

Comprehensive Annual Financial Report

For Fiscal Year Ended June 30, 2007



**Public
Employees
Retirement
Association
of Minnesota**

**Pension Trust Funds
of the State of Minnesota**



Public
Employees
Retirement
Association
of Minnesota

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2007

76
*Years of
Service
to
Minnesota's
Public
Employees*

BOARD OF TRUSTEES

Steven L. Devich — Board President, Elected Membership Representative
Dennis Hegberg — Board Vice President, Counties Representative
Rebecca Otto — State Auditor
Ross E. Arneson — Elected Membership Representative
Marcia Farinacci — Annuitant Representative
Kathryn A. Green — School Board Representative
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Thomas L. Marshall — Elected Police and Fire Representative
Louise A. Olson — Elected Retiree/Disabiltant Membership Representative
Don Rambow — Cities Representative

EXECUTIVE DIRECTOR

Mary Most Vanek

REPORT PREPARED BY:

Finance and Executive Division Staff
David DeJonge — Assistant Executive Director
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Table of Contents

	Page
INTRODUCTORY SECTION	
Achievement Awards	3
President's Report	4
Letter of Transmittal	5
Administrative Organization	10
Board of Trustees	11
Retirement System Plan Summary	12
FINANCIAL SECTION	
Legislative Auditor's Report	17
Management Discussion and Analysis	18
Basic Financial Statements:	
Statement of Plan Net Assets	22
Statement of Changes in Plan Net Assets	23
Notes to the Financial Statements	24
Required Supplementary Information:	
Schedule of Funding Progress	32
Schedule of Employer Contributions	33
Required Supplementary Information Notes	34
Supporting Schedules	
Schedule of Investment Expenses	35
Schedule of Payments to Consultants	35
Schedule of Administrative Expenses	36
INVESTMENT SECTION	
Investment Report	37
Investment Results	38
Asset Allocation	39
List of Largest Assets Held	40
Investment Summary at Cost	41
Investment Summary at Fair Value	42
Fair Value of Investments	43
ACTUARIAL SECTION	
Actuary's Certification Letter	45
Summary of Actuarial Assumptions and Methods	46
Sample Annual Rates Per 10,000 Employees	48
Determination of Actuarial Value of Assets	49
Solvency Test	50
Schedule of Active Member Valuation Data	51
Schedule of Retirees and Beneficiaries	52
Determination of Contribution Sufficiency	53
Schedule of Changes in Unfunded Actuarial Accrued Liabilities	54
STATISTICAL SECTION	
Introduction	55
Schedule of Changes in Net Assets	56
Revenues and Expenses	58
Summary of Membership	59
Active Members by Age and Service	60
Schedule of New Retirees and Initial Benefit Paid	61
Schedule of Benefit Recipients by Type	64
PERA Annuitant Residency	67
Principal Participating Employers	68
Participating Employers	62

