA Fax Number: 651-297-2547
PERA Website: www.mnpera.org



Terri Heaton
Board President

December 11, 2003

Dear Members, Annuitants, Beneficiaries and Governmental Employers:

This 72nd 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, 2003, PERA's net assets available for benefits at fair value exceeded \$12.6 billion. This reflects an annualized increase of approximately 8.5% over the past 10 years.

Fiscal year 2003 marked the third year in a row investment returns fell below our assumed earnings rate of 8.5 percent. The total rate of return for the assets of the active employees covered by PERA was 1.9 percent for the 12 months ended June 30, 2003. Over the past ten years these investments have had an annualized return of 8.4 percent, 0.2 percent above the return of the composite index.

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 annuitants. It also finances the annual post-retirement increases from investment earnings in excess of 6 percent. Since restructuring the fund 10 years ago, the MPRIF has outperformed the composite market return benchmark by three-tenths (0.3) of one percentage point, with an annualized return of 8.0 percent. This resulted in significant post-retirement increases over those years.

PERA's staff continues to do an outstanding job handling the additional work associated with local government budget cuts. As local governments trimmed staff this year, we received thousands of requests for information about early retirement, deferred retirement and refunds. Our counselors have been busier than ever meeting with members and identifying appropriate options.

The Board approved a new strategic plan this year that lays out our vision for the next three to five years. During this time we will invest in technology that will allow our members and employers to update their own information and receive accurate benefit information online. Knowing that members value discussing their retirement options directly with one of our counselors, we will also

invest in the communication infrastructure needed to handle the increased load we expect to see as baby boomers begin to retire. We believe these investments will allow us to continue providing excellent service with a streamlined staff.

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, annuitants, beneficiaries, employer units and the State of Minnesota. I believe our efforts over the past year have amply illustrated this continuing dedication as fiduciaries of the public employees retirement funds.

Terri Heaton

Terri Heaton
President
PERA Board of Trustees

Letter of Transmittal

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PERA Website: www.mnpera.org



Mary Most Vanek
Executive Director

December 9, 2003

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, 2003--our 72nd 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, and a description of the administrative organization and Board of Trustees.

Financial Section: Includes the basic financial statements, supplementary information, supporting schedules, management's discussion and analysis of PERA's financial activities, 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 investment 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, and results of the July 1, 2003 actuarial valuation.

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. This transmittal letter is designed to complement Management's Discussion and Analysis (MD&A) and should be read in conjunction with it. The MD&A begins on page 17 in the Financial Section of this report.

Letter of Transmittal

(Continued)

Plan Overview

PERA was established in 1931 by the Minnesota legislature. 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. The Plan is funded on an actuarial reserve basis, with money set aside for benefits while the benefits are being earned and before they are paid.

PERA serves over 2,000 separate local governmental entities. These participating employers include cities, counties, townships, and school districts located throughout the state. At June 30, 2003, PERA's membership included 153,169 current, active employees and 58,871 retirees and beneficiaries.

Accounting Systems and Reports

All financial statements are prepared in conformity with accounting principles generally accepted in the United States of America and reporting guidelines set forth by the Governmental Accounting Standards Board (GASB). This CAFR also complies 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. Contributions from employers and members are recognized as revenue when earned, regardless of the date of collection. Expenses are recorded when corresponding liabilities are incurred, regardless of when the payment is made.

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 have audited the accompanying financial statements and reviewed our internal control structure. They reported no material weaknesses in our internal controls. Management believes that an adequate system of internal control is in place and that the accompanying statements, schedules and tables are fairly presented.

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 invest-

ments 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 Tim Pawlenty; State Auditor Patricia Awada; 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 three committees organized around broad investment subjects relevant to the board's decision making: asset allocation, stock and bond 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.

Active Funds

Pension assets of the currently working members of the Association 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 statewide 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, 2003, the Basic Retirement Funds produced a 1.9 percent rate of return on active member assets.

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

Fair Value of Investments, June 30, 2003 (in thousands)

Fund	Active Members	Retired Members
PERF	\$4,281,762	\$4,590,235
PEPFF	2,107,237	1,627,904
PECF	49,987	1,028
Totals	\$6,438,986	\$6,219,167

weighted to reflect the long-term asset allocation policy over a ten-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' ten-year annualized rate of return at June 30, 2003 was 8.4 percent, above its target index of 8.2 percent.

Post Retirement Investment Fund

The SBI also 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 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 (table on page 6) 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, 2003, approximately 66 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 ten-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 ten-year period ending June 30, 2003, the MPRIF outperformed its composite index by three-tenths of one percent with an annualized return of 8.0 percent.

This is the ninth year of experience using the new asset allocation and formula for determining annual benefit increases. Benefit increases are granted based on two components: an inflation component and an investment component. This year the MPRIF will provide a benefit increase of 2.103%, payable January 1, 2004.

- Inflation adjustment of 2.103%. This equals 100 percent of the reported Consumer Price Index for wage earners (CPI-W) for the 12 months ended June 30, 2003 with a 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. This inflation

component is always granted, regardless of investment performance.

- Investment adjustment of 0%. 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. Since investment returns have been below 8.5 percent for three years in a row, there are no excess investment gains to apply toward a benefit increase. In fact, accumulated investment losses now exceed \$5 billion and must be recovered before any future investment adjustment is given.

Over the last 9 years (including this year), annual benefit increases have averaged 6.6 percent while inflation has averaged 2.3 percent.

Economic Conditions and Outlook

Though the economic recession we entered in March 2001 was officially over by November 2001, the jobless recovery has proven to be slow. More than 1 million jobs have been lost since the recession ended, adding to the 2.1 million private sector jobs that were lost during the recession—the largest job loss since the 1930's. At the end of fiscal year 2003 there were 9.4 million people unemployed. The unemployment rate increased from 5.9 percent in June 2002 to 6.4 percent in June 2003. In 2002 the poverty rate rose from 11.7 percent to 12.1 percent and personal income growth slowed to 1.7 percent, the weakest growth since the trough of the 1990-91 recession. The war in Iraq, which began in the spring of 2003, added uncertainty to an already nervous market. The S&P 500 fell to its lowest levels since 1997 as the war began.

There were some positive economic signs, however. Median household income rose slightly to over \$43,000 in 2002. Interest rates remained low. The Fed Funds rate was targeted at 1 percent by June 2003, the lowest level in 45 years. Mortgage rates fell to all-time lows during the year, extending a housing market boom for yet another year. Because of the low rates, consumers continued to spend money on durable goods. The Federal government cut personal income tax rates and mailed "rebate" checks to millions of families during the summer of 2003. GDP, which had slowed considerably in 2001 to 0.3 percent, rose almost 2.5 percent in 2002 and showed signs of continuing to grow in 2003.

Letter of Transmittal

(Continued)

The stock market, finally believing that the worst was behind us, began to respond. The Basic Retirement Fund and the MPRIF had annualized rates of return of 1.9 percent and 2.8 percent respectively in fiscal year 2003.

Minnesota's economy was affected by the recession and slow recovery, but continued to outperform the nation with 4.5 percent unemployment at the end of the fiscal year. A total of 64,000 jobs have been lost since March 2001. Most of those jobs were lost in the manufacturing sector, although government jobs fell by 7,700 between the months of May and July 2003 as the State of Minnesota dealt with a \$4 billion budget deficit and local governments dealt with resulting cuts in state aid. Minnesota had a greater share of the total population in the labor force than any other state. The overall labor force participation rate in Minnesota was 73.2 percent compared to 66.2 percent for the nation. In 2002 median household income in Minnesota was \$49,352, the 10th best in the country. Per capita personal income was \$34,071, the 7th best in the country. The median price of a home in Minnesota increased 11 percent during the fiscal year, creating additional wealth for homeowners.

The economic outlook for Minnesota and the rest of the country is positive. Interest rates remain very low; inflation remains in check; business profits are rising and now stand nearly 20 percent above their trough in mid-2001; business inventories are down; the government continues to pump money into the economy; a weaker dollar means our exports will be more competitively priced globally; and foreign economies appear to be emerging from recessions as well. Stock markets are rebounding as companies begin to have positive earnings reports, and we hope to finally see rates of return at least equal to our 8.5 percent assumed rate of return in fiscal year 2004.

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, subd. 4(g), requires that the PECF be fully funded by the year 2023.

Legislation enacted in 2001 changed the amortization period for the PERF. The full funding target date was

extended from FY2020 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.

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 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 30. This report shows the funding levels using the entry age normal actuarial cost method. At the end of fiscal year 2003, the ratio of assets to liabilities of the PERF was 81.27 percent. For the PEPFF and the PECF, the ratios were 107.35 percent and 90.32 percent, respectively.

Association's Status Report

"*Connecting with Members & Employers*," the operating theme for Fiscal Year 2003, was the focus of the strategic plan developed by PERA's management team and approved by the Board of Trustees this fiscal year. The management team spent many hours between September 2002 and April 2003 reviewing a variety of ideas brought forward by staff to enhance our delivery of service to PERA's members and participating employers.

While the planning activities were underway, work had already begun on developing a web-based tool to allow participating employers to enroll their eligible employees into PERA's plans. Of utmost concern to us was the security of the system. Many hours were spent ensuring that adequate security measures and firewalls protecting our data were in place before we rolled out the system to allow member data to be reported to us via the Internet. The initial phase of the web-based reporting tool for employers has been very successful, and we will be reporting in the coming years on further development and implementation phases for making more reporting functions available.

PERA is fortunate to have an outstanding information systems development staff. The success of many of the projects undertaken by PERA's information systems team depends on the technical professionals understanding the business needs. Staff were trained and mentored on a new project methodology that has enabled many of the "business rules" applied in administering the plans to be thoroughly documented and recorded within the design of anything we are now undertaking to develop and enhance our systems. We are confident that this will ensure higher quality operating systems that will enable better service delivery to employers and members.

The Board spent a considerable amount of time in Fiscal Year 2003 reviewing and gaining an understanding of the results of an experience study of the Public Employees Police and Fire Fund. We were aware that

there have been many more early retirement and disability benefits approved for members of the PEPFF, but we had no way of determining the significance of the increased number of these types of benefits without a study by our actuarial consultant. The results of the study indicated a need to change some of the assumptions about the PEPFF, which are reflected in the overall funding status reported for Fiscal Year 2003.

With the budget cutbacks at the local government level, many PERA members decided to take a closer look at the option of retiring earlier than they may have otherwise intended. Some early retirement incentives offered by individual local governmental entities had a direct impact on the work of the Association—not through benefit enhancements, but through the need to quickly respond to counseling members expected to make retirement-lifetime decisions in a relatively short amount of time. Staff accommodated more counseling sessions in January 2003 than ever experienced in PERA's history for that time of the year. There are many more improvements underway at PERA to enable us to thoroughly respond to the information needs of our members. The PERA staff is a mirror image of the Association's membership, with many long-service staff who, like other baby-boomers, will be eligible to retire within the next several years. We are working hard to transfer their knowledge about the history and administration of PERA's benefit plans to others so that the high quality of carrying out the work of the Association continues for years to come. We are confident our members will continue to receive the highest quality services that they can value and trust for many years.

Professional Services

The FY02 actuarial valuation of the PERA defined benefit plans was conducted by Milliman USA, and completed in November 2002. Actuarial consulting services during the fiscal year were provided by Mercer Human Resources. In addition to providing a thorough review of Milliman's FY02 actuarial valuation, Mercer also developed cost estimates for a variety of legislative proposals. Board elections, which are held every four years, were handled by Survey & Ballot Systems. Benefacts, Inc. handled the production and mailing of our annual Pension Benefit Statements.

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. Finally, the State's Legislative Auditor continued to provide professional financial auditing services. The comments of the Legislative Auditor are found on page 16 of this report.

Membership Report

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.

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, 2002. PERA has received this honor for 18 of the last 19 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 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,

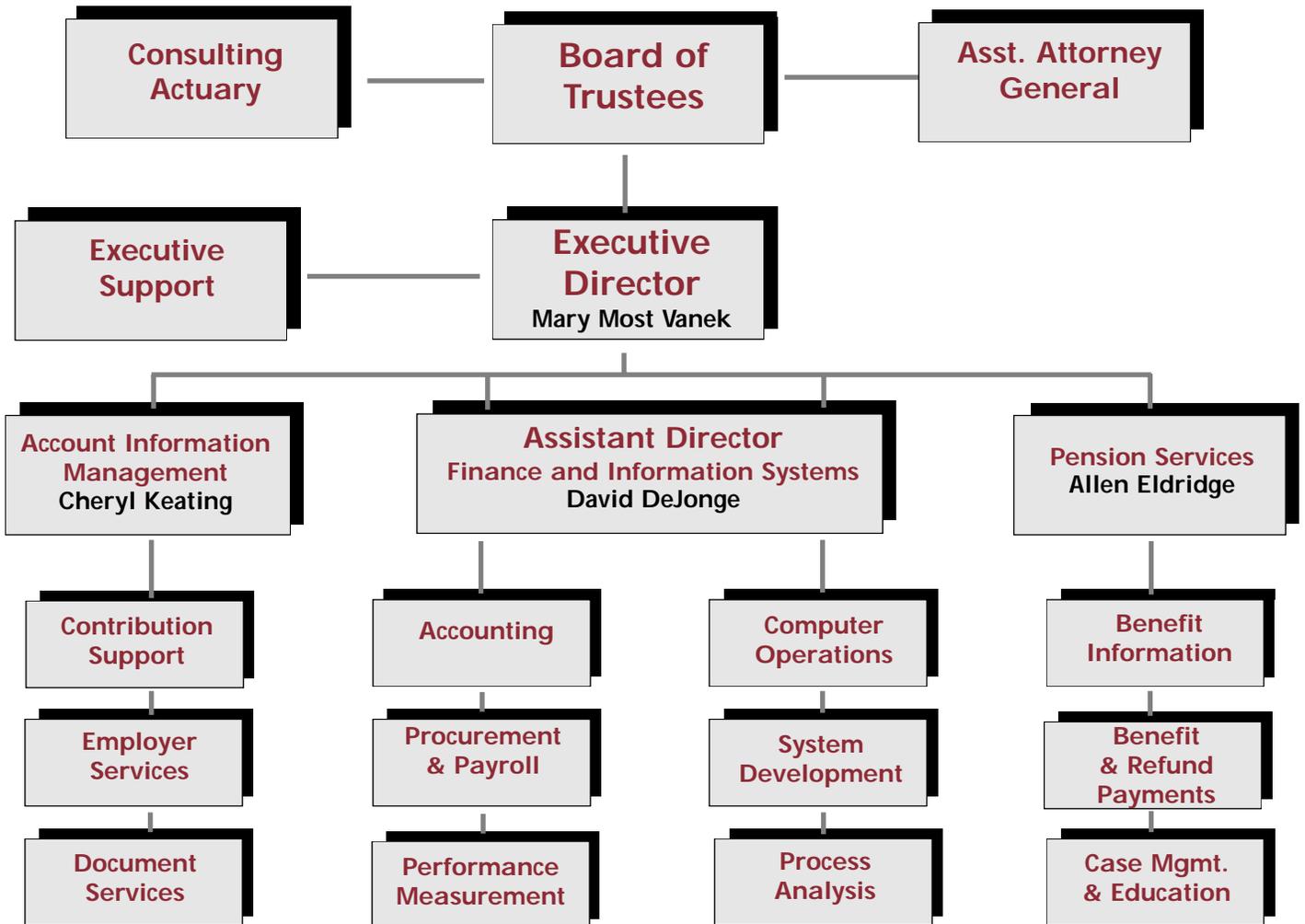


Mary Most Vanek
Executive Director



David DeJonge
Assistant Executive Director,
Finance and IS

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 will provide on-demand access to reliable pension information and superior customer service.

Board of Trustees

Board President



Terri Heaton
Cities Representative
85 7th Place E., Suite 100
St. Paul, Minnesota 55101

Board Vice President



Dawn M. Hulmer
General Membership Representative
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The PERA Board consists of 11 trustees as follows: The State Auditor is a trustee by virtue of office. The governor appoints five trustees to represent counties, cities, school boards, retired annuitants, and the general public. PERA active members elect five representatives—three general membership, one retiree/disabilitant, and one Police and Fire trustee—to serve four-year terms.

Retirement System Plan Summary

Public Employees Retirement Association of Minnesota

Note:

* PERA's Basic Plan was closed to new membership in 1968 with the creation of the Coordinated Plan. At that time, Basic members had the option of remaining in that plan or transferring to the new Coordinated Plan. Because of its closure 35 years ago, only about 100 Basic members remain active public employees.

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.

PERA's 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. Members elected their current representatives this past January.

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**, established in 1959 for police officers and firefighters not covered by a local relief association, now encompasses all paid 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.

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, 2003. Rates are applied to total salary and are set by statute.