Introductory Section

Achievement Awards

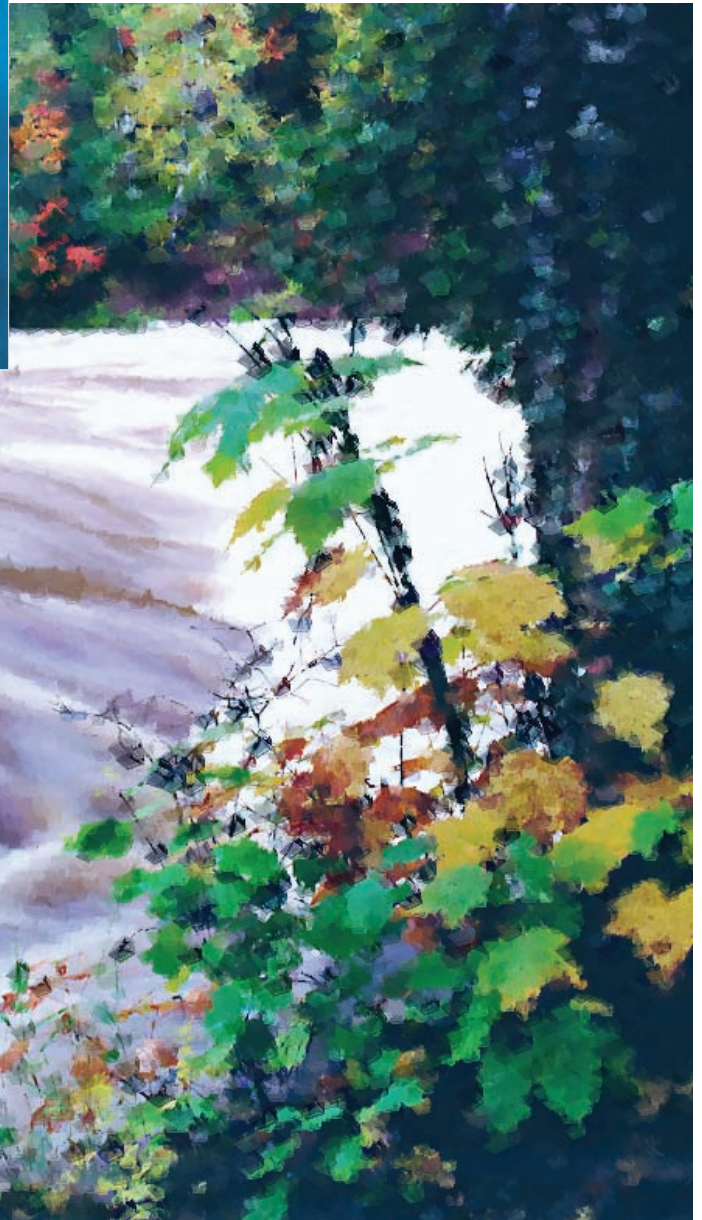
President's Report

Letter of Transmittal

Administrative
Organization

Board of Trustees

Retirement System
Plan Summary



Achievement Awards



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. PERA received this award for our 2006 Comprehensive Annual Financial Report, the 22nd time we have been so honored.



President's Report

Public Employees Retirement Association of Minnesota
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Saint Paul, Minnesota 55103-2088
Member Information Services: 651-296-7460 or 1-800-652-9026
Employer Response Lines: 651-296-3636 or 1-888-892-7372
PERA Fax Number: 651-297-2547
PERA Website: www.mnpera.org



December 14, 2007

**Dear Members, Annuitants, Beneficiaries
and Governmental Employers:**

This 76th 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, 2007, PERA's net assets available for benefits at fair value exceeded \$19.4 billion. This reflects an annual increase of approximately 16 percent.

Fiscal year 2007 was another strong investment year. The total rate of return for the assets of the active employees covered by PERA was 18.5 percent, net of fees, for the 12 months ended June 30, 2007. For the past 10 years, these investments outperformed the composite market return benchmark by two-tenths (0.2) of one percent, with an annualized return of 8.5 percent. This rate of return is equal to the fund's actuarial assumed annual rate of return.

As the active employees of PERA retire, assets required to cover expected future 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. The market value of this pool of assets increased to \$25 billion at fiscal year end. PERA's share of that pool increased to almost \$9 billion. Over the past 10 years, the MPRIF has outperformed the composite market return benchmark by two-tenths (0.2) of one percentage point, with an annualized return of 8.1 percent.

PERA worked hard again this year to enhance our level of customer service and to control costs. We opened a new satellite office in Mankato to serve our members in that part of the state. We developed a new online tool for employers, allowing them to enter contribution information directly into our systems securely and accurately. We expanded the capabilities of **My PERA**, our online tool for members. We also worked with police and fire representatives to develop legislation that added some sensible controls to our disability provisions. That legislation was passed in 2007.



**Steven L. Devich
Board President**

During the year we began meeting with the boards of our sister statewide public pension plans in an attempt to shore up the MPRIF both financially and structurally. Those discussions will continue into 2008 as we develop legislation that can be supported by all three boards.

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, and beneficiaries. I believe our efforts over the past year have amply illustrated this continuing dedication as fiduciaries of the public employee retirement funds.

Steven Devich
President
PERA Board of Trustees

Letter of Transmittal

Public Employees Retirement Association of Minnesota
60 Empire Drive, Suite 200
Saint Paul, Minnesota 55103-2088
Member Information Services: 651-296-7460 or 1-800-652-9026
Employer Response Lines: 651-296-3636 or 1-888-892-7372
PERA Fax Number: 651-297-2547
PERA Website: www.mnpera.org



December 13, 2007

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, 2007—our 76th 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.

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 18 in the Financial Section of this report.

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 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 being 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. On June 30, 2007, PERA's membership included 160,512 current, active employees and 68,743 benefit recipients in the three defined benefit plans, and another 6,867 members with money in the defined contribution plan.

ACCOUNTING SYSTEMS AND REPORTS

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). PERA's Comprehensive Annual Financial Report also complies with Minnesota Statutes, Section 356.20.

Letter of Transmittal

(Continued)

Transactions are reported on the accrual basis of accounting. Contributions from employers and members are recognized as revenue when earned and measurable. Expenses are recorded when corresponding liabilities are incurred, regardless of when 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 investments undertaken by the SBI are governed by the common law prudent person rule and other standards codified in Chapter 11A of the Minnesota Statutes. The board is comprised of the state's elected officers: Governor Tim Pawlenty; State Auditor Rebecca Otto; Secretary of State Mark Ritchie; and State Attorney General Lori Swanson.

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 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 65 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, 2007, the Basic Retirement Funds produced an 18.5 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 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, 2007 was 8.5 percent, above its target index of 8.3 percent.

POST RETIREMENT INVESTMENT FUND

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

Fair Value of Investments, June 30, 2007 (in thousands)

<u>Fund</u>	<u>Active Members</u>	<u>Retired Members</u>
PERF	\$ 7,121,036	\$6,606,806
PEPFF	3,163,627	2,358,901
PECF	166,118	7,019
Totals	\$10,450,781	\$8,972,726

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, 2007, approximately 65 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, 2007, the MPRIF outperformed its composite index by two-tenths of one percent with an annualized return of 8.1 percent.

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 2.5 percent, payable January 1, 2008.

- Inflation adjustment of 2.5%. This equals 100 percent of the reported Consumer Price Index for wage earners (CPI-W) for the 12 months ended June 30, 2007 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. As of June 30, 2007, the liabilities of the Post Fund exceed its assets, leaving a deficit of approximately \$2.4 billion. That deficit must be fully recovered before any future investment-based adjustment is given.

Over the last 10 years (including this year), annual benefit increases have averaged 4.7 percent while inflation has averaged 2.6 percent. Because of investment losses sustained in the early 2000's coupled with large benefit increases we were required to grant in the late 1990's, however, increases for the past four years have remained at 2.5% and are expected to be no larger than that for many years to come, until excess investment earnings are able to make up the Post Fund deficit.

ECONOMIC CONDITIONS AND OUTLOOK

The national economy continued to be strong, creating almost 2 million jobs during the fiscal year. The unemployment rate fell from 4.6 percent in June 2006 to 4.5 percent in June 2007, with a record number of people working. Average hourly earnings rose by 3.9 percent during that same period. Inflation was held in check, growing 2.7 percent, despite large fluctuations in the price of oil and uncertainty in the Middle East. Thirty year mortgage rates remained fairly steady throughout the fiscal year. After increasing interest rates 200 basis points in fiscal year 2006, the Federal Reserve left interest rates alone in fiscal year 2007. Industrial production rose 1.4 percent during the year. Median household income rose to \$48,451 in 2006 while Real GDP rose 3.1 percent.

Investment markets did quite well in fiscal year 2007. The Russell 3000 returned 20.1 percent, while the Lehman Brothers Aggregate Bond Index returned 6.1 percent. International stocks also did well. The Morgan Stanley Capital International All Country World Index, which does not include the United States, returned 29.6 percent. PERA's Basic Retirement Fund and the MPRIF, made up of domestic and international equities and fixed assets, had annualized rates of return of 18.5 percent and 18.2 percent respectively, net of fees. Those returns were well above our assumed earnings rate of 8.5 percent.

Employment in Minnesota did not recover from the 2001 recession as fast as it did elsewhere in the nation. Labor markets started the fiscal year with the strongest job growth since 1999, but slowed down during the

Letter of Transmittal

(Continued)

year. For the third year in a row Minnesota's job growth of 1.4 percent lagged behind the nation's job growth pace. Although roughly 37,000 jobs were added during the fiscal year, by the end of the year, Minnesota's unemployment rate of 4.5 percent matched the national rate. Minnesota's unemployment rate had never risen to the national rate since the state began keeping records in 1976.

On the bright side, Minnesota continued to be a great place to live and work. Minnesota had the highest labor force participation rate in the nation at 73.5 percent. The percentage of the population with a high school education or higher remained the highest of any state at 93 percent. The median household income was \$54,023, the tenth best in the country. The poverty rate of 9.8 percent was well below the national rate of 13.5 percent. Minnesota's high standard of living allowed its residents to enjoy the fifth highest home ownership rates nationwide at 75.6 percent. With 20 of the Fortune 500 companies based out of Minnesota, the state has a strong tax base. Tax revenues for the state were about 1 percent above projections.

The economic outlook for Minnesota and the rest of the country is mixed. On one hand, higher energy costs, a weak dollar, a deepening housing recession, and turmoil in the subprime mortgage market will prove to be a drag on the economy. On the other hand, low interest rates, low inflation, strong foreign economies, strong consumer spending, and strong job growth should keep the economy moving forward, albeit at a slower pace than we have seen the past few years.

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.

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

The Association's progress toward meeting the full funding objective is displayed on the Schedule of Funding Progress on page 32. This report shows the funding levels using the entry age normal actuarial cost method, and reflect the change in asset valuation method to full fair market value for the MPRIF. At the end of fiscal year 2007, the ratio of assets to liabilities of the PERF was 73.34 percent. For the PEPFF and the PEEF, the ratios were 91.70 percent and 98.38 percent, respectively.

MAJOR INITIATIVES

Along with the good news about investment returns in fiscal year 2007, we also have good news about projects we have been working on. During the year we opened a new satellite office in Mankato to serve the southern part of the state. The Mankato office is our second satellite office, following a successful opening in Duluth three years ago. Satellite offices are much more convenient for members and allow us to reach those members without having to make special trips to those parts of the state. We have been able to keep costs quite low by sharing space with the other two statewide public pension plans, the Minnesota State Retirement System and Teachers Retirement Association.

We also completed development of a new tool that gives our employers the ability to enter wage and contribution data online. The new online system provides basic edits so that employers instantly know if the data they enter does not appear to be correct. The system allows us to receive information quicker and get that information into our systems with fewer errors. Employers are telling us the new system is easier to use and more convenient than the paper process they had been using.