<u>Fund</u>	<u>Employee Contribution</u>	<u>Employer Contribution</u>
Public Employees Retirement Fund		
Coordinated	5.10%	5.53%
Basic	9.10%	11.78%
Public Employees Police and Fire Fund	6.20%	9.30%
Local Government Correctional Fund	5.83%	8.75%
Defined Contribution Plan	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.

Credited Service and Salary

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. Salary used in retirement and disability benefit calculations is the average monthly salary over an individual's highest-paid 60 consecutive months of public service, or all months of service if less than 60.

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). Members hired prior to July 1, 1989 receive the higher of the two calcu-

lated amounts. Only Method 2 is used for members hired after June 30, 1989.

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 full retirement age.

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

Note:

* Under legislation enacted in 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 began after June 30, 2002.

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

Summary

(Continued)

Note:

* 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.

** Since most Correctional Plan members were previously members of PERA's Coordinated Plan, they may 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. 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.

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.

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.

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 of 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. However, a refund may not be elected if there are dependent children who are eligible for benefits.

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.

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

We have audited the accompanying basic financial statements of the Public Employees Retirement Association of Minnesota (PERA) as of and for the year ended June 30, 2003, 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 as of June 30, 2003, and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis on pages 17 to 19 and the other required supplementary information on pages 30 to 32 are not a required part of PERA's basic financial statements, but are supplementary information required by generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise PERA's basic financial statements. The accompanying financial information listed as supporting schedules in the Table of Contents 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

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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 them.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 5, 2003, 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 5, 2003

Management Discussion and Analysis

As management of Minnesota's Public Employees Retirement Association (PERA), we present this discussion and analysis of the financial activities for the year ended June 30, 2003 (FY03). This narrative is intended to supplement the financial statements which follow this discussion, and should be read in conjunction with the transmittal letter, which begins on page 5 of this annual report.

Overview of the Financial Statements

This Comprehensive Annual Financial Report (CAFR) contains two basic financial statements: the Statement of Plan Net Assets and the Statement of Changes in Plan Net Assets. These financial statements, in conjunction with the accompanying Notes to the Financial Statements, report information about PERA's financial condition in an attempt to answer the question: "Is PERA better off or worse off as a result of this year's activities?" These statements are prepared using the accrual basis of accounting as is required by generally accepted accounting principles laid out in statements issued by the Government Accounting Standards Board (GASB).

The Statement of Plan Net Assets provides a snapshot of account balances at year-end. It reports the assets available for future payments to benefit recipients, along with any liabilities that are owed as of the statement date. The difference between assets and liabilities, called "Net Assets," represents the value of assets held in trust for future benefit payments. Over time, increases and decreases in Net Assets can be one measurement of whether PERA's financial position is increasing or decreasing.

The Statement of Changes in Plan Net Assets, on the other hand, shows additions and deductions to Net Assets during the year. The increase or decrease in Net Assets reflects the change in Net Assets found on the Statement of Plan Net Assets from the prior year to the current year.

The Notes to the Financial Statements are an integral part of the financial statements and provide additional information that is essential for a comprehensive understanding of the data provided in the financial statements. The Notes describe the accounting and administrative policies under which PERA operates, and provide additional levels of detail for selected financial statement items.

These financial statements should be reviewed along with the Schedule of Funding Progress and Schedule of Employer Contributions to determine whether PERA is becoming financially stronger or weaker over time. PERA's funding objective is to meet long-term benefit obligations through contributions received and the income derived by investing those contributions during

the working career of our members. These two schedules, created by an actuary, show the ratio of the actuarial value of assets to the actuarial accrued liability, and to what extent contributions needed to fully fund the plan are being received.

Financial Highlights

- ▶ PERA's Net Assets decreased during the year from \$12.7 billion in 2002 to \$12.6 billion in FY03.
- ▶ Total additions for FY03 were 816,307,000 comprised of contributions of \$531,593,000, investment income of \$277,813,000 and other income of \$6,901,000. Total additions for fiscal year 2002 were (\$552,158,000).
- ▶ Total deductions for the year increased from \$885,222,000 in fiscal year 2002 to \$922,005,000 due to pension benefit increases.
- ▶ Total administrative expenses decreased in FY03 to \$9,539,000, which equaled 7/100 of 1 percent of Net Assets.
- ▶ As of June 30, 2003 the Public Employees Retirement Fund is actuarially funded at 81.27%. PERA's Police and Fire Fund is actuarially funded at 107.35%, and PERA's Correctional Fund is 90.32% funded.

Financial Analysis of PERA's Funds

PERA is the administrator of three defined benefit plans and one defined contribution plan. In a defined benefit plan, pension benefits are determined by a member's salary and credited years of service, regardless of contribution amounts and investment returns for those contributions over the working career of a member. PERA administers three such plans: the Public Employees Retirement Fund (PERF), the Public Employees Police and Fire Fund (PEPFF), and the Public Employees Local Government Correctional Services Retirement Fund (which we call the Public Employees Correctional Fund or PECF). In a defined contribution plan, pension benefits are determined by contributions made to a member's account and investment returns for those contributions. PERA administers one such plan: the Public Employees Defined Contribution Plan (PEDCP).

Discussion and Analysis

(Continued)

PERF

Total assets as of June 30, 2003 were \$9.6 billion in the PERF, a decrease of \$75 million or 0.7 percent from the prior year. The decrease is due to weak investment earnings coupled with an increase in benefits being paid out. Total liabilities as of June 30, 2003 were \$767 million, a decrease of \$13 million or 2 percent from the prior year. Total net assets, the difference between total assets and total liabilities, decreased about \$61 million or roughly 0.6 percent from the prior year.

As a mature fund, the PERF relies heavily on investment earnings to help pay benefits. Contributions coming into the fund are not enough to cover cash leaving the fund (i.e. benefits, refunds and administrative expenses). This year we received roughly \$427 million in contributions, but spent \$693 million in benefits, refunds and administrative costs. Investment gains of \$200 million were not quite enough to cover the difference, so our net assets decreased during the year.

Additions to Plan Net Assets

The reserves needed to finance retirement are accumulated through the collection of member and employer contributions and through earnings on investments. Contributions and net investment income for FY03 totaled \$631,030,000.

Employer and member contributions each increased from the previous year by \$14 million, largely due to an increase in salaries. Average earnings per active member rose from \$27,050 to \$28,398 in fiscal year 2003. Net investment income in FY03 totaled \$200 million, the first year we have had positive investment income since fiscal year 2000. The Investment Section of this report reviews results of investment activity for 2003.

Deductions from Plan Net Assets

The largest deduction was for retirement benefits to members and beneficiaries. Total benefits increased 3.4 percent to \$664 million in FY03. The increase in benefits resulted from an increase in the

number of benefit recipients and a 0.745 percent cost of living increase for most retirees effective January 1, 2003. The amount of refunds increased \$2 million in FY03 due to more people taking refunds. Administrative expenses decreased in FY03.

Overall Financial Position

Despite two years of a declining stock market, the PERF is still 81.3% funded. In general, this indicates that for every dollar of benefits we expect to pay out, we already have 81 cents in our reserves to cover it. Since we smooth investment gains and losses over 5 years for actuarial purposes, however, much of the investment loss is yet to be recognized in our actuarial funding ratio. Our actuary also tells us that our contributions are not sufficient to get the plan 100% funded by July 1, 2031 as is required by law.

PEPFF

Total assets as of June 30, 2003 were \$4.06 billion in the Public Employees Police and Fire Fund, a decrease of \$20 million or 0.5 percent from the prior year. The decrease is due to weak investment earnings that did not cover increased benefits. Total liabilities as of June 30, 2003 were \$354 million, an increase of \$40 million or 13 percent from the prior year due to an accounts payable to the Post Retirement Investment Fund to cover the cost of new actuarial assumptions. Total net assets, the difference between total assets and total liabilities, decreased \$62 million or roughly 1.6 percent from the prior year.

Additions to Plan Net Assets

Contributions and net investment income for FY03 totaled \$165 million. Total employer contributions decreased from the previous year by \$40 million because in fiscal year 2002 we recognized as contributions future payments some municipalities will be paying to cover unfunded actuarial accrued liabilities they had when their consolidated police or fire unit was closed and assets were transferred to the PEPFF in 1999, in accordance with GASB 25.

Net Assets— Defined Benefit Plans (Dollars in Thousands)

	PERF		PEPFF		PECF	
	2003	2002	2003	2002	2003	2002
Assets						
Cash and Receivables	\$ 9,352	\$ 17,253	\$ 33,821	\$ 80,053	\$ 352	\$ 486
Investments	8,871,997	8,893,638	3,735,141	3,692,159	51,015	34,645
Securities Lending Collateral	709,423	754,199	292,843	310,341	3,931	1,649
Capital Assets and Other	12,692	13,267	-	-	-	-
Total Assets	\$9,603,464	\$9,678,357	\$4,061,805	\$4,082,553	\$55,298	\$36,780
Liabilities						
Accounts Payable	\$ 46,382	\$ 14,720	\$ 60,942	\$ 2,205	\$ 167	\$ 284
Accrued Compensated Absences	676	603	-	-	-	-
Securities Lending Collateral	709,423	754,199	292,843	310,341	3,931	1,649
Bonds Payable	11,194	11,373	-	-	-	-
Total Liabilities	\$ 767,675	\$ 780,895	\$ 353,785	\$ 312,546	\$ 4,098	\$ 1,933
Total Net Assets	<u>\$8,835,789</u>	<u>\$8,897,462</u>	<u>\$3,708,020</u>	<u>\$3,770,007</u>	<u>\$51,200</u>	<u>\$34,847</u>

Member contributions increased \$1 million, largely due to an increase in salaries. Average earnings per active member rose from \$51,162 to \$54,939 in fiscal year 2003, an increase of over 7 percent. Net investment income in FY03 totaled \$76 million, an increase of \$404 million from the loss experienced in fiscal year 2002. The Investment Section of this report reviews results of investment activity for 2003.

Deductions from Plan Net Assets

The largest deduction was for retirement benefits to members and beneficiaries. Total benefits increased 6 percent to \$225 million in FY03. The increase in benefits resulted from an increase in the number of benefit recipients (especially disabilitants) and a 0.745 percent cost of living increase for most retirees effective January 1, 2003. The amount of refunds decreased \$68,000 in FY03 to \$643,000.

Overall Financial Position

The Police and Fire Plan was 107.35% funded as of July 1, 2003. The plan has been more than 100% funded since 1989, despite large benefit increases over the past several years. This year we strengthened several actuarial assumptions based on an experience study we conducted during the fiscal year. The change increased our actuarial liability by over \$250 million and, coupled with poor investment returns the past 3 years, created a 4 percent contribution deficiency that will need to be addressed in future years or the plan will become underfunded.

PECF

In the Public Employees Correctional Fund, total assets as of June 30, 2003 were \$55 million, an increase of \$18.5 million from the prior year. A new fund, the PECF has few assets invested in the stock market and brings in more cash through contributions than it spends paying benefits and refunds. Total liabilities as of June 30, 2003 were \$4.1 million, an increase of \$2.1 million from the prior year, due to

more securities being loaned out at year end. Total net assets, the difference between total assets and total liabilities, increased \$16.3 million in fiscal year 2003.

Additions to Plan Net Assets

Contributions and net investment income for FY03 totaled \$17 million. Employer and member contributions increased roughly 9% to \$9.6 million and \$6.4 million respectively, due to large salary increases. Net investment income in FY03 totaled \$1.4 million, an increase of over \$3.6 million from a \$2.2 million loss in fiscal year 2002. The Investment Section of this report reviews results of investment activity for 2003.

Deductions from Plan Net Assets

Expenses for this plan are still quite small. Retirement benefits increased 65% from \$338,000 in fiscal year 2002 to \$559,000 in FY03 as more members became eligible to retire. Refunds increased 50% to \$409,000. Administrative expenses increased \$12,000 and represent less than three-tenths of one percent of total net assets.

Overall Financial Position

The Public Employees Correctional Fund is 90.3% funded. With only four years of experience it is difficult to know if our long-term assumptions are accurate, but we believe contribution levels are sufficient to fully fund this plan within the next 20 years.

Agency Summary

PERA's combined net assets have increased consistently over the last three decades, with the exception of the economic downturn of the last three years. We believe the current financial position will improve as the economy turns around and markets provide more normal returns.

This financial report is designed to provide a general overview of PERA's finances. Questions concerning any of the information provided in this report or requests for

additional financial information should be addressed to PERA at 60 Empire Drive, Suite 200 in St. Paul, Minnesota 55103-2088.

Changes in Net Assets— Defined Benefit Plan Funds (Dollars in Thousands)

	PERF		PEPFF		PECF	
	2003	2002	2003	2002	2003	2002
Additions						
Employer Contributions	\$ 221,689	\$ 206,982	\$ 50,917	\$ 90,664	\$ 9,645	\$ 8,830
Member Contributions	205,963	191,422	34,751	33,801	6,430	5,882
Investment Income (Loss)	199,769	(765,319)	76,117	(328,160)	1,386	(2,290)
Other	3,609	3,692	3,281	1,937	11	12
Total Additions	\$631,030	\$ (363,223)	\$165,066	\$(201,758)	\$17,472	\$12,434
Deductions						
Retirement Benefits	\$ 664,459	\$ 642,088	\$ 225,434	\$ 212,405	\$ 559	\$ 338
Refund of Contributions	18,242	16,267	643	711	409	272
Administrative Expenses	8,628	8,680	675	647	149	137
Other	1,374	2,356	301	255	2	1
Total Deductions	\$692,703	\$ 669,391	\$227,053	\$ 214,018	\$ 1,119	\$ 748
Increase (Decrease) in Net Assets	<u>\$(61,673)</u>	<u>\$(1,032,614)</u>	<u>\$(61,987)</u>	<u>\$(415,776)</u>	<u>\$16,353</u>	<u>\$11,686</u>

Financial Section

Statement of Plan Net Assets

As of June 30, 2003 (in thousands)

	Defined Benefit Funds				Total
	Public Employees Retirement Fund	Public Employees Police and Fire Fund	Public Employees Correctional Fund	Public Employees Defined Contribution Plan	
Assets					
Cash	\$ 1,118	\$ 555	\$ 201	\$ 22	\$ 1,896
Receivables					
Accounts Receivable	\$ 7,244	\$ 33,225	\$ 145	\$ 61	\$ 40,675
Due from Other Funds	990	41	6	0	1,037
Total Receivables	\$ 8,234	\$ 33,266	\$ 151	\$ 61	\$ 41,712
Investments at fair value					
Equity in Minnesota Post Retirement Investment Fund	\$4,590,235	\$1,627,904	\$ 1,028	\$ 0	\$ 6,219,167
External Domestic Equity	1,429,102	702,495	16,224		2,147,821
Fixed Income	1,004,999	494,455	11,407		1,510,861
Global Equity	616,764	303,118	7,002		926,884
Passive Domestic Equity	615,026	302,709	6,979		924,714
Venture Capital	365,105	180,163	4,141		549,409
Real Estate	152,779	75,398	1,733		229,910
Resources	67,941	33,528	770		102,239
Short-Term Cash Equivalent	30,046	15,371	1,731	271	47,419
Investments for Defined Contrib.	0	0	0	17,137	17,137
Total Investments	\$8,871,997	\$3,735,141	\$51,015	\$17,408	\$12,675,561
Securities Lending Collateral	\$ 709,423	\$ 292,843	\$ 3,931	\$ 797	\$ 1,006,994
Capital Assets					
Equipment Net of Accumulated Depreciation	\$ 1,228	\$ 0	\$ 0	\$ 0	\$ 1,228
Property Net of Accumulated Depreciation	11,314	0	0	0	11,314
Total Capital Assets	\$ 12,542	\$ 0	\$ 0	\$ 0	\$ 12,542
Prepaid Expenses	\$ 15	\$ 0	\$ 0	\$ 0	\$ 15
Deferred Bond Charges	\$ 135	\$ 0	\$ 0	\$ 0	\$ 135
Total Assets	\$9,603,464	\$4,061,805	\$55,298	\$18,288	\$13,738,855
Liabilities					
Accounts Payable	\$ 46,335	\$ 60,190	\$ 18	\$ 0	\$ 106,543
Payable to Other Funds	\$ 47	\$ 752	\$ 149	\$ 89	\$ 1,037
Securities Lending Collateral	\$ 709,423	\$ 292,843	\$ 3,931	\$ 797	\$ 1,006,994
Accrued Compensated Absences	\$ 676	\$ 0	\$ 0	\$ 0	\$ 676
Bonds Payable	\$ 11,194	\$ 0	\$ 0	\$ 0	\$ 11,194
Total Liabilities	\$ 767,675	\$ 353,785	\$ 4,098	\$ 886	\$ 1,126,444
Net Assets held in trust for Pension Benefits	\$8,835,789	\$3,708,020	\$51,200	\$17,402	\$12,612,411

(A schedule of funding progress for each plan is presented on page 30.)