We expanded the capabilities of our members-only website called My PERA in fiscal year 2007. We now include monthly benefit information for our registered retirees, and have upgraded our estimate calculator. Over 30,000 members have now registered to use My PERA, and tell us they appreciate being able to receive up-to-date benefit estimates 24 hours a day using the same data and calculator our staff counselors use.

Legislation was passed in 2007 that makes fairly substantial changes in Police and Fire Plan disability benefits. Disability costs had been soaring in recent years as an increasing number of members took advantage of the courts' liberal interpretation of existing

statutes. A working group, consisting of various entities representing our police and fire plan members and their employers, was created in 2006 to develop legislation designed to help control the rising costs of that plan. The legislation that was ultimately passed represents a lot of hard work that we believe will result in the long-term stability of that plan.

Our Board worked closely with the Boards of the other two statewide public pension plans to review the structure of the Minnesota Post Retirement Investment Fund (MPRIF). That fund has been below 100 percent funded since 2001 with no available source of revenue other than investment income. The three Boards hope to draft legislation for the 2008 session to shore up that fund structurally and financially. We were able to get legislation passed in 2007 that allows us to value the MPRIF at fair value when calculating our funding ratios and contribution rate sufficiencies rather than valuing it equal to the liabilities in that fund as we have been required to do in the past.

In fiscal year 2008 we will complete development of a project that will help us do a better job of responding to an increasing volume of retirement benefit estimate requests we receive each day. We will also begin development of a new scheduler that will allow members to schedule counseling and workshop appointments online.

PROFESSIONAL SERVICES

Actuarial consulting services during the fiscal year were provided by Mercer and by The Segal Company. PERA contracted with Benefacts, Inc. for the production and mailing of our annual Personal Benefit Statements. Evalumed handled independent medical examinations. The State's Attorney General continued to provide PERA with legal counsel. The State's Department of Health provided medical services used for determining disability benefits. The State Board of Investment continued to manage and invest the assets of PERA's funds, and the State's Legislative Auditor provided professional financial auditing services.

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, including active members and benefit recipients. In addition, this report is reproduced, in its entirety, on PERA's website, www.mnpera.org.

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, 2006. This is the 22nd time PERA has received this honor.

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. This report 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 meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.


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.

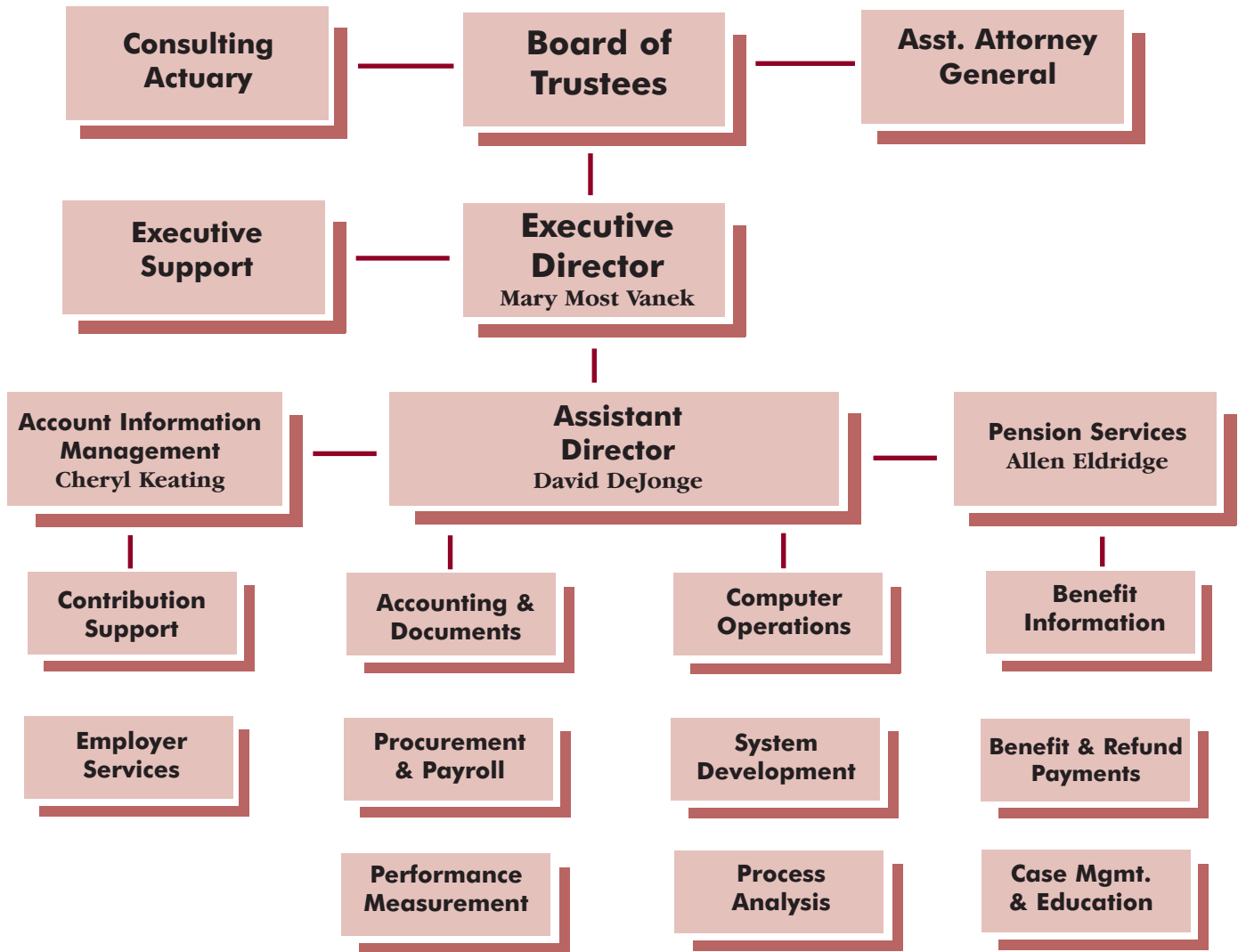
We are sure you join with us in expressing gratitude and appreciation to the staff and PERA's advisors for their efforts in producing this report and for their loyal and dedicated service to the Association and its members, annuitants, beneficiaries, and participating local governmental employers.

Respectfully submitted,


Mary Most Vanek
Executive Director


David DeJonge
Assistant Executive Director

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



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

BOARD VICE PRESIDENT



Dennis Hegberg
Counties Representative
Washington County Gov't. Center
14900 61st Street N., PO Box 6
Stillwater, Minnesota 55082



Rebecca Otto
State Auditor
525 Park Street, Suite 400
Saint Paul, Minnesota 55103



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



Marcia Farinacci
Annuitant Representative
1466 North Grotto
St. Paul, Minnesota 55117



Kathryn A. Green
School Board Representative
401 3rd Avenue NW
Austin, Minnesota 55912



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



Richard L. Jacobsen
Public Representative
12705 Parkwood Drive
Burnsville, Minnesota 55337



Thomas L. Marshall
Police and Fire Representative
4727 1st. Avenue S.
Duluth, Minnesota 55803



Louise A. Olson
Retiree/Disabilitant Representative
6963 109th Avenue
Clear Lake, Minnesota 55319



Don Rambow
Cities Representative
City of White Bear Lake
4701 Highway 61
White Bear Lake, Minnesota 55110

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

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

PERA has approximately 160,000 active members. 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.

FUNDS

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

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

The **Public Employees Police and Fire Fund** was created in 1959 for police officers and firefighters not covered by a local relief association. It also encompasses all paid Minnesota police officers and firefighters hired since 1980. In 1999, legislation merged members of PERA's former Police and Fire Consolidation Plan into this plan.

The **Local Government Correctional Service Retirement Fund** was established 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.

PURPOSE

Established by the Minnesota Legislature in 1931, the Public Employees Retirement Association (PERA) of Minnesota 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 the Coordinated and Correctional plans, these 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

PERA's 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 trustees represent the general active membership, one represents Police and Fire Fund members, and one represents annuitants and benefit recipients. The Association's most recent membership election was held in January 2007.

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

NOTE:

- * A listing of employers participating in PERA can be found in the Statistical Section of this report.
- ** 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. Today, fewer than 50 Basic members remain active public employees.

Also administered by PERA is the **Public Employees Defined Contribution Plan (DCP)**. Created in 1987 to provide a retirement plan for personnel employed by public ambulance services, the plan has since 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, 2007**. 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	5.75%	6.25%
Basic	9.10%	11.78%
Public Employees Police & Fire Fund	7.80%	11.70%
Local Government Correctional Fund	5.83%	8.75%
Defined Contribution Plan	5.00%	5.00%***

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 (high-five salary).

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

Method 1: Coordinated members accrue 1.2 percent of the high-five salary 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 high-five 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 high-five 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 (if first hired prior to 7/1/89).

A reduced retirement annuity is available to members between the ages of 50 and 55. There is a 1.2 percent reduction in benefits for each year a member retires prior to qualifying for an unreduced retirement benefit. (For members hired or rehired after June 30, 2007, the reduction will be 2.4 percent per year.)

NOTE:

* Officials first elected to a governing body, such as a city council or county board after June 30, 2002, may only participate in PERA's Defined Contribution Plan. Previously, such officials could elect Coordinated Plan participation as an alternative to the DCP.

** Legislation passed in 2005 called for increases in member and employer contribution rates for both the Coordinated and Police and Fire plans to be phased in over several years. Ultimately, employee contribution levels will be 6 percent for the Coordinated Plan and 9.4 percent for the Police and Fire Plan. Employer rates for these two plans will increase incrementally to 7 percent and 14.1 percent, respectively.

*** 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. City managers may also participate in the DCP as an alternative to Coordinated Plan membership.

Summary

(Continued)

NOTE:

* Since many 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.