Statement of Changes in Plan Net Assets

For the Fiscal Year Ended June 30, 2003 (in thousands)

	<u>Public Employees Retirement Fund</u>	<u>Public Employees Police and Fire Fund</u>	<u>Public Employees Correctional Fund</u>	<u>Public Employees Defined Contribution Plan</u>	<u>Total</u>
<u>Additions</u>					
Contributions					
Employer	\$ 221,689	\$ 50,917	\$ 9,645	\$ 1,155	\$ 283,406
Plan member	<u>205,963</u>	<u>34,751</u>	<u>6,430</u>	<u>1,043</u>	<u>248,187</u>
Total Contributions	\$ 427,652	\$ 85,668	\$16,075	\$ 2,198	\$ 531,593
Investments					
Net appreciation (depreciation) in fair value	\$ (284,280)	\$ (104,927)	\$ 389	\$ 445	\$ (388,373)
Interest	54,738	27,353	587	92	82,770
Dividends	46,848	23,697	403	0	70,948
Distributed income of the Minnesota Post Retirement Investment Fund	<u>390,987</u>	<u>133,538</u>	<u>44</u>	<u>0</u>	<u>524,569</u>
Total investment activity Income	\$ 208,293	\$ 79,661	\$ 1,423	\$ 537	\$ 289,914
Less investment expense	<u>12,031</u>	<u>4,993</u>	<u>57</u>	<u>0</u>	<u>17,081</u>
Net income from investment activity	\$ 196,262	\$ 74,668	\$ 1,366	\$ 537	\$ 272,833
From securities lending activities:					
Securities lending income	\$ 13,572	\$ 5,598	\$ 76	\$ 16	\$ 19,262
Securities lending expenses:					
Borrower rebates	(8,871)	(3,655)	(49)	(11)	(12,586)
Management fees	<u>(1,194)</u>	<u>(494)</u>	<u>(7)</u>	<u>(1)</u>	<u>(1,696)</u>
Net income from securities lending	\$ 3,507	\$ 1,449	\$ 20	\$ 4	\$ 4,980
Total Net Investment Income	\$ 199,769	\$ 76,117	\$ 1,386	\$ 541	\$ 277,813
Other additions	\$ 3,609	\$ 3,281	\$ 11	\$ 0	\$ 6,901
Total Additions	\$ 631,030	\$ 165,066	\$17,472	\$ 2,739	\$ 816,307
<u>Deductions</u>					
Benefits	\$ 664,459	\$ 225,434	\$ 559	\$ 0	\$ 890,452
Refunds of contributions	18,242	643	409	1,043	20,337
Administrative expenses	8,628	675	149	87	9,539
Other deductions	<u>1,374</u>	<u>301</u>	<u>2</u>	<u>0</u>	<u>1,677</u>
Total Deductions	\$ 692,703	\$ 227,053	\$ 1,119	\$ 1,130	\$ 922,005
Net Increase (Decrease)	\$ (61,673)	\$ (61,987)	\$16,353	\$ 1,609	\$ (105,698)

Net assets held in trust for pension benefits

Beginning of year	<u>\$ 8,897,462</u>	<u>\$3,770,007</u>	<u>\$34,847</u>	<u>\$15,793</u>	<u>\$12,718,109</u>
End of year	<u>\$ 8,835,789</u>	<u>\$3,708,020</u>	<u>\$51,200</u>	<u>\$17,402</u>	<u>\$12,612,411</u>

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

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2003

A. PLAN DESCRIPTION

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, 2003, there were 6,209 members in the plan.

Shown in **Figure 1** below are the membership totals in the PERA defined benefit plans as of June 30, 2003.

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

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

Plan Participation
(Total Membership)

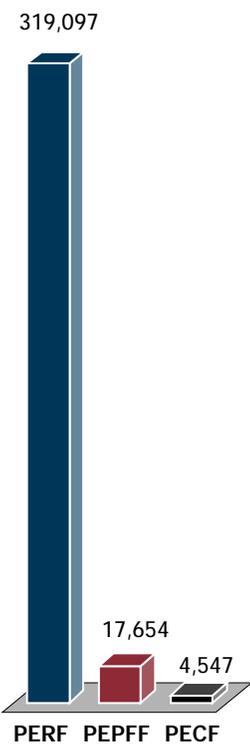


Fig. 1 PERA Membership— Defined Benefit Plans

	PERF	PEPFF	PECF	Total
Retirees and beneficiaries receiving benefits	52,563	6,208	100	58,871
Terminated employees entitled to benefits/refunds but not yet receiving them:				
Vested	32,128	758	590	33,476
Non-Vested	94,340	740	702	95,782
Current, active employees:				
Vested	99,473	8,317	2,075	109,865
Non-Vested	40,593	1,631	1,080	43,304
Total	319,097	17,654	4,547	341,298

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.

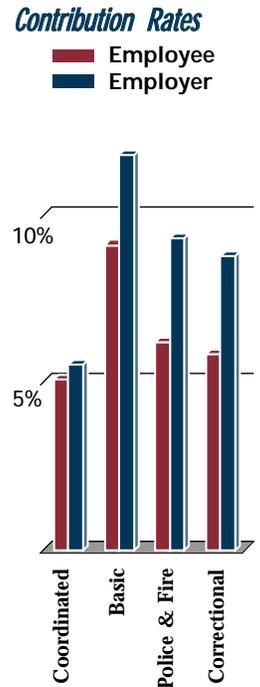
The benefit provisions stated in the preceding paragraphs of this section are current provisions and apply to active plan participants. Vested, terminated employees who are entitled to benefits but are not receiving them yet are bound by the provisions in effect at the time they last terminated their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

- b) Pension benefits are funded from member and employer contributions and income from the investment of fund assets. 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.

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 6/30/03

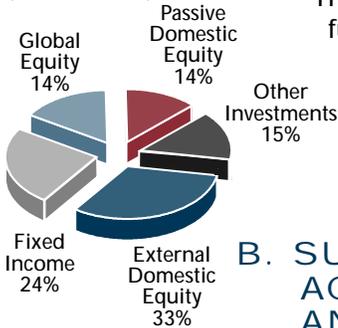
	Employee	Employer	Additional Employer
<i>Public Employees Retirement Fund:</i>			
Basic Plan	9.10%	9.10%	2.68%
Coordinated Plan	5.10%	5.10%	0.43%
<i>Public Employees Police & Fire Fund</i>	6.20%	9.30%	n/a
<i>Public Employees Correctional Fund</i>	5.83%	8.75%	n/a

Notes

(Continued)

Active Funds Pooled Accounts

(Portfolio Allocation)



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. Obligations under the plan include an amount payable to other funds of \$87,000 to cover administrative expenses that were paid during the year by the PERF.

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.

PERA adopted the provisions of GASB 38, paragraphs 12-15, this year.

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 the State Board of Investment

(SBI). As of June 30, 2003, the participation shares in the pooled accounts at fair value, excluding the Minnesota Post Retirement Investment Fund (MPRIF), totaled 25.47 percent for the PERF, 12.53 percent for the PEPFF and 0.29 percent for the PECF. The funds' shares of net assets of the Minnesota Post Retirement Investment Fund, at fair value, totaled 27.63 percent, 9.53 percent and 0.006 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

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.

Fig 3. PERA Investments— All Funds (in thousands)

	Cost June 30, 2003	Fair Value June 30, 2003
Pooled Accounts		
External Domestic Equity	\$2,403,034	\$2,147,821
Fixed Income	1,502,061	1,510,861
Global Equity	1,066,746	926,884
Passive Domestic Equity	1,003,864	924,714
Venture Capital	723,041	549,409
Real Estate	194,823	229,910
Resources	104,707	102,239
Total Pooled Accounts	\$6,998,276	\$6,391,838
Short Term Pooled Cash	\$ 47,148	\$ 47,148
Post Retirement Investment Account	\$8,104,351	\$6,219,167
Cash and Investments for Deferred Comp. Benefits	\$ 17,408	\$ 17,408
Totals	<u>\$15,167,183</u>	<u>\$12,675,561</u>

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 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) In accordance with Minnesota Statutes, SBI has the authority to enter into, and has entered into, derivative transactions including put and call options and future contracts traded on a contract market regulated by a governmental agency or by a financial institution regulated by a governmental agency. Any agreements for put and call options and futures contracts may only be entered into with a fully offsetting amount of cash or security. As of June 30, 2003, PERA's exposure to market risk is minimal.
- e) 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 specific investments owned by the pooled accounts can be obtained from the Minnesota State Board of Investment at the Retirement Systems of Minnesota Building, 60 Empire Drive, Suite 355, 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. **Figure 3** provides a summary of cost and fair values of the investments as of June 30, 2003 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. Investments that do not have an established market are reported at estimated fair value.
- 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 \$12,031,000 for PERF, \$4,993,000 for PEPFF, and \$57,000 for PECF. Information on fees, commissions, and brokerage firms can be obtained from the Minnesota State Board of Investment at

Information about the primary government's investments can be obtained from the Minnesota Department of Finance. Information on specific investments owned by the pooled accounts can be obtained from the Minnesota State Board of Investment.

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.

Fig 4. Capital Assets

	Balance July 1, 2002	Additions	Deductions	Balance June 30, 2003
Capital assets not being depreciated:				
Land	\$ 170,308	\$ 0	\$ 0	\$ 170,308
Capital assets being depreciated:				
Building	\$ 11,729,998	\$ 0	\$ 0	\$ 11,729,998
Furniture & Fixtures	521,525	0	0	521,525
Data Processing Equipment	1,630,466	68,798	(186,700)	1,512,564
Office Equipment	101,620	6,173	0	107,793
Automobile	14,533	0	0	14,533
Total capital assets being depreciated	\$13,998,142	\$ 74,971	\$(186,700)	\$13,886,413
Less accumulated depreciation for:				
Building	\$ (293,250)	\$ (293,250)	\$ 0	\$ (586,500)
Equipment, Furniture & Fixtures	(807,546)	(275,090)	169,037	(913,599)
Automobile	(14,533)	0	0	(14,533)
Total accumulated depreciation	\$(1,115,329)	\$(568,340)	\$ 169,037	\$(1,514,632)
Total capital assets, net of accumulated depreciation	\$13,053,121	\$(493,369)	\$(17,663)	\$12,542,089

Financial Section

Notes

(Continued)

the Retirement Systems of Minnesota Building, 60 Empire Drive, Suite 355, St. Paul, Minnesota 55103.

5. Capital Assets

Capital 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.

Capital assets are presented on the June 30, 2003 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 130,000 square foot building to house all three retirement systems. The systems moved into the facility in September 2001. Ownership of the facility is pro-rated based on the amount of square footage each retirement system occupies in the building. PERA's ownership share is 39.8 percent. PERA's share of construction costs is \$11,729,998. PERA's share of the cost to purchase the 4.3 acres of land is \$170,308.

In June 2000 the State of Minnesota, under the authority of the Commissioner of Finance, issued revenue bonds totaling \$29 million on behalf of the three retirement systems to pay for the construction of the facility. Those bonds are backed by the 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 are made by the retirement systems using the same ownership ratio to determine amounts. At year end,

PERA's share of the bonds payable is \$11,193,750. We are depreciating 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

PERA's employees 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. We estimate that \$37,901 is considered a short-term liability and the remainder of \$638,255 is considered a long-term liability. The total, \$676,156, is shown on the Statement of Plan Net Assets.

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 130,000 square foot building to house all three retirement systems. The systems moved into the facility in September 2001.

Fig 5. Remaining Revenue Bond Repayment Schedule (In Dollars)

Fiscal Year	PERA		Total P & I
	Principal	Interest	
2004	\$ 189,050	\$ 644,571	\$ 833,621
2005	199,000	634,410	833,410
2006	208,950	623,713	832,663
2007	218,900	612,482	831,382
2008	228,850	600,716	829,566
2009	238,800	588,416	827,216
2010	248,750	575,580	824,330
2011	268,650	562,210	830,860
2012	278,600	547,703	826,303
2013	298,500	532,519	831,019
2014	308,450	516,102	824,552
2015	328,350	498,983	827,333
2016	348,250	480,595	828,845
2017	368,150	460,919	829,069
2018	388,050	439,934	827,984
2019	417,900	417,621	835,521
2020	437,800	393,592	831,392
2021	467,650	368,200	835,850
2022	497,500	340,725	838,225
2023	527,350	311,497	838,847
2024	557,200	280,515	837,715
2025	597,000	247,780	844,780
2026	626,850	212,706	839,556
2027	666,650	175,879	842,529
2028	716,400	136,713	853,113
2029	756,200	93,729	849,929
2030	805,950	48,357	854,307
Totals	<u>\$11,193,750</u>	<u>\$11,346,167</u>	<u>\$22,539,917</u>

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. As of June 30, 2003, the investment pool had an average duration of 70 days and an average weighted maturity of 493 days. 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, 2003 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 covered by that cash collateral as of June 30, 2003 were \$1,006,993,509 and \$974,328,793 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

Based on a 2002 experience study, several actuarial assumptions were changed in the PEPFF this year. Mortality rates for active and retired members were set back one year. Post-Disability mortality rates were also strengthened using graded rates between the 1965 RRB and the 1983 GAM setback 1 year. The number of expected regular and disability retirements was adjusted slightly. A new select table was added to the separation table.

The assumption changes added \$252,614,000 to the actuarial accrued liability for the PEPFF. There were not any actuarial assumption changes made to the PERF or PECF. Unfunded actuarial accrued liabilities are calculated using the formula shown in Figure 6. There were no 2003 benefit provision changes that had a material affect on the actuarial accrued liability of the funds.

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 and has authorized State Street Bank and Trust Company to act as agent in lending securities to broker-dealers and banks.

Based on a 2002 experience study, several actuarial assumptions were changed in the PEPFF this year.

Fig 6. Unfunded Actuarial Accrued Liability (in thousands)

	PERF	PEPFF	PECF
Fair Value of Assets Available for Benefits	\$ 10,240,029	\$ 4,177,661	\$ 49,834
Less (Plus) Unrecognized Asset Return Adjustment	(955,873)	(535,945)	(6,653)
Actuarial Value of Assets	\$11,195,902	\$4,713,606	\$56,487
Actuarial Accrued Liability	\$ 13,776,198	\$ 4,390,953	\$ 62,542
Less Actuarial Value of Assets	11,195,902	4,713,606	56,487
Unfunded Accrued Liability/(Surplus Assets)	\$ 2,580,296	\$ (322,653)	\$ 6,055

Notes

(Continued)

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 2023.

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 to be fully funded by the year 2023. 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:

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

As shown in Figure 7, there is a projected contribution deficiency on June 30, 2003 of \$52,811,000 in the PERF, a contribution deficiency of \$23,410,000 in the PEPFF, and a sufficiency of \$529,000 in the PECF. Significant actuarial assumptions used to compute contribution requirements are listed in the notes to the schedules of trend information on page 32. Six-year historical trend information

Funding Surplus (Deficiency)
(In thousands)

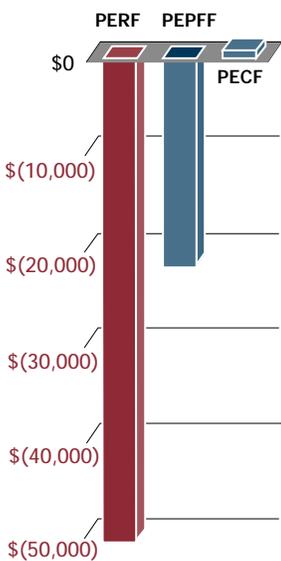


Fig. 7 Funding Surplus (in thousands)

	PERF	% of FY04 Estimated Covered Payroll	PEPFF	% of FY04 Estimated Covered Payroll	PECF	% of FY04 Estimated Covered Payroll
Contributions statutorily required:						
Employee share	\$ 216,169	5.11%	\$ 36,127	6.20%	\$ 6,779	5.83%
Employer share	234,526	5.54%	54,190	9.30%	10,174	8.75%
Subtotal--Actual	\$ 450,695	10.65%	\$ 90,317	15.50%	\$ 16,953	14.58%
Contributions actuarially required:						
Normal Cost	\$ 364,657	8.61%	\$ 128,469	22.05%	\$ 15,866	13.65%
Supplemental contribution						
amortization of UAAL	129,536	3.06%	(15,441)	-2.65%	395	0.34%
Allowance for administrative expenses	9,313	0.22%	699	0.12%	163	0.14%
Subtotal--Actuarially Required	\$ 503,506	11.89%	\$ 113,727	19.52%	\$ 16,424	14.13%
Funding surplus (deficiency)	\$ (52,811)	-1.24%	\$ (23,410)	-4.02%	\$ 529	0.45%
Estimated FY04 Covered Payroll	\$4,233,217		\$582,688		\$116,276	

designed to provide information about PERA's funding progress and employer contributions can be found on pages 30 and 31.