*** The deferred pension accrual rate is 2.5 percent for members first hired into public service after June 30, 2006.

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 (if hired prior to 7/1/89).

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

Single-life Pension — A Single-life Pension 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 begins 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(s) in which he or she participated and qualify for a pension at retirement age. 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.***

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 participated. 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. Benefits are reduced if these limits are exceeded, with the amount escrowed and 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 high-five salary for Coordinated and Basic 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.

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 plan.

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 the six months prior to death or a formula using the member's total years of service, high-five salary, 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, Coordinated or Correctional member,

there are alternative term-certain benefits of 10, 15, or 20 years duration. The monthly payment, however, may not exceed 75 percent of the member's average high five-year salary.

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:

* Significant changes in the definitions of duty and regular (non-duty) disability for Police & Fire and Correctional plan members became effective July 1, 2007. A duty disability benefit will only be awarded if the disabling event occurred while the member was engaged in hazardous activities inherent to the occupation.

** 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.

The surviving spouse of a P&F member disabled after June 30, 2007 will not qualify for an automatic benefit unless the disability is total and permanent and occurred while the member was engaged in hazardous activities.

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Financial Section

Legislative Auditor's Report

Management Discussion
and Analysis

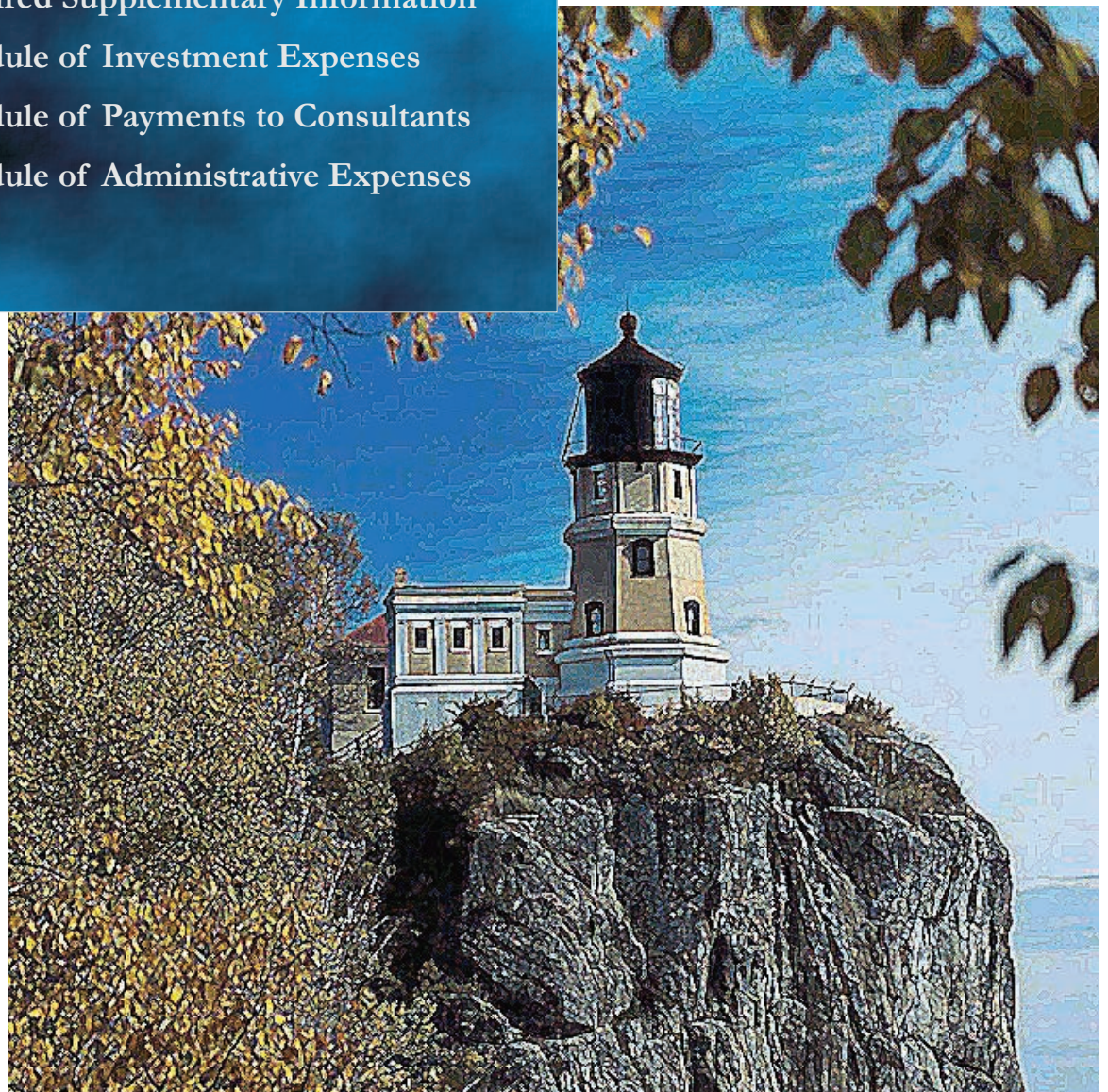
Basic Financial Statements

Required Supplementary Information

Schedule of Investment Expenses

Schedule of Payments to Consultants

Schedule of Administrative Expenses



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

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, 2007, 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.