Legislation passed in 1999 closed the Police and Fire Consolidation Fund and moved members and necessary assets to the PEPFF. Some consolidation units were not fully funded at the time, and an amortization schedule was created that allowed those units to pay off the unfunded liability over a 10-year period. The method for calculating yearly payments was set forth in Minnesota Statutes and calculated by an actuary. Payments are due by January 31st each year through the year 2009. In fiscal year 2003 we received \$6,754,005 in principal and interest payments. In accordance with GASB #25, future principal payments of \$30,490,656 are shown on the Statement of Plan Net Assets as a receivable. Of that amount, \$4,104,258 is due by January 31, 2004.

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 CPI and 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 any mortality gains or losses as determined by an independent actuary hired by the state legislature. As of June 30, 2003, the Public Employees Retirement Fund's share of net assets of the MPRIF, at participation, is \$5,994,477,000 and at fair value is \$4,590,235,000. The Public Employees Police and Fire Fund's share of net assets of the MPRIF, at participation, is \$2,108,662,000 and at fair value is \$1,627,904,000. The Public Employees Correctional Fund's share of net assets of the MPRIF, at participation, is \$1,212,000 and at fair value is \$1,028,000.

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. 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, 2002 are eligible to receive the following January 1, 2004 benefit increase:

Inflation Based Benefit Increase	2.103%
Investment Based Benefit Increase	<u>0.000%</u>
Total Benefit Increase	2.103%

F. OTHER NOTES

1. Cash

Cash on deposit consists of year-end receipts not processed as of the investment cutoff deadline on June 30. 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 2003, 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 PEDCP reimburses the PERF to the extent of fees collected for recovery of administrative costs. The applicable amounts are reported as expenses of the four funds and reported on the Statement of Plan Net Assets as a payable to other funds or due from other funds. Administrative costs are funded from investment income for the defined benefit plans.

For fiscal year 2003, administrative expenses allocated to PERF, PEPFF, PECF, and PEDCP totaled \$8,628,000, \$675,000, \$149,000, and \$87,000 respectively.

3. Reporting Changes

In previous years we were not able to separate MPRIF investment expenses from distributed income of the MPRIF. Thus, we did not show them as investment expenses on the Statement of Changes in Plan Net Assets. In fiscal year 2003 we were able to determine MPRIF investment expenses and now show them separately from distributed income.

The MPRIF income available for distribution is determined using a post-retirement benefit increase formula based on total investment return. This formula contains both an inflation adjustment and an investment component.

Financial Section

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]
6/30/1998	\$ 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%
6/30/2002	11,017,414	12,958,105	1,940,691	85.0%	3,809,864	50.9%
6/30/2003	11,195,902	13,776,198	2,580,296	81.3%	4,387,649	58.8%

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]
6/30/1998	\$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%
6/30/2002	4,707,255	3,886,311	(820,944)	121.1%	522,153	-157.2%
6/30/2003	4,713,606	4,390,953	(322,653)	107.3%	560,503	- 57.6%

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]
6/30/1998	\$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%
6/30/2002	40,105	42,144	2,039	95.2%	101,309	2.0%
6/30/2003	56,487	62,542	6,055	90.3%	110,296	5.5%

Schedule of Employer Contributions

(last six years, in thousands, unaudited)

Public Employees Retirement Fund

<u>Year Ended June 30</u>	<u>Actuarially Required Contribution Rate (a)</u>	<u>Actual Covered Payroll (b)</u>	<u>Actual Member Contributions (c)</u>	<u>Annual Required Contribution [(a) x (b)] - (c)</u>	<u>Actual Employer Contribution</u>	<u>Percentage Contributed</u>
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%
2002	11.85%	3,809,864	191,422	260,047	206,982	79.59%
2003	11.52%	4,387,649	205,963	299,494	221,689	74.02%

*Public Employees Police and Fire Fund**

<u>Year Ended June 30</u>	<u>Actuarially Required Contribution Rate (a)</u>	<u>Actual Covered Payroll (b)</u>	<u>Actual Member Contributions (c)</u>	<u>Annual Required Contribution [(a) x (b)] - (c)</u>	<u>Actual Employer Contribution</u>	<u>Percentage Contributed</u>
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%
2002	12.61%	522,153	33,801	32,042	90,664	282.95%
2003	12.52%	560,503	34,751	35,424	50,917	143.74%

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

<u>Year Ended June 30</u>	<u>Actuarially Required Contribution Rate (a)</u>	<u>Actual Covered Payroll (b)</u>	<u>Actual Member Contributions (c)</u>	<u>Annual Required Contribution [(a) x (b)] - (c)</u>	<u>Actual Employer Contribution</u>	<u>Percentage Contributed</u>
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)

<u>Year Ended June 30</u>	<u>Actuarially Required Contribution Rate (a)</u>	<u>Actual Covered Payroll (b)</u>	<u>Actual Member Contributions (c)</u>	<u>Annual Required Contribution [(a) x (b)] - (c)</u>	<u>Actual Employer Contribution</u>	<u>Percentage Contributed</u>
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%
2002	14.21%	101,309	5,882	8,514	8,830	103.71%
2003	14.10%	110,296	6,430	9,122	9,645	105.74%

* 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)

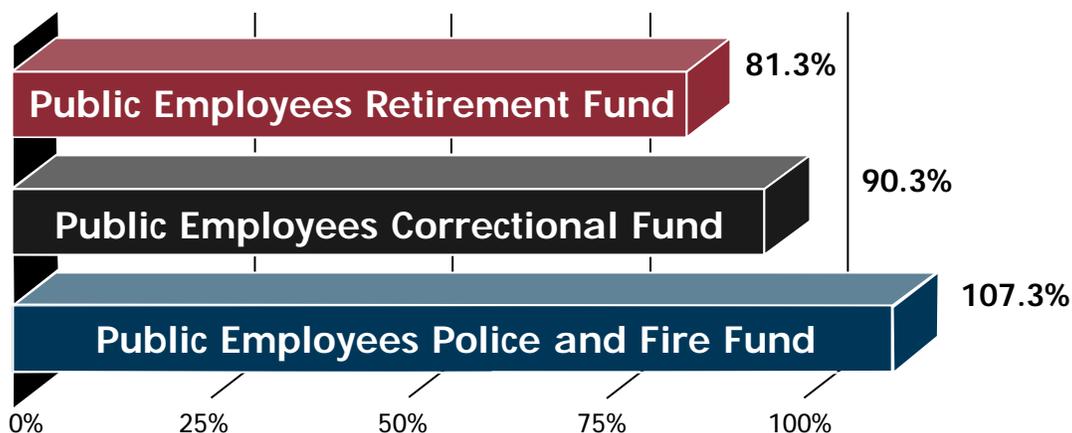
	<u>Public Employees Retirement Fund</u>	<u>Public Employees Police & Fire Fund</u>	<u>Public Employees Correctional Fund</u>
Valuation Date	6/30/2003	6/30/2003	6/30/2003
Actuarial Cost Method	Entry Age	Entry Age	Entry Age
Amortization Method	Level Percent Closed	Level Percent Closed	Level Percent Closed
Remaining Amortization Period	28 years	30 years	20 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

Actuarial Assumptions:

Investment Rate of Return	8.5%	8.5%	8.5%
Projected Salary Increases	5.0% - 6.40%	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 6 Years	1983 GAM Set Back 1 Year, Males
Mortality Table - Retired	1983 GAM Set Back 1 Year	1983 GAM Set Back 1 Year	1983 GAM Set Forward 2 Years
Cost of Living Adjustment	No Assumption	No Assumption	No Assumption

Funding Ratios

(Percent Funded)



The chart above reflects funding ratios for the three defined benefit funds administered by PERA, as reported on page 30.

Schedule of Investment Expenses

For the Fiscal Year Ended June 30, 2003 (in thousands)

<u>Source of Expenses</u>	<u>Public Employees Retirement Fund</u>	<u>Public Employees Police and Fire Fund</u>	<u>Public Employees Correctional Fund</u>	<u>Total</u>
Outside Money Managers–Equities	\$ 4,175	\$2,098	\$43	\$ 6,316
Outside Money Managers–Bonds	903	455	9	1,367
Outside Money Managers–MPRIF	6,695	2,310	2	9,007
Minnesota State Board of Investment	227	115	3	345
Financial Control Systems	31	15	0	46
Total	<u>\$12,031</u>	<u>\$4,993</u>	<u>\$57</u>	<u>\$17,081</u>

Schedule of Commissions and Payments to Consultants

For the Fiscal Year Ended June 30, 2003 (in thousands)

<u>Individual or Firm Name</u>	<u>Nature of Service</u>	<u>Fee Paid</u>
Survey & Ballot Systems	Board Election	\$134
Mercer Human Resources Consulting	Actuarial	115
Benefacts, Inc.	Management	103
Milliman USA	Actuarial	62
Richards & Tierney	Investment	56
First Data Corp.	Management	33
Van Wagner Consulting Services	Medical Services	21
Independent Medical Consultants (8)	Medical Services	17
Filenet Corp.	System Development	9
Pension Consulting Alliance	Investment	8
RJ Johnson Architect & Interior, Inc	Management	3
Seminar Speakers (3)	Management	3
Berwyn Group	Management	2
State of Minnesota —		
Department of Health	Medical Services	67
Attorney General	Legal	58
Administrative Law Judge	Medical Services	<u>7</u>
Total		<u><u>\$698</u></u>

Schedule of Administrative Expenses

For the Fiscal Year Ended June 30, 2003 (in thousands)

Personal Services:

Staff Salaries	\$5,510	
Part-Time, Seasonal Labor	153	
Other Benefits	<u>145</u>	
Total Personal Services		\$5,808

Professional Services:

Actuarial	\$ 177	
Board Elections	134	
Legal	58	
Investment Consultants	64	
Management Consultants	144	
Medical Evaluations	112	
System Development	<u>9</u>	
Total Professional Services		698

Communications:

Printing & Advertising	\$ 201	
Mail & Telephone Services	<u>618</u>	
Total Communication		819

Maintenance & Supplies:

Maintenance	\$ 80	
Supplies and Materials	<u>490</u>	
Total Maintenance & Supplies		570

Other:

Operating Costs	\$ 38	
Travel	59	
Employee Development	91	
Indirect Costs	103	
Depreciation	568	
Building Expenses	132	
Bond Interest Expense	<u>653</u>	
Total Other		<u>1,644</u>
Total Administrative Expense		<u>\$9,539</u>

Allocation of Administrative Expense:

Defined Benefit Plans		
Public Employees Retirement Fund		\$ 8,628
Public Employees Police and Fire Fund		675
Public Employees Correctional Fund		149
Defined Contribution Plans		
Public Employees Defined Contribution Plan		<u>87</u>
Total Administrative Expenses		<u>\$9,539</u>

MINNESOTA STATE BOARD OF INVESTMENT



Board Members:

Governor
Tim Pawlenty

State Auditor
Pat Anderson

Secretary of State
Mary Kiffmeyer

Attorney General
Mike Hatch

Executive Director:

Howard J. Bicker

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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, 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 (MPRIF). 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 20-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 10-year period; and (3) provide returns that are ranked in the top half of a universe of public and corporate plans over the latest 10-year period. The Combined Funds returned 7.0 percentage points above the CPI over the last 20 years. The Combined Funds outperformed the Composite Index by 0.2 percentage points over the past 10 years, and ranked in the 61st percentile, 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 Section

Investment Results

Fund Performance

Fund	Rates of Return (Annualized)			
	<u>FY 2003</u>	<u>3-Year</u>	<u>5-Year</u>	<u>10-Year</u>
Basic Funds (Active Accounts)	1.9%	-4.6%	1.3%	8.4%
Basic Composite Market Index	2.4	-4.9	1.4	8.2
MPRIF Fund (Retiree Accounts)	2.8%	-4.1%	1.4%	8.0%
MPRIF Composite Market Index	3.3	-4.2	1.6	7.7%
Combined Funds (Active/Retiree)*	2.4%	-4.4%	1.4%	8.2%
Combined Composite Market Index	2.8	-4.5	1.5	8.0

* 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 plus Emerging Markets Free; Domestic Bonds—Lehman Aggregate; Alternative Assets—Wilshire Real Estate Index, Venture Capital Funds, Resource Funds; Unallocated Cash—91 Day T-Bills.

Investment Returns by Sector

Performance of Asset Pools (Net of Fees)

	Rates of Return (Annualized)			
	<u>FY 2003</u>	<u>3-Year</u>	<u>5-Year</u>	<u>10-Year</u>
Domestic Stock Pool	0.4%	-11.3%	-2.3%	9.0%
Wilshire 5000 Investable	0.8	-11.1	-1.9	9.2
Bond Pool	10.7%	10.2%	7.6%	7.4%
Lehman Agg.	10.4	10.1	7.5	7.2
International Stock Pool	-6.2%	-12.1%	-2.8%	3.9%
Composite Index	-5.4	-13.0	-3.3	2.5
Real Estate Pool (Basic Funds Only)	7.1%	8.5%	8.3%	9.5%
Private Equity Pool (Basic Funds Only)	-3.5%	-6.0%	3.5%	14.2%
Resource Pool (Basic Funds Only)	5.2%	11.4%	4.6%	11.5%
Yield Oriented Pool (Post Fund Only)	6.4%	10.0%	11.8%	11.0%

Asset Allocation

Asset Allocation (at June 30, 2003)*

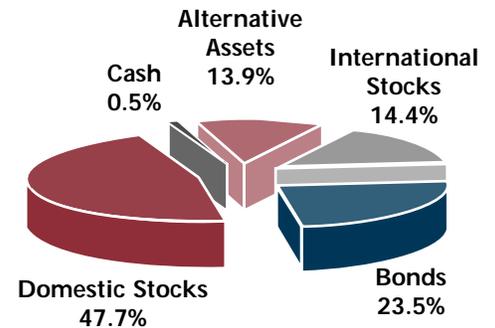
Asset allocation will have a dominant effect on returns. SBI has focused considerable attention on the selection of the appropriate long-term asset allocation policy for the Basic and MPRIF funds.

Investment Type	Basic		MPRIF	
	Actual Asset Mix	Long-term Policy Target	Actual Asset Mix	Long-term Policy Target
Domestic Stocks	47.7%	45.0%	51.9%	50.0%
International Stocks	14.4	15.0	14.7	15.0
Bonds	23.5	24.0	27.2	27.0
Alternative Assets**	13.9	15.0	4.6	5.0
Cash	0.5	1.0	1.6	3.0
Total	100%	100%	100%	100%*

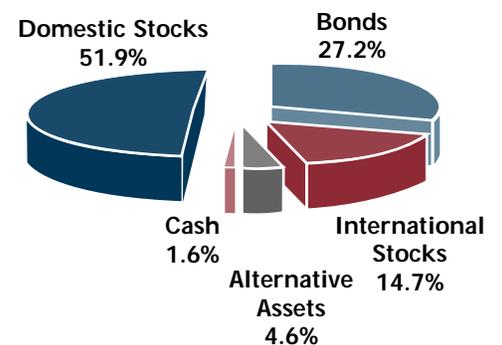
* Source: Minnesota State Board of Investment (SBI) FY 2003 Annual Report.

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

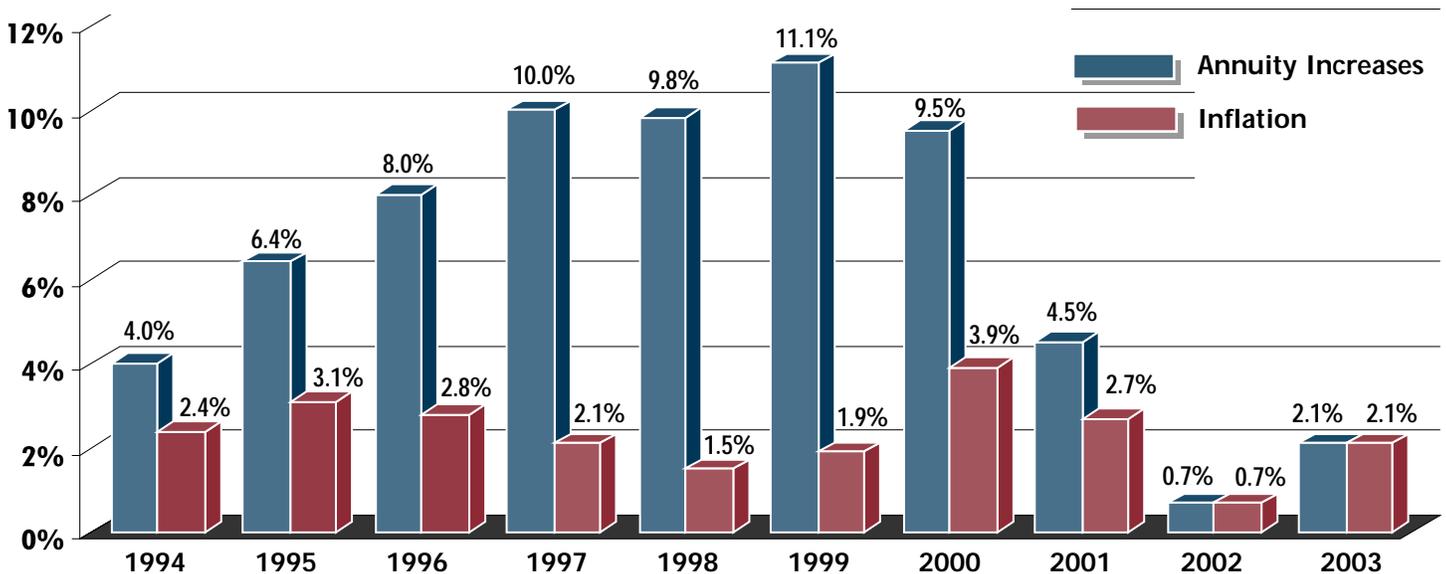
Basic Funds



Post Retirement Investment Fund



Annuity Increase vs. Inflation (Last 10 Years)



Increases awarded to PERA retirees under the MPRIF have greatly outpaced inflation over the past 10 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.