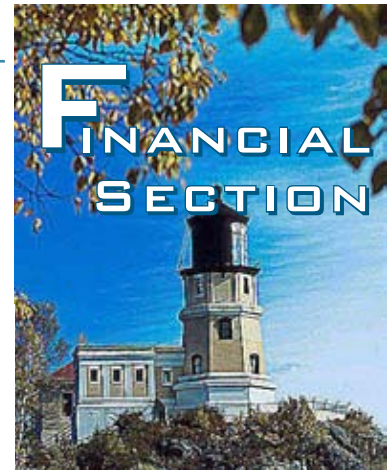
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and 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, 2007, and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2007, on our consideration of PERA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis and the other required supplementary information, as listed in the Financial Section of the Table of Contents, are not a required part of PERA's basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. 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.

Room 140 Centennial Building, 658 Cedar Street, Saint Paul, Minnesota 55155-1603 • Tel: 651/296-
E-mail: auditor@state.mn.us • TDD Relay: 651/297/5353 • Website: www.auditor.leg.state.mn.us



Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise PERA's basic financial statements. The Introductory, Investment, Actuarial, and Statistical Sections, as listed in the Table of Contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Supporting Schedules in the Financial Section have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Introductory, Investment, Actuarial, and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

James R. Nobles
Legislative Auditor

Cecile M. Ferkul, CPA, CISA
Deputy Legislative Auditor

December 7, 2007

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, 2007 (FY07). 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 increased 16.2% during the year from \$16.7 billion in fiscal year 2006 (FY06) to \$19.4 billion in FY07.
- ▶ Total additions for FY07 were \$3.8 billion, comprised of contributions of \$693,184,000, investment income of \$3,117,839,000 and other income of \$5,922,000. Total additions for fiscal year 2006 were \$2,516,487,000.
- ▶ Total deductions for the year increased from \$1,057,105,000 in fiscal year 2006 to \$1,108,442,000 due to an increase in the number of benefit recipients.
- ▶ Total administrative expenses totaled \$10,041,000 in FY07, a decrease from \$10,052,000 in FY06.
- ▶ As of June 30, 2007 the Public Employees Retirement Fund is actuarially funded at 73.34%. PERA's Police and Fire Fund is actuarially funded at 91.70%, and PERA's Correctional Fund is 98.38% funded.

FINANCIAL ANALYSIS OF PERA'S FUNDS

PERA is the administrator of three defined benefit plans and one defined contribution plan. 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).

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 PECTF).

When members retire from one of the defined benefit plans, an amount equal to the present value of expected future benefits is moved from the Active Funds to the Minnesota Post Retirement Investment Fund (MPRIF) to pay those benefits. The MPRIF is made up of retirement assets from PERA's three plans along with assets from the Teachers Retirement Association and the Minnesota State Retirement System. Due to large post retirement benefit increases granted during the 1990's and 2000, followed by three poor investment years in 2001-03, the MPRIF is now roughly 91% funded. Liabilities exceed assets by approximately \$2.4 billion. PERA's share of that deficit is \$835 million, a large improvement from last year's \$1.4 billion due to excellent investment returns.

Contributions from active members can not be used to supplement the MPRIF according to Minnesota law, so when PERA's actuaries determined funding ratios and contribution deficiencies/sufficiencies, the actuarial value of assets for the MPRIF was required to be valued at the level of actuarial liabilities, making the MPRIF fully funded on paper, regardless of whether it was or not. The actuarial asset valuation method, spelled out in the Legislative Commission on Pensions and Retirement's Standards for Actuarial Work, was changed in 2007. The new asset valuation method values the MPRIF assets at fair market value for actuarial purposes, in compliance with GASB 25. Since actuarial liabilities are greater than the fair market value of the corresponding assets, the change in methods had a negative effect on our funding ratios and contribution deficiencies. The change did not affect our financial statements, which already valued the MPRIF assets at fair market value.

PERF

Total assets as of June 30, 2007 were \$15.9 billion in the PERF, an increase of \$2.7 billion or 20.4 percent from the prior year. The primary reasons for the increase were strong investment performance during the year and a higher value of collateral through the securities lending program administered by the State Board of Investment. Capital assets, mainly our building and land, made up \$10,785,000 of our total assets.

Total liabilities as of June 30, 2007 were \$2.2 billion, an increase of \$770 million from the prior year, mostly due to the higher value of securities lending collateral on the books at year end.

Total net assets, the difference between total assets and total liabilities, increased about \$1.9 billion, or roughly 16.4 percent from the prior year. Ending net assets were \$13.7 billion on June 30, 2007.