List of Largest Assets Held

June 30, 2003

Composite of Top Ten Equity Holdings (by Fair Value)

<u>Security</u>	<u>Fair Value (In thousands)</u>	<u>% of Portfolio</u>
Microsoft Corp.	\$190,010	1.50%
Pfizer Inc.	183,416	1.45
Citigroup Inc.	173,616	1.37
General Electric Co.	158,284	1.25
Exxon Mobil Corp.	124,898	0.99
Wal Mart Stores Inc.	116,480	0.92
Cisco Systems Inc.	100,190	0.79
Merck & Company Inc.	97,835	0.77
Intel Corp.	91,825	0.72
Wells Fargo & Co.	90,996	0.72

Composite of Top Ten Bond Holdings (by Fair Value)

<u>Security</u>	<u>Coupon</u>	<u>Rating</u>	<u>Fair Value (In thousands)</u>	<u>% of Portfolio</u>
FNMA	5.000%	AAA	\$52,223	0.41%
FHLMC	6.500	AAA	50,816	0.40
GNMA	6.500	AAA	49,080	0.39
FNMA	6.000	AAA	43,665	0.34
United States Treasury Bonds	3.875	AAA	40,680	0.32
United States Treasury Bonds	6.000	AAA	39,309	0.31
United States Treasury Notes	1.250	AAA	32,691	0.26
United States Treasury Notes	2.625	AAA	31,018	0.24
FNMA	4.500	AAA	30,144	0.24
United States Treasury Bonds	8.125	AAA	30,021	0.24

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. Amounts shown above are approximate. 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, 2003 (in thousands)

Public Employees Retirement Fund

Pooled Accounts	Cost June 30, 2002	Total Acquisitions	Total Dispositions	Cost June 30, 2003
Equity in MPRIF	\$ 5,867,776	\$ 759,627	\$ 632,926	\$ 5,994,477
External Domestic Equity	1,640,829	176,493	225,983	1,591,339
Passive Domestic Equity	661,841	32,254	37,835	656,260
Global Equity	753,747	26,352	71,878	708,221
Fixed Income	1,018,722	160,222	180,454	998,490
Real Estate	134,606	9,192	15,329	128,469
Resources	69,697	13,089	12,860	69,926
Venture Capital	427,061	68,209	15,367	479,903
Short-term Cash Equivalents	51,897	653,069	674,920	30,046
Total Pooled Accounts	<u>\$10,626,176</u>	<u>\$1,898,507</u>	<u>\$1,867,552</u>	<u>\$10,657,131</u>

Public Employees Police and Fire Fund

Pooled Accounts	Cost June 30, 2002	Total Acquisitions	Total Dispositions	Cost June 30, 2003
Equity in MPRIF	\$ 1,964,695	\$ 333,497	\$ 189,530	\$ 2,108,662
External Domestic Equity	861,582	90,473	155,558	796,497
Passive Domestic Equity	359,167	14,498	33,390	340,275
Global Equity	391,780	15,188	55,224	351,744
Fixed Income	523,612	80,013	111,448	492,177
Real Estate	71,466	3,139	9,843	64,762
Resources	35,435	5,895	7,315	34,015
Venture Capital	221,906	30,943	14,213	238,636
Short-term Cash Equivalents	4,163	220,686	209,478	15,371
Total Pooled Accounts	<u>\$ 4,433,806</u>	<u>\$ 794,332</u>	<u>\$ 785,999</u>	<u>\$ 4,442,139</u>

Public Employees Correctional Fund

Pooled Accounts	Cost June 30, 2002	Total Acquisitions	Total Dispositions	Cost June 30, 2003
Equity in MPRIF	\$ 475	\$ 812	\$ 75	\$ 1,212
External Domestic Equity	10,850	12,676	8,328	15,198
Passive Domestic Equity	5,351	5,150	3,172	7,329
Global Equity	4,913	5,239	3,371	6,781
Fixed Income	7,119	10,013	5,738	11,394
Real Estate	1,105	1,397	910	1,592
Resources	481	750	465	766
Venture Capital	2,773	3,742	2,013	4,502
Short-term Cash Equivalents	5,377	70,587	74,233	1,731
Total Pooled Accounts	<u>\$ 38,444</u>	<u>\$ 110,366</u>	<u>\$ 98,305</u>	<u>\$ 50,505</u>

Investment Section

Investment Summary at Fair Value

For the Fiscal Year Ended June 30, 2003 (in thousands)

Public Employees Retirement Fund

Pooled Accounts	Fair Value June 30, 2002	Fair Value June 30, 2003	Percent of Portfolio
Equity in MPRIF	\$ 4,732,681	\$ 4,590,235	52%
External Domestic Equity	1,298,809	1,429,102	16
Passive Domestic Equity	608,757	615,026	7
Global Equity	662,855	616,764	7
Fixed Income	996,526	1,004,999	11
Real Estate	145,755	152,779	2
Resources	69,644	67,941	1
Venture Capital	326,714	365,105	4
Short-term Cash Equivalents	51,897	30,046	0
Total Pooled Accounts	<u>\$8,893,638</u>	<u>\$8,871,997</u>	<u>100%</u>

Public Employees Police and Fire Fund

Pooled Accounts	Fair Value June 30, 2002	Fair Value June 30, 2003	Percent of Portfolio
Equity in MPRIF	\$ 1,576,641	\$ 1,627,904	43%
External Domestic Equity	665,957	702,495	19
Passive Domestic Equity	313,016	302,709	8
Global Equity	339,811	303,118	8
Fixed Income	511,902	494,455	14
Real Estate	75,462	75,398	2
Resources	36,057	33,528	1
Venture Capital	169,150	180,163	5
Short-term Cash Equivalents	4,163	15,371	0
Total Pooled Accounts	<u>\$3,692,159</u>	<u>\$3,735,141</u>	<u>100%</u>

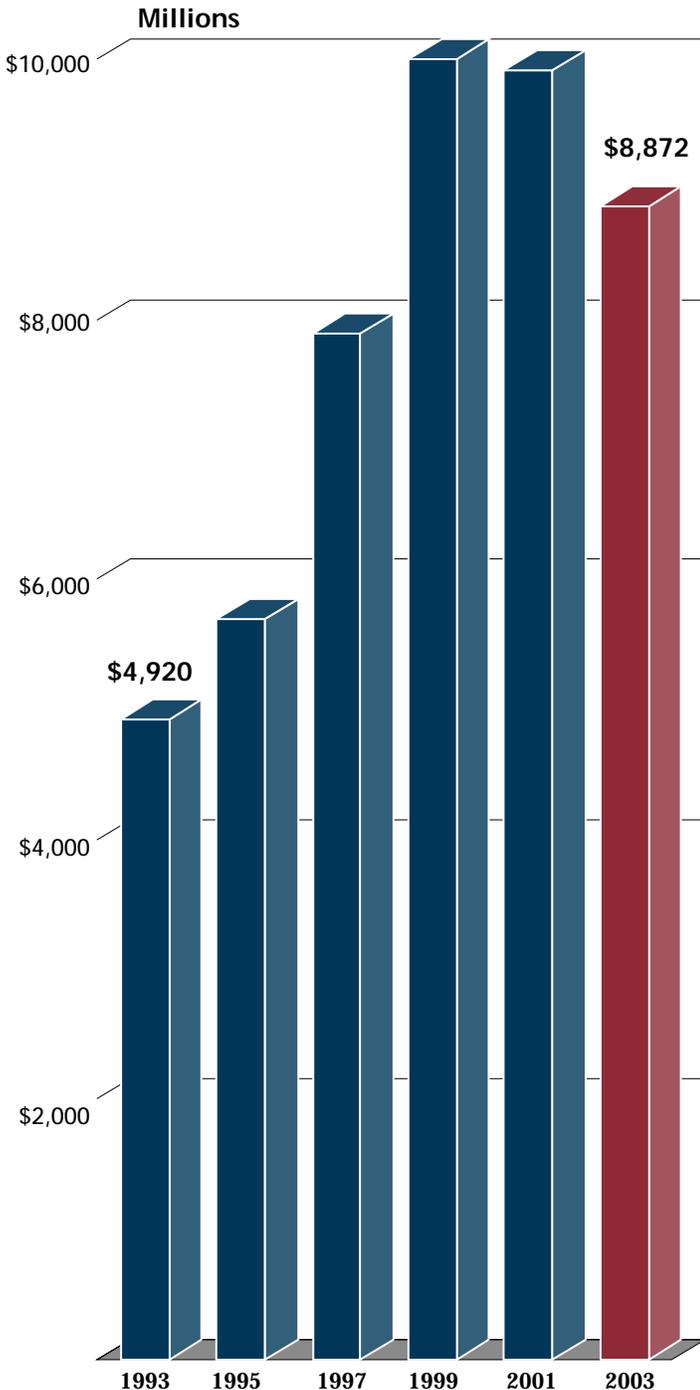
Public Employees Correctional Fund

Pooled Accounts	Fair Value June 30, 2002	Fair Value June 30, 2003	Percent of Portfolio
Equity in MPRIF	\$ 409	\$ 1,028	2%
External Domestic Equity	9,151	16,224	32
Passive Domestic Equity	4,197	6,979	14
Global Equity	4,670	7,002	14
Fixed Income	7,021	11,407	22
Real Estate	1,027	1,733	3
Resources	491	770	2
Venture Capital	2,302	4,141	8
Short-term Cash Equivalents	5,377	1,731	3
Total Pooled Accounts	<u>\$ 34,645</u>	<u>\$ 51,015</u>	<u>100%</u>

Fair Value of Investments

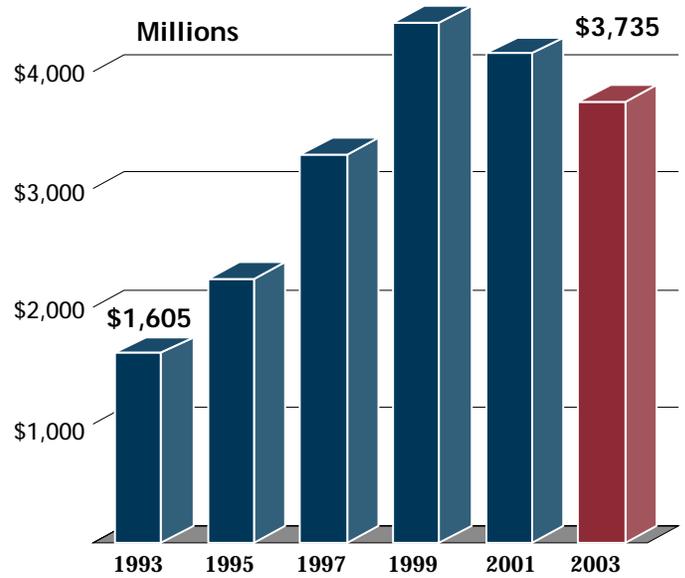
Last 10 Years

Public Employees Retirement Fund*



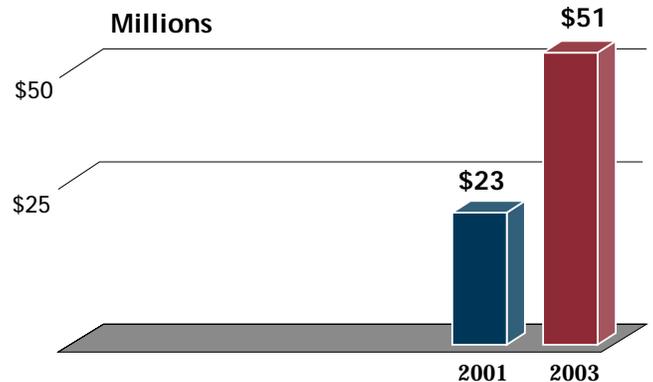
Over the past 10 years, the value of investments of the Public Employees Retirement Fund has grown from \$4.9 billion to \$8.9 billion.

Police and Fire Fund*



Fair value of Police and Fire Fund investments increased from \$1.6 billion in 1993 to \$3.7 billion in 2003.

Public Employees Correctional Fund*



Created in 1999, the Public Employees Correctional Fund now has investments valued at \$51 million.

* Charts indicate value of both Active and MPRIF holdings.

Certification Letter

A MILLIMAN GLOBAL FIRM



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December 3, 2003

Board of Trustees
Public Employees Retirement
Association of Minnesota
60 Empire Drive, Suite 200
St. Paul, Minnesota 55103-2088

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, 2003.

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, though contribution rates are not sufficient to keep it fully funded for the next 30 years. The PECF is ahead of schedule to be fully funded by 2023. The valuation of the PERF showed that contributions are deficient by 1.24% of payroll to meet the target of full funding by 2031.

The actuarial valuation was based upon applicable statutory provisions and the Standards for Actuarial Work in effect on July 1, 2003. The trend data schedules were based upon applicable GASB 25 parameters. 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.

OFFICES IN PRINCIPAL CITIES WORLDWIDE

Beginning with this valuation, we modified several assumptions in the PEPFF including mortality tables for active, retired and disabled members as well as separation rates for disability, retirement, and those leaving public service. Those changes added \$252,614,000 to the actuarial accrued liability.

The following table shows the funding percentages for the 2003 valuation. The funding percentage expresses current actuarial 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	81.3%
PEPFF	107.3%
PECF	90.3%

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,

Milliman USA

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

Summary of Actuarial Assumptions and Methods

Public Employees Retirement 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.*
Actuarial Assumptions	
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.††††
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.†
Asset Valuation Method	Market value smoothed over 5 years.†††

Public Employees Police & Fire 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.*
Actuarial Assumptions	
1. Mortality	
a. Active	1983 GAM Mortality Table set back 6 years.‡
b. Retired	1983 GAM Mortality Table set back 1 year.‡
c. Disabled	1965 Railroad Workers Select Mortality Table through age 40. 1983 GAM set back 1 year after age 59. Graded rates from age 41 to 59.‡
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.†
Asset Valuation Method	Market value smoothed over 5 years.†††

Adoption Dates

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

†††† 2002
‡ 2003

Summary of Actuarial Assumptions and Methods

(Continued)

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.*

Actuarial Assumptions

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— $[0.3\% \times (10-T)]$ where T is completed years of service—added to the ultimate rate.

Separation

PERF uses Select Table for first three years.

Year	Percent
1	0.40%
2	0.15%
3	0.10%

PEPFF also uses Select Table for first three years.

Year	Percent
1	3.50%
2	3.50%
3	3.50%

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	30%	10%	20%	10%	30%
Female	70	5	5	5	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, 2003

Public Employees Retirement Fund

Age	Mortality		Disability		Termination		Salary Increase
	Male	Female	Male	Female	Male	Female	
20	3	1	1	1	840	840	6.40%
25	3	2	1	1	690	690	6.40%
30	4	2	2	2	540	540	6.20%
35	5	3	5	4	390	420	6.00%
40	7	4	9	6	300	350	5.80%
45	10	6	14	9	250	300	5.60%
50	15	8	23	16	200	250	5.40%
55	28	14	49	26	-	-	5.20%
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	601	601	11.50%
25	4	2	13	13	324	324	9.50%
30	4	2	16	16	190	190	8.00%
35	6	3	19	19	146	146	7.00%
40	8	4	29	29	126	126	6.00%
45	11	6	54	54	91	91	5.50%
50	19	9	104	104	50	50	5.25%
55	35	15	203	203	11	11	5.25%
60	57	23	-	-	-	-	5.25%
65	84	38	-	-	-	-	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%

Actuarial Section

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
6-30-98	\$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
6-30-02	1,572,688	6,946,877	4,438,540	11,017,414	100	100	56.3
6-30-03	1,734,500	7,168,247	4,873,451	11,195,902	100	100	47.1

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
6-30-98	\$ 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
6-30-02	328,635	2,357,578	1,200,098	4,707,255	100	100	168.4
6-30-03	343,817	2,605,846	1,441,290	4,713,606	100	100	122.4

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
6-30-98	\$ 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%	100%	116.3%
6-30-01	9,241	2,726	13,486	25,014	100	100	96.7
6-30-02	14,757	6,734	20,653	40,105	100	100	90.1
6-30-03	20,661	12,321	29,560	56,487	100	100	79.5

Schedule of Active Members Valuation Data

Last Six Years

Public Employees Retirement Fund

<u>Valuation Date</u>	<u>Number</u>	<u>Valuation Payroll</u>	<u>Annual Average Pay</u>	<u>% Increase in Average Pay</u>
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
6-30-02	137,817	3,728,000,000	27,050	3.9
6-30-03	140,066	3,978,000,000	28,398	5.0

Public Employees Police and Fire Fund*

<u>Valuation Date</u>	<u>Number</u>	<u>Valuation Payroll</u>	<u>Annual Average Pay</u>	<u>% Increase in Average Pay</u>
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
6-30-02	9,940	508,550,000	51,162	1.4
6-30-03	9,948	546,533,000	54,939	7.4

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

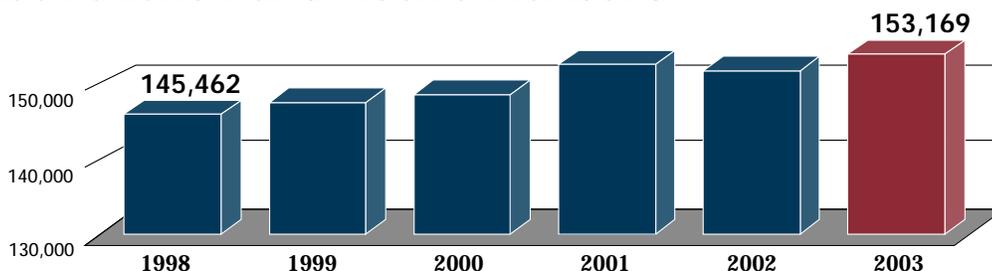
<u>Valuation Date</u>	<u>Number</u>	<u>Valuation Payroll</u>	<u>Annual Average Pay</u>	<u>% Increase in Average Pay</u>
6-30-98	797	\$ 45,027,000	\$56,496	4.8%
6-30-99	699	41,753,000	59,733	5.7

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

<u>Valuation Date</u>	<u>Number</u>	<u>Valuation Payroll</u>	<u>Annual Average Pay</u>	<u>% Increase in Average Pay</u>
6-30-00	2,781	\$ 76,427,000	\$27,482	n/a
6-30-01	3,238	94,737,000	29,258	6.5%
6-30-02	3,270	100,801,000	30,826	5.4
6-30-03	3,155	109,456,000	34,693	12.5

* 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 a total of 5 percent during the past six fiscal years.

Actuarial Section

Schedule of Retirees and Beneficiaries

Last Six Years

Public Employees Retirement Fund

Year Ended	Number Added	Number Removed	Year-End Total		% Increase in Annual Allowances	Average Annual Allowances
			Number	Annual Allowances		
6-30-98	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
6-30-02	3,428	1,964	50,878	629,052,000	5.1	12,364
6-30-03	3,533	1,848	52,563	642,269,000	2.1	12,219

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		
6-30-98	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
6-30-02	368	395	5,971	218,719,000	7.7	36,630
6-30-03	406	169	6,208	229,405,000	4.9	36,953

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

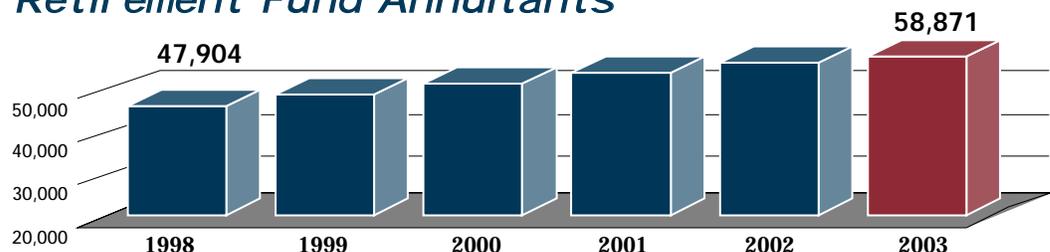
Year Ended	Number Added	Number Removed	Year-End Total		% Increase in Annual Allowances	Average Annual Allowances
			Number	Annual Allowances		
6-30-98	280	101	2,417	\$ 65,775,506	19.7%	\$27,213
6-30-99	177	107	2,487	74,564,533	13.0%	29,982

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
6-30-02	27	1	63	377,187	109.6	5,987
6-30-03	43	6	100	621,483	64.8	6,215

* 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 annuitants from PERA's three defined benefit plans has increased at an annualized rate of 4 percent since 1998.

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 (7/1/02)	\$1,940,691	\$(820,944)	\$ 2,039
B. Change Due to Interest Requirements and Current Rate of Funding			
1. Normal Cost and Expenses	350,424	110,124	14,866
2. Contributions	(427,652)	(85,668)	(16,075)
3. Interest on A, B1 and B2	<u>161,677</u>	<u>(68,741)</u>	<u>122</u>
C. Expected UAAL at End of Year (A+B)	\$2,025,140	\$(865,229)	\$ 952
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.	33,730	(14,079)	468
2. Investment Return. If there is greater investment return than assumed, there is a gain; if less, a loss.	380,033	212,577	2,591
3. MPRIF Mortality. If Post Fund annuitants live longer than assumed, there is a loss; if not as long, a gain.	44,167	14,871	2
4. Mortality of Other Benefit Recipients. If annuitants live longer than assumed, there is a loss; if not as long, a gain.	(5,892)	6,649	(14)
5. Other Items. Miscellaneous gains and losses resulting from data adjustments, timing of financial transactions, etc.	<u>103,188</u>	<u>69,944</u>	<u>2,056</u>
E. UAAL at End of Year Before Plan Amendments and changes in Actuarial Assumption (C+D)	\$2,580,296	\$(575,267)	\$ 6,055
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	<u>0</u>	<u>252,614</u>	<u>0</u>
H. UAAL at End of Year 6/30/03 (E+F+G)	<u>\$2,580,296</u>	<u>\$(322,653)</u>	<u>\$ 6,055</u>

Schedule of Revenue by Source

(in thousands)

Public Employees Retirement Fund

<u>Fiscal Year</u>	<u>Member Contribution</u>	<u>Employer Contribution</u>		<u>Net Investment Income</u>	<u>Other</u>	<u>Total</u>
		<u>Amount</u>	<u>Percent of Covered Payroll</u>			
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	5.2%	914,574	1,299	1,273,583
2001	173,380	188,208	5.2%	(754,349)	1,907	(390,854)
2002	191,422	206,982	5.6%	(765,319)	3,692	(363,223)
2003	205,963	221,689	5.6%	199,769	3,609	631,030

*Public Employees Police and Fire Fund**

<u>Fiscal Year</u>	<u>Member Contribution</u>	<u>Employer Contribution</u>		<u>Net Investment Income</u>	<u>Other</u>	<u>Total</u>
		<u>Amount</u>	<u>Percent of Covered Payroll</u>			
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)
2002	33,801	90,664**	17.4%	(328,160)	1,937	(201,758)
2003	34,751	50,917	9.3%	76,117	3,281	165,066

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

<u>Fiscal Year</u>	<u>Member Contribution</u>	<u>Employer Contribution</u>	<u>Net Investment Income</u>	<u>Other</u>	<u>Total</u>
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)

<u>Fiscal Year</u>	<u>Member Contribution</u>	<u>Employer Contribution</u>		<u>Net Investment Income</u>	<u>Other</u>	<u>Total</u>
		<u>Amount</u>	<u>Percent of Covered Payroll</u>			
2000	\$ 4,382	\$ 6,487	9.1%	\$ 253	\$ 32	\$ 11,154
2001	5,308	8,054	8.8%	(750)	20	12,632
2002	5,882	8,830	8.8%	(2,290)	12	12,434
2003	6,430	9,645	8.8%	1,386	11	17,472

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

** 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>
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
2002	642,088	16,267	8,680	2,356	669,391
2003	664,459	18,242	8,628	1,374	692,703

*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>
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
2002	212,405	711	647	255	214,018
2003	225,434	643	675	301	227,053

*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>
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
2002	338	272	137	1	748
2003	559	409	149	2	1,119

* 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>
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
2002	609,849	16,719	15,520	16,267	658,355
2003	633,640	14,438	16,381	18,242	682,701

*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>
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
2002	178,965	11,691	21,749	711	213,116
2003	189,640	11,698	24,096	643	226,077

*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>
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
2002	32	0	306	272	610
2003	74	1	484	409	968

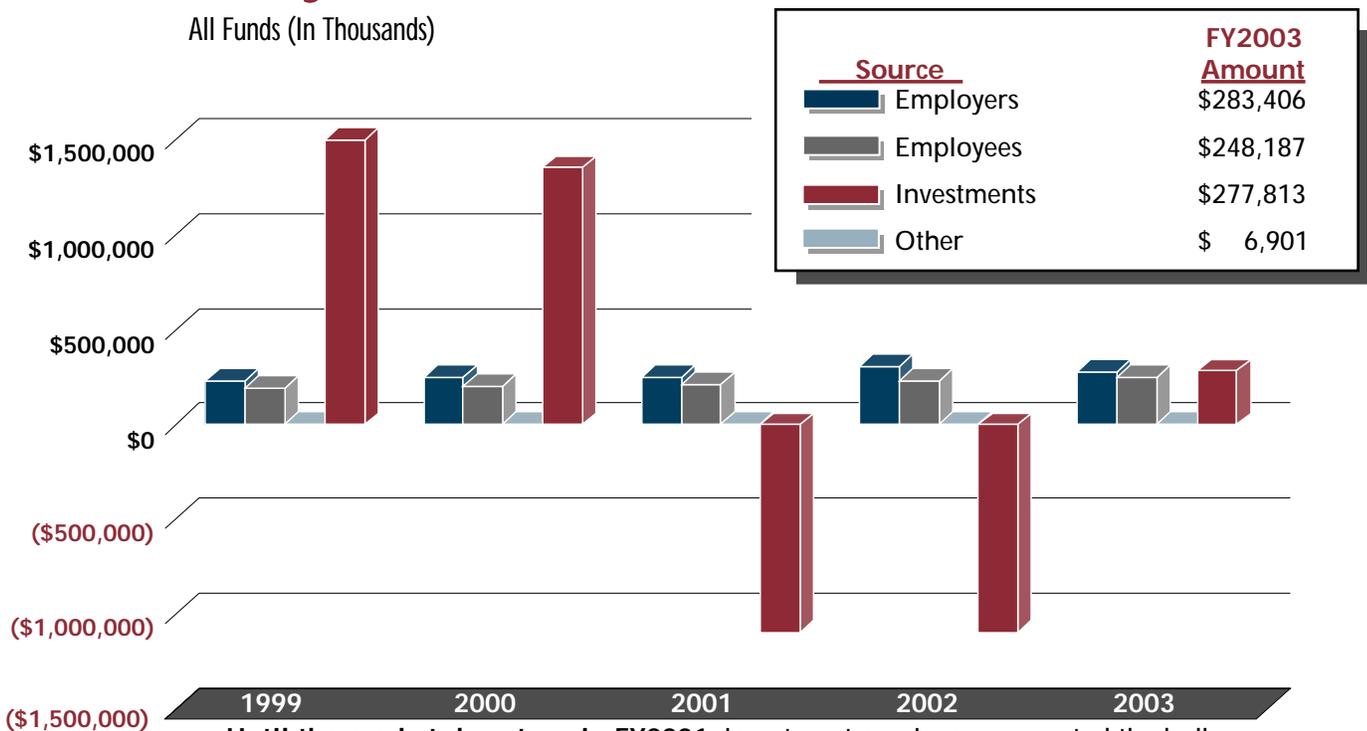
* Members and assets from the Police and Fire Consolidation Plan were transferred to the Public Employees Police and Fire Fund on 7/1/99.

Revenues

by Source and Allocation

Revenues by Source

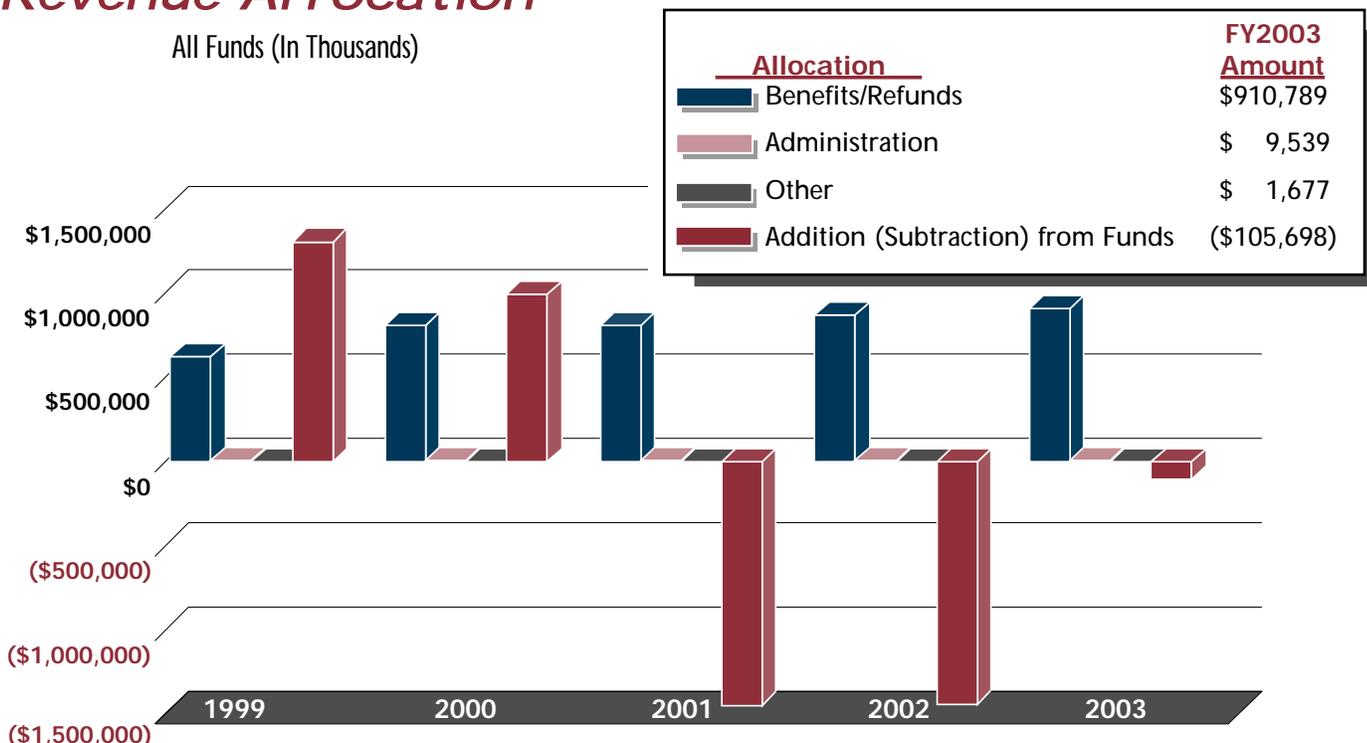
All Funds (In Thousands)



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)



Fund allocations have exceeded revenues for the third consecutive year.

Statistical Section

Schedule of Retired Members

by Amount and Type of Benefit

Public Employees Retirement Fund

<u>Amount of Monthly Benefit</u>	<u>Annuitant</u>	<u>Optional Annuitant</u>	<u>Disabilitant</u>	<u>Survivor</u>	<u>Total</u>
\$ 1- 500	19,365	1,590	660	877	22,492
501-1,000	10,336	1,105	498	433	12,372
1,001-1,500	5,262	607	276	206	6,351
1,501-2,000	2,573	421	129	172	3,295
2,001-2,500	1,831	270	37	96	2,234
2,501-3,000	1,427	159	14	51	1,651
3,001-3,500	1,060	123	7	23	1,213
3,501-4,000	821	86	7	10	924
4,001-4,500	600	51	3	4	658
4,501-5,000	393	31	4	3	431
Over 5,000	<u>864</u>	<u>68</u>	<u>5</u>	<u>5</u>	<u>942</u>
Total	44,532	4,511	1,640	1,880	52,563

Public Employees Police and Fire Fund

<u>Amount of Monthly Benefit</u>	<u>Annuitant</u>	<u>Optional Annuitant</u>	<u>Disabilitant</u>	<u>Survivor</u>	<u>Total</u>
\$ 1- 500	178	40	1	56	275
501-1,000	118	51	6	37	212
1,001-1,500	160	119	16	108	403
1,501-2,000	197	148	48	155	548
2,001-2,500	331	174	80	123	708
2,501-3,000	538	40	112	31	721
3,001-3,500	744	34	96	18	892
3,501-4,000	818	20	89	16	943
4,001-4,500	528	11	64	16	619
4,501-5,000	297	6	44	3	350
Over 5,000	<u>472</u>	<u>6</u>	<u>58</u>	<u>1</u>	<u>537</u>
Total	4,381	649	614	564	6,208

*Public Employees Correctional Fund**

<u>Amount of Monthly Benefit</u>	<u>Annuitant</u>	<u>Optional Annuitant</u>	<u>Disabilitant</u>	<u>Survivor</u>	<u>Total</u>
\$ 1- 500	57	0	5	5	67
501-1,000	0	0	13	0	13
1,001-1,500	0	1	5	0	6
1,501-2,000	0	0	11	0	11
2,001-2,500	0	0	2	0	2
2,501-3,000	0	0	1	0	1
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	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	57	1	37	5	100

* 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.

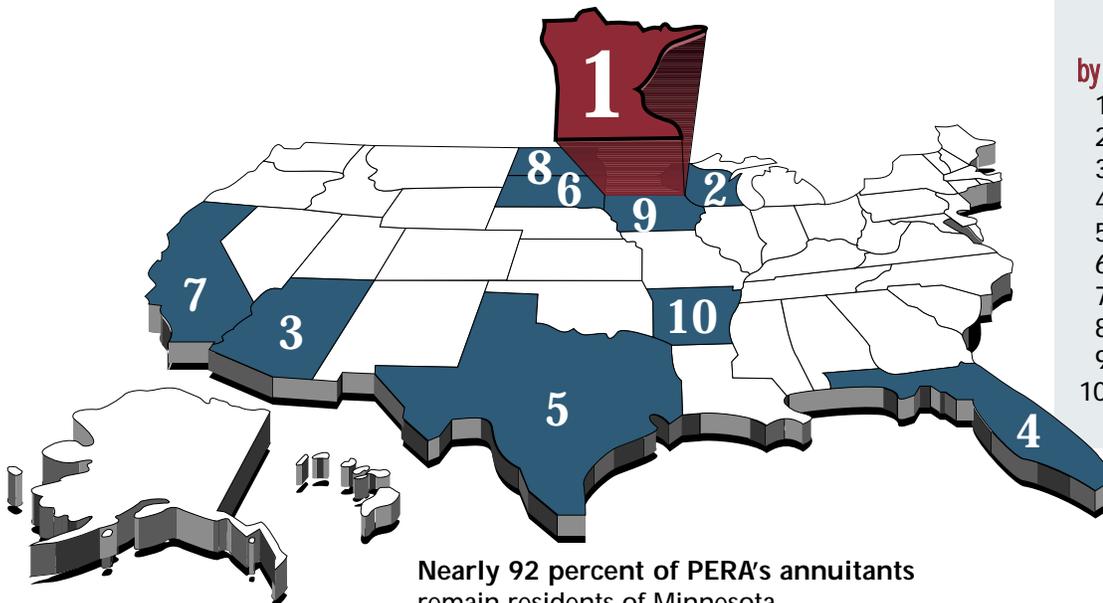
Average Benefit Payments

Last 5 Years

Public Employees Retirement Fund

Retirement Effective Dates July 1, 1998 to June 30, 2003	Years of Service						
	0-5	5-10	10-15	15-20	20-25	25-30	30+
Period 7/1/98 to 6/30/99:							
Average Monthly Benefit	\$106	\$209	\$388	\$607	\$836	\$1,176	\$2,667
Number of Current Retirees	276	371	465	459	418	383	358
Period 7/1/99 to 6/30/00:							
Average Monthly Benefit	\$89	\$191	\$341	\$561	\$770	\$1,176	\$2,240
Number of Current Retirees	290	463	546	476	452	419	397
Period 7/1/00 to 6/30/01:							
Average Monthly Benefit	\$86	\$190	\$345	\$528	\$780	\$1,106	\$2,133
Number of Current Retirees	257	406	479	448	493	378	393
Period 7/1/01 to 6/30/02:							
Average Monthly Benefit	\$92	\$190	\$360	\$557	\$765	\$1,070	\$1,993
Number of Current Retirees	258	342	440	388	415	384	347
Period 7/1/02 to 6/30/03:							
Average Monthly Benefit	\$98	\$202	\$393	\$564	\$847	\$1,186	\$1,970
Number of Current Retirees	228	261	368	401	421	379	420
Period 7/1/98 to 6/30/03:							
Average Monthly Benefit	\$94	\$196	\$363	\$564	\$799	\$1,143	\$2,194
Number of Current Retirees	1,309	1,843	2,298	2,172	2,199	1,943	1,915

PERA Annuitant Residency



Top 10 States by PERA Annuitant Population

1. Minnesota	54,737
2. Wisconsin	958
3. Arizona	909
4. Florida	702
5. Texas	329
6. South Dakota	200
7. California	183
8. North Dakota	176
9. Iowa	154
10. Arkansas	136

Nearly 92 percent of PERA's annuitants remain residents of Minnesota.

Statistical Section

Average Benefit Payments

Last Five Years

Public Employees Police and Fire Fund

Retirement Effective Dates July 1, 1998 to June 30, 2003	Years of Service						
	0-5	5-10	10-15	15-20	20-25	25-30	30+
Period 7/1/98 to 6/30/99:							
Average Monthly Benefit	\$600	\$1,024	\$1,933	\$1,688	\$2,780	\$3,884	\$4,747
Number of Current Retirees	12	8	13	10	43	93	41
Period 7/1/99 to 6/30/00:							
Average Monthly Benefit	\$218	\$880	\$967	\$1,820	\$2,694	\$3,679	\$4,322
Number of Current Retirees	10	8	10	18	71	172	58
Period 7/1/00 to 6/30/01:							
Average Monthly Benefit	\$249	\$911	\$1,265	\$1,728	\$2,734	\$3,507	\$4,142
Number of Current Retirees	13	6	5	15	60	133	38
Period 7/1/01 to 6/30/02:							
Average Monthly Benefit	\$269	\$940	\$1,773	\$1,802	\$2,791	\$3,495	\$4,116
Number of Current Retirees	4	10	11	15	46	115	26
Period 7/1/02 to 6/30/03:							
Average Monthly Benefit	\$319	\$863	\$1,367	\$1,891	\$2,839	\$3,767	\$4,681
Number of Current Retirees	8	9	12	27	64	161	91
Period 7/1/98 to 6/30/03:							
Average Monthly Benefit	\$346	\$923	\$1,510	\$1,808	\$2,764	\$3,663	\$4,476
Number of Current Retirees	47	41	51	85	284	674	254

Public Employees Correctional Fund*

Retirement Effective Dates July 1, 1999 to June 30, 2003	Years of Service						
	0-5	5-10	10-15	15-20	20-25	25-30	30+
Period 7/1/99 to 6/30/00:							
Average Monthly Benefit	\$28	\$0	\$0	\$0	\$0	\$0	\$0
Number of Current Retirees	10	0	0	0	0	0	0
Period 7/1/00 to 6/30/01:							
Average Monthly Benefit	\$68	\$0	\$0	\$0	\$0	\$0	\$0
Number of Current Retirees	12	0	0	0	0	0	0
Period 7/1/01 to 6/30/02:							
Average Monthly Benefit	\$165	\$0	\$0	\$0	\$0	\$0	\$0
Number of Current Retirees	15	0	0	0	0	0	0
Period 7/1/02 to 6/30/03:							
Average Monthly Benefit	\$189	\$0	\$0	\$0	\$0	\$0	\$0
Number of Current Retirees	19	0	0	0	0	0	0
Period 7/1/99 to 6/30/03:							
Average Monthly Benefit	\$128	\$0	\$0	\$0	\$0	\$0	\$0
Number of Current Retirees	56	0	0	0	0	0	0

Participating Employers

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

CITIES

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

Statistical Section

IONA	LINO LAKES	MONTEVIDEO	PAYNESVILLE	SEBEKA	VENTURA
IRONTON	LISMORE	MONTGOMERY	PELICAN RAPIDS	SHAFFER	VERGAS
ISANTI	LITCHFIELD	MONTICELLO	PEMBERTON	SHAKOPEE	VERMILLION
ISLE	LITTLE CANADA	MONTROSE	PENNOCK	SHELLY	VERNDALE
IVANHOE	LITTLE FALLS	MOORHEAD	PEQUOT LAKES	SHERBURN	VERNON CENTER
JACKSON	LITTLEFORK	MOOSE LAKE	PERHAM	SHOREVIEW	VESTA
JANESVILLE	LONG BEACH	MORA	PETERSON	SHOREWOOD	VICTORIA
JANESVILLE NURSING HOME	LONG LAKE	MORGAN	PIERZ	SILVER BAY	VIKING
JASPER	LONG PRAIRIE	MORRIS	PILLAGER	SILVER LAKE	VILLARD
JEFFERS	LONGVILLE	MORRISTOWN	PINE CITY	SLAYTON	VIRGINIA
JENKINS	LONSDALE	MORTON	PINE ISLAND	SLEEPY EYE	WABASHA
JORDAN	LORETTO	MOTLEY	PINE RIVER	SOUTH HAVEN	WABASSO
KANDIYOHI	LUCAN	MOUND	PIPESTONE	SOUTH ST PAUL	WACONIA
KARLSTAD	LUVERNE	MOUNDS VIEW	PLAINVIEW	SPICER	WADENA
KASOTA	LYLE	MOUNTAIN IRON	PLATO	SPRING GROVE	WAHKON
KASSON	LYND	MOUNTAIN LAKE	PLUMMER	SPRING LAKE PARK	WAITE PARK
KEEWATIN	MABEL	MURDOCK	PLYMOUTH	SPRING PARK	WALDORF
KELLIHER	MADELIA	NASHWAUK	PRESTON	SPRING VALLEY	WALKER
KELLOGG	MADISON	NERSTRAND	PRINCETON	SPRINGFIELD	WALNUT GROVE
KENNEDY	MADISON LAKE	NEVIS	PRINSBURG	ST ANTHONY	WANAMINGO
KENSINGTON	MAHNOMEN	NEW AUBURN	PRIOR LAKE	ST BONIFACIUS	WANDA
KENT	MAHTOMEDI	NEW BRIGHTON	PROCTOR	ST CHARLES	WARREN
KENYON	MANKATO	NEW GERMANY	RACINE	ST CLAIR	WARROAD
KERKHOVEN	MANTORVILLE	NEW HOPE	RAMSEY	ST CLOUD	WASECA
KETTLE RIVER	MAPLE GROVE	NEW LONDON	RANDALL	ST FRANCIS	WATERTOWN
KIESTER	MAPLE LAKE	NEW MUNICH	RANDOLPH	ST HILAIRE	WATERVILLE
KIMBALL	MAPLE PLAIN	NEW PRAGUE	RANIER	ST JAMES	WATKINS
KINNEY	MAPLETON	NEW RICHLAND	RAYMOND	ST JOSEPH	WATSON
LA CRESCENT	MAPLEVIEW	NEW ULM	RED LAKE FALLS	ST LEON	WAUBUN
LAFAYETTE	MAPLEWOOD	NEW YORK MILLS	RED WING	ST LOUIS PARK	WAVERLY
LAKE BENTON	MARBLE	NEWFOLDEN	REDWOOD FALLS	ST MICHAEL	WAYZATA
LAKE BRONSON	MARIETTA	NEWPORT	REMER	ST PAUL	WELCOME
LAKE CITY	MARINE ON ST CROIX	NICOLLET	RENDSVILLE	ST PAUL PARK	WELLS
LAKE CRYSTAL	MARSHALL	NIELSVILLE	RENVILLE	ST PETER	WENDELL
LAKE ELMO	MAYER	NISSWA	RENVILLE NURSING HOME	ST STEPHEN	WEST CONCORD
LAKE LILLIAN	MAYNARD	NORTH BRANCH	RICE	STACY	WEST ST PAUL
LAKE PARK	MAZEPPA	NORTH MANKATO	RICHFIELD	STAPLES	WESTBROOK
LAKE SHORE	MC GRATH	NORTH OAKS	RICHMOND	STARBUCK	WHEATON
LAKE ST CROIX BEACH	MC GREGOR	NORTH ST PAUL	ROBBINSDALE	STEPHEN	WHITE BEAR LAKE
LAKE WILSON	MC INTOSH	NORTHFIELD	ROCHESTER	STEWART	WILLERNIE
LAKEFIELD	MC KINLEY	NORTHHOME	ROCK CREEK	STEWARTVILLE	WILLIAMS
LAKEFIELD COLONIAL	MEADOWLANDS	NORTHROP	ROCKFORD	STILLWATER	WILLMAR
NURSING HOME	MEDFORD	NORWOOD	ROCKVILLE	STOCKTON	WILMONT
LAKELAND	MEDINA	YOUNG AMERICA	ROGERS	STORDEN	WINDOM
LAKEVIEW HOME	MELROSE	OAK GROVE	ROLLINGSTONE	STURGEON LAKE	WINGER
LAKEVILLE	MENAHGA	OAK PARK HEIGHTS	ROSE CREEK	SWANVILLE	WINNEBAGO
LAMBERTON	MENAHGA	OAKDALE	ROSEAU	TACONITE	WINONA
LAMBERTON VALLEY VIEW MANOR	NURSING HOME	ODESSA	ROSEMOUNT	TAYLORS FALLS	WINSTED
LANCASTER	MENDOTA HEIGHTS	OGEMA	ROSEVILLE	THIEF RIVER FALLS	WINTHROP
LANDFALL	MENTOR	OGILVIE	ROTHSAY	THOMSON	WINTON
LANESBORO	MIDDLE RIVER	OKABENA	ROUND LAKE	TINTAH	WOLF LAKE
LAPRAIRIE	MILACA	OKLEE	ROYALTON	TONKA BAY	WOLVERTON
LAUDERDALE	MILAN	OLIVIA	RUSH	TOWER	WOOD LAKE
LE CENTER	MILLERVILLE	ONAMIA	RUSHFORD	TRACY	WOODBURY
LE SUEUR	MILLVILLE	ORONO	RUSHFORD VILLAGE	TRIMONT	WOODLAND
LENGBY	MILROY	ORONOCO	RUSHMORE	TRIMONT HEALTH CARE CENTER	WORTHINGTON
LEROY	MILTON	ORR	RUSSELL	TRUMAN	WRENSHALL
LESTER PRAIRIE	MILTONA	ORTONVILLE	RUTHTON	TWIN LAKES	WYKOFF
LEWISTON	MINNEAPOLIS	OSAKIS	SACRED HEART	TWIN VALLEY	WYOMING
LEWISVILLE	MINNEOTA	OSLO	SANBORN	TWO HARBORS	ZIMMERMAN
LEXINGTON	MINNESOTA LAKE	OSSEO	SANDSTONE	TYLER	ZUMBRO FALLS
LILYDALE	MINNETONKA	OSTRANDER	SARTELL	ULEN	ZUMBROTA
LINDSTROM	MINNETONKA BEACH	OTSEGO	SAUK CENTRE	ULEN VIKING MANOR	
	MINNETRISTA	OWATONNA	SAUK RAPIDS	UNDERWOOD	
		PALISADE	SAVAGE	UPSALA	
		PARK RAPIDS	SCANLON	VADNAIS HEIGHTS	
		PARKERS PRAIRIE			

TOWNSHIPS

ACOMA	BLOOMFIELD	CONCORD	FALL LAKE	HARRISON	KILKENNY
ADAMS	BLOOMING GROVE	COON CREEK	FALUN	HASSAN	KIMBERLY
ADRIAN	BLUE HILL	CORINNA	FARM ISLAND	HAUGEN	KING
AETNA	BOGUS BROOK	CORMORANT	FARMINGTON	HAVANA	KINGSTON
AITKIN	BONDIN	COSMOS	FAYAL	HAVEN	KNIFE LAKE
ALBA	BOWSTRING	COTTON	FENTON	HAVERHILL	KNUTE
ALBERT LEA	BOY LAKE	COTTONWOOD	FILLMORE	HAWLEY	KRAGERO
ALBION	BRADFORD	CRATE	FISH LAKE	HAY CREEK	KRAIN
ALDRICH	BRANDON	CREDIT RIVER	FLEMING	HAYLAND	KROSCHER
ALTON	BREITUNG	CROOKED LAKE	FLOODWOOD	HAYWARD	LA CRESCENT
ALWOOD	BREMEN	CROW RIVER	FLORENCE	HAZELTON	LA CROSSE
AMHERST	BRIGHTON	CROW WING	FLORIDA	HEGBERT	LA GARDE
ANDOVER	BRISTOL	CROW WING LAKES	FOLDAHL	HEIGHT OF LAND	LA GRANDE
ANN LAKE	BROCKWAY	CRYSTAL BAY	FOREST	HELEN	LAFAYETTE
ANTRIM	BROWNS VALLEY	CULDRUM	FOREST CITY	HELENA	LAKE ANDREW
ARBO	BROWNSVILLE	CULVER	FOREST LAKE	HELGA	LAKE EDWARD
ARDENHURST	BRUNSWICK	DAGGETT BROOK	FORESTVILLE	HENDERSON	LAKE ELIZABETH
ARENDAHL	BUFFALO	DAHLGREN	FOX LAKE	HENRIETTA	LAKE EMMA
ARLINGTON	BUH	DALBO	FRAMNAS	HERON LAKE	LAKE FREMONT
ARNA	BURNHAMVILLE	DARLING	FRANCONIA	HIGDEM	LAKE GEORGE
ARTHUR	BURNS	DARWIN	FRANKFORT	HIGH FOREST	LAKE HANSKA
ASHLAND	BURTON	DEAD LAKE	FRANKLIN	HIGHWATER	LAKE MARSHALL
ATHENS	BUTTERFIELD	DECORIA	FRASER	HINES	LAKE PLEASANT
ATKINSON	BUTTERNUT VALLEY	DEERWOOD	FREDENBERG	HIRAM	LAKE SARAH
AVON	BUZZLE	DELL GROVE	FREEDOM	HOBART	LAKESIDE
BADOURA	BYRON	DENVER	FREEMAN	HOFF	LAKETOWN
BAKER	CAIRO	DERRYNANE	FRENCH	HOKAH	LAKEVIEW
BALDWIN	CALEDONIA	DES MOINES RIVER	FRENCH LAKE	HOLDEN	LAKESIDE
BALKAN	CAMBRIA	DEWALD	FRIBERG	HOLDING	LAKIN
BALL BLUFF	CAMBRIA	DEXTER	GARDEN CITY	HOLLAND	LAND
BALSAM	CAMBRIDGE	DORA	GARFIELD	HOLLY	LANESBURGH
BANDON	CAMDEN	DOUGLAS	GARNES	HOLLYWOOD	LANGOLA
BARCLAY	CAMP	DOVER	GARRISON	HOLT	LAWRENCE
BARRY	CANNON FALLS	DOVRAY	GENNESSEE	HOLYOKE	LE SAUK
BARTLETT	CANOSIA	DRESBACH	GETTY	HOME	LEAF LAKE
BASHAW	CANTON	DRYDEN	GIRARD	HOMEBROOK	LEAF RIVER
BASS BROOK	CARIMONA	DULUTH	GLEN	HOMESTEAD	LEECH LAKE
BASSETT	CARLOS	DUNN	GLENDORADO	HONNER	LEEDS
BAY LAKE	CARPENTER	EAGLE LAKE	GNESEN	HOUSTON	LENT
BEARVILLE	CARROLTON	EAGLE VIEW	GOOD HOPE	IDA	LEON
BEATTY	CARSON	EAGLES NEST	GOOSE PRAIRIE	IDEAL	LERAY
BEAULIEU	CASCADE	EAST SIDE	GRACEVILLE	IDUN	LIBERTY
BEAVER CREEK	CASTLE ROCK	EASTERN	GRAHAM	INDUSTRIAL	LIDA
BEAVER FALLS	CEDAR	EDEN LAKE	GRAHAM LAKES	INGUADONA	LIME
BECKER	CEDAR MILLS	EDNA	GRANBY	INMAN	LIME LAKE
BELGRADE	CENTER	EFFINGTON	GRAND LAKE	IONA	LINCOLN
BELLE CREEK	CHANARAMBIE	ELDORADO	GRAND MEADOW	IRON RANGE	LINDEN
BELLE PLAINE	CHARLESTOWN	ELGIN	GRAND PRAIRIE	IRONDALE	LINWOOD
BELLE PRAIRIE	CHASKA	ELIZABETH	GRAND RAPIDS	IRVING	LITCHFIELD
BELLE RIVER	CHATHAM	ELK LAKE	GRANITE FALLS	ISANTI	LITTLE ELBOW
BELLEVUE	CHENGWATANA	ELLINGTON	GRANT VALLEY	ISLAND LAKE	LITTLE FALLS
BELMONT	CHERRY	ELLSBURG	GREAT SCOTT	JANESVILLE	LITTLE PINE
BELVIDERE	CHERRY GROVE	ELM CREEK	GREENBUSH	JAY	LIVONIA
BEMIDJI	CHESTER	ELM DALE	GREENLEAF	JO DAVIS	LONE PINE
BENTON	CHIPPEWA FALLS	ELMER	GREENVALE	JOHNSONVILLE	LONE TREE
BERGEN	CHISAGO LAKE	ELMIRA	GREENWAY	KANABEC	LONG LAKE
BERNADOTTE	CLAYTON	EMBARRASS	GREENWOOD	KANARANZI	LOUISVILLE
BIG LAKE	CLEAR LAKE	EMPIRE	GREY CLOUD ISLAND	KANDIYOH	LUXEMBURG
BIG STONE	CLEARWATER	ERIN	GREY EAGLE	KASOTA	LYLE
BIRCH CREEK	CLIFTON	ESPELIE	GULLY	KATHIO	LYNDEN
BISMARCK	CLOVER	EVANSVILLE	GUTHRIE	KEGO	LYNN
BIWABIK	COKATO	EVERGREEN	HALDEN	KENYON	MACVILLE
BLACKBERRY	COLLEGEVILLE	FAIR HAVEN	HALSTAD	KETTLE RIVER	MAGNOLIA
BLACKHOOF	COLUMBIA	FAIRBANKS	HAMMER	KIESTER	MAINE
BLAKELEY	COLUMBUS	FAIRFIELD	HAMPTON		
BLIND LAKE	COLVIN	FAIRMONT	HARMONY		
	COMPTON	FAIRVIEW	HARRIS		

Statistical Section

MAINE PRAIRIE	NEW SOLUM	QUINCY	SPARTA	WANAMINGO	CARVER
MANANNAH	NEWBURG	RABBIT LAKE	SPENCER	WANG	CASS
MANFRED	NOKAY LAKE	RACINE	SPENCER BROOK	WARD	CHIPPEWA
MANKATO	NORA	RANDOLPH	SPRING GROVE	WARREN	CHISAGO
MANTORVILLE	NORDLAND	RANSOM	SPRING LAKE	WARSAW	CLAY
MANTRAP	NORMAN	RAPIDAN	SPRINGDALE	WASIOJA	CLEARWATER
MAPLE LAKE	NORTH HERO	RAVENNA	SPRINGHILL	WATAB	COOK
MAPLE RIDGE	NORTH STAR	RED LAKE FALLS	SPRINGVALE	WATERBURY	COTTONWOOD
MARBLE	NORTHEN	RICE LAKE	SPRINGWATER	WATERTOWN	CROW WING
MARCELL	NORTHFIELD	RICH VALLEY	SPRUCE GROVE	WATERVILLE	DAKOTA
MARION	NORWAY	RICHARDSON	ST JAMES	WATOPA	DODGE
MARSHALL	NORWEGIAN	RICHMOND	ST JOSEPH	WAWINA	DOUGLAS
MARSHAN	GROVE	RIVER FALLS	ST MARTIN	WEBSTER	FARIBAULT
MARTIN	OAK LAWN	RIVERSIDE	ST OLAF	WEIMER	FILLMORE
MARYSVILLE	OAK PARK	ROCHESTER	STANCHFIELD	WELCH	FREEBORN
MASON	OAK VALLEY	ROCK DELL	STANFORD	WELLINGTON	GOODHUE
MAXWELL	OAKLAND	ROCKFORD	STANTON	WELLS	GRANT
MAY	ODESSA	ROCKSBURY	STAPLES	WEST HERON LAKE	HENNEPIN
MAYHEW LAKE	ORION	ROCKWOOD	STAR LAKE	WEST NEWTON	HOUSTON
MAYVILLE	ORROCK	ROGERS	STERLING	WESTBROOK	HUBBARD
MAZEPPA	ORTON	ROLLING GREEN	STILLWATER	WHEATLAND	ISANTI
MCDAVITT	OSAGE	ROLLINGSTONE	STOCKHOLM	WHITE	ITASCA
MEADOWLANDS	OSBORNE	ROOSEVELT	STONY RUN	WHITE BEAR	JACKSON
MEHURIN	OSHKOSH	ROSEHILL	STORDEN	WHITE OAK	KANABEC
MERTON	OTENEAGEN	ROSENDALE	STURGEON	WILKINSON	KANDIYOHI
MICKINOCK	OTISCO	ROSEVILLE	STURGEON LAKE	WILLIAMS	KITTSO
MIDDLETOWN	OTREY	ROSS	SUMMIT	WILMINGTON	KOOCHICHING
MIDDLEVILLE	OTTERTAIL PENIN- SULA TOWNSHIP	ROSS LAKE	SUMNER	WILMONT	LAC QUI PARLE
MIDWAY	OTTO	ROUND GROVE	SUMTER	WILSON	LAKE
MILACA	OWATONNA	ROUND LAKE	SUNDOWN	WINDEMERE	LAKE OF THE WOODS
MILFORD	OXFORD	ROYALTON	SUNRISE	WING RIVER	LE SUEUR
MILLERVILLE	PALMYRA	RUSHEBA	SVERDRUP	WINNEBAGO	LINCOLN
MILO	PARKERS PRAIRIE	RUTLAND	SWAN RIVER	WINONA	LYON
MINDEN	PAXTON	SALEM	SWANVILLE	WINSOR	MAHNOMEN
MINNEOTA	PAYNESVILLE	SAND LAKE	SWEET	WINSTED	MARSHALL
MINNEWASKA	PEACE	SANTIAGO	SYLVAN	WISCOY	MARTIN
MISSION	PELICAN	SARGEANT	TANSEM	WOLF LAKE	MCLEOD
MOE	PELICAN LAKE	SAUK RAPIDS	THOMSON	WOLFORD	MEEKER
MOLTKE	PEMBINA	SAVANNAH	THUNDER LAKE	WOOD LAKE	MILLE LACS
MONEY CREEK	PENN	SCANDIA VALLEY	TRANSIT	WOODLAND	MORRISON
MONTGOMERY	PETERSBURG	SCHROEDER	TRELIPE	WOODROW	MOWER
MONTICELLO	PIKE BAY	SCOTT	TROUT LAKE	WOODSIDE	MURRAY
MOONSHINE	PIKE CREEK	SEAVEY	TUMULI	WOODVILLE	NICOLLET
MORAN	PILOT MOUND	SEVERANCE	TURNER	WORKMAN	NOBLES
MORANVILLE	PINE CITY	SHAMROCK	TURTLE CREEK	WRENSHALL	NORMAN
MORKEN	PINE ISLAND	SHELBURNE	TURTLE LAKE	WRIGHT	OLMSTED
MORRISON	PINE LAKE	SHELBY	TWIN LAKES	WUORI	OTTERTAIL
MORSE	PINE RIVER	SHELL LAKE	TWO RIVERS	WYANETT	PENNINGTON
MOTLEY	PLAINVIEW	SHERIDAN	URNES	WYOMING	PINE
MOUNT VERNON	PLEASANT PRAIRIE	SHETEK	VAIL	YORK	PIPESTONE
MOUNTAIN LAKE	PLINY	SHIELDSVILLE	VAN BUREN	YOUNG AMERICA	POLK
MUNSON	POKEGAMA	SHINGO BEE	VASA	YUCATAN	POPE
NASHVILLE	POPPE GROVE	SIBLEY	VERDI	ZUMBRO	RAMSEY
NASHWAUK	POSEN	SILVER BROOK	VERMILLION	ZUMBROTA	RED LAKE
NELSON	POWERS	SILVER CREEK	VERNON		REDWOOD
NESS	PRAIRIE VIEW	SILVER LAKE	VESTA		RENVILLE
NEVADA	PREBLE	SINCLAIR	VICTOR	COUNTIES	RICE
NEVIS	PRESTON	SIOUX AGENCY	VIKING	AITKIN	ROCK
NEW AUBURN	PRINCETON	SKANDIA	VILLARD	ANOKA	ROSEAU
NEW HAVEN	PRIOR	SKELTON	VINELAND	BECKER	ST LOUIS
NEW LONDON	PROVIDENCE	SOLEM	VIVIAN	BELTRAMI	SCOTT
NEW PRAIRIE	PULASKI	SOLWAY	WABEDO	BENTON	SHERBURNE
NEW RICHLAND	QUEEN	SOUTH BEND	WACONIA	BIG STONE	SIBLEY
NEW SCANDIA		SOUTH BRANCH	WACOUTA	BLUE EARTH	STEARNS
		SOUTH HARBOR	WAKEFIELD	BROWN	STEELE
		SOUTH FORK	WALDEN	CARLTON	STEVENS
		SOUTHSIDE	WALTHAM		SWIFT

TODD
TRAVERSE
WABASHA
WADENA
WASECA
WASHINGTON
WATONWAN
WILKIN
WINONA
WRIGHT
YELLOW MEDICINE

SCHOOLS

ACORN DUAL LANGUAGE
COMMUNITY ISD-4018
ADA-BORUP ISD-2854
ADRIAN ISD-511
AITKIN ISD-1
AKELEY-HACKENSACK-WALKER ISD 113
ALBANY ISD-745
ALBERT LEA ISD-241
ALBERTA-CHOKIO ISD-771
ALDEN-CONGER ISD-242
ALEXANDRIA ISD-206
ANNANDALE ISD-876
ANOKA-HENNEPIN ISD-11
ARROWHEAD REGIONAL COMPUTING
ASHBY ISD-261
ATWATER-COSMOS-GROVE CITY ISD-2396
AURORA CHARTER SCHOOL
AURORA-HOYT-BIWABIK ISD-2711
AUSTIN ISD-492
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
BEMIDJI ISD-31
BEMIDJI REGIONAL
INTERDISTRICT COUNCIL
BENSON ISD-777
BENTON-STEARNS
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-
REEBORN-WELL ISD-2134

BROOKLYN CENTER ISD-286
BROWERVILLE ISD-787
BROWNS VALLEY ISD-801
BUFFALO ISD-877
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 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
CLAREMONT-DODGE CNTR-
W CONCOR ISD-2125
CLEARBROOK-GONVICK ISD-2311
CLEVELAND ISD-391
CLIMAX ISD-592
CLINTON-GRACEVILLE-BEARDSLEY ISD-2888
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
FRESHWATER EDUC DIST-6004
FRIDLEY ISD-14
FULDA ISD-505
GFW ISD-2365
GLENCOE-SILVER LAKE ISD-2859
GLENVILLE ISD-245
GOODHUE EDUCATION DISTRICT ISD-6051
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

Statistical Section

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
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 SPECIAL 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
MACCRAY ISD-2180
MADELIA ISD-837
MADISON ISD-2853
MAHNOMEN ISD-432
MAHTOMEDI ISD-832
MANKATO ISD-77
MAPLE LAKE ISD-881
MAPLE RIVER ISD-2135
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
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
NASHWAWK-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 924
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 SCHOOL ALEXANDRIA
PEAKS CHARTER SCHOOL DULUTH
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
RED LAKE FALLS AREA SPEC EDUC COOP
RED LAKE FALLS ISD-630
RED LAKE ISD-38
RED WING ISD-256
REDROCK CENTRAL ISD-2884
REDWOOD FALLS ISD-2897
REGION I ESV
REMER ISD-118
RENVLL CO WEST ISD-3001
RESOURCE TRAINING AND SOLUTIONS
RICHFIELD ISD-280
RIGHT STEP ACADEMY
RIVER BEND ISD-6049
ROBBINSDALE ISD-281
ROCHESTER ISD-535
ROCHESTER OFF-CAMPUS CHARTER ISD-4056
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
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 CO ISD-2142
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
SW & W CENTRAL EDUC SERVICE 991
SWANVILLE ISD-486
THIEF RIVER FALLS ISD-564
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
VERNDALE ISD-818
VILLAGE SCHOOL OF NORTHFIELD ISD-4021
VIRGINIA ISD-706
WABASSO ISD-640
WACONIA ISD-110
WADENA ISD-2155
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 WALNUT GROVE ISD-2898
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

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
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
EFSD JOINT RECREATION BOARD
ESSENTIAL HEALTH PLAN JOINT POWERS BOARD

FARIBAUT 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-FARIBAUT CO
IMPACT 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-FARIBAUT CO
PRAIRIELAND WASTE BD
MC LEOD COUNTY SWCD
MEEKER COUNTY SWCD
METRO II
METRO INTER-COUNTY ASSOCIATION

Statistical Section

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
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
SOUTHEAST COUNTY 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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