Additions to Plan Net Assets

The reserves needed to finance retirement benefits are accumulated through the collection of member and employer contributions and through earnings on investments. Contributions and net investment income for FY07 totaled \$2.75 billion.

Employer contributions and member contributions increased from the previous year by a total of \$53 million, largely due to contribution rate increases that took effect on January 1, 2007. Member rates in the Coordinated Plan increased from 5.5% to 5.75% and employer rates increased from 6% to 6.25%. Net investment income in FY07 totaled \$2.2 billion as our portfolio returned approximately 18.3 percent, much better than our assumed earnings rate of 8.5 percent.

Deductions from Plan Net Assets

Our largest expense was for retirement benefits to members and beneficiaries. Total benefits increased 4.7 percent to \$784 million in FY07. The increase in

benefits resulted from an increase in the number of benefit recipients and a 2.5 percent cost of living increase for most retirees effective January 1, 2007. The amount of refunds decreased slightly in FY07 due to fewer people taking refunds. Administrative expenses also decreased slightly in

Net Assets—Defined Benefit Plans (dollars in thousands)

	PERF		PEPFF		PECTF	
	2007	2006	2007	2006	2007	2006
ASSETS						
Cash and Receivables	\$ 20,740	\$ 14,407	\$ 18,147	\$ 25,595	\$ 1,376	\$ 700
Investments	13,727,842	11,797,957	5,522,528	4,779,052	173,137	130,549
Securities Lending Collateral	2,172,946	1,406,240	873,405	571,452	27,033	15,503
Capital Assets and Other	10,900	11,325	-	-	-	-
Total Assets	\$15,932,428	\$13,229,929	\$6,414,080	\$5,376,099	\$201,546	\$146,752
LIABILITIES						
Accounts Payable	\$ 29,931	\$ 26,826	\$ 11,012	\$ 2,392	\$ 232	\$ 398
Accrued Compensated Absences	714	710	-	-	-	-
Securities Lending Collateral	2,172,946	1,406,240	873,405	571,452	27,033	15,503
Bonds Payable	10,378	10,597	-	-	-	-
Total Liabilities	\$2,213,969	\$1,444,373	\$884,417	\$ 573,844	\$ 27,265	\$ 15,901
Total Net Assets	\$13,718,459	\$11,785,556	\$5,529,663	\$4,802,255	\$174,281	\$130,851

Discussion and Analysis

(Continued)

FY07 to \$9 million. As stated earlier, additions to net assets exceeded deductions from net assets, resulting in a \$1.9 billion change in net assets.

Overall Financial Position

The financial position of a public pension plan is not so much determined by what is found on the face of the financials, but by looking at trends in the funding ratio and contribution sufficiency or deficiency.

For the first time since 2001, when we began a 3-year stretch of investment returns below our assumed 8.5% rate of return, our funding ratio improved in 2006. That trend would have continued this year had we not changed the asset valuation method for the MPRIF, with a funding ratio of 76.25%. Under the new asset valuation method, PERA is now 73.34% funded, a decrease from 74.65% in FY06. In general, this indicates that for every dollar of benefits we expect to pay out, we already have about 73 cents in our reserves to cover it. Since investment gains and losses are smoothed over 5 years in the Active Fund, it took us a few years to recover from the poor investment returns we had in 2001, 2002 and 2003. We have achieved excellent returns over the past four years, and now have \$733 million in investment gains that have not yet been recognized in the actuarial value of assets. Those gains will be recognized over the next 4 years.

Contribution rates have not been sufficient for us to become fully funded. In 2005, legislation was passed to increase contribution rates 2.37 percent over a five-year period. The first of those steps occurred on January 1, 2006, and the second step occurred on January 1, 2007. Member contribution rates will increase 0.25% again next January, and employer rates will increase 0.25% per year in each of the next three years.

PEPFF

Total assets as of June 30, 2007 were \$6.4 billion in the Public Employees Police and Fire Fund, an increase of \$1 billion, or 19.3 percent from the prior year. The increase is due to strong investment earnings and a larger amount of securities lending collateral on the books at year end. Total liabilities as of June 30, 2007 were \$884 million, an increase of \$310 million due to the larger securities lending collateral.

Total net assets, the difference between total assets and total liabilities, increased \$727 million or roughly 15 percent from the prior year to an ending balance of \$5.5 billion.

Additions to Plan Net Assets

Contributions and net investment income for FY07 totaled \$1 billion. Employer contributions increased \$11 million and member contributions increased \$8 million in FY07, largely due to an increase in contribution rates. Effective January 1, 2007 member rates increased from 7.0% to 7.8% and employer rates increased from 10.5% to 11.7%. Net investment income in FY07 totaled \$882 million, an increase of \$338 million from last year due to better than average investment returns of 18.3%.

Deductions from Plan Net Assets

Retirement benefits to members and beneficiaries made up over 99 percent of our total deductions. The amount of benefits paid increased 6 percent in FY07 to \$280 million. The increase in benefits resulted from an increase in the number of benefit recipients and a 2.5 percent cost of living increase for most retirees effective January 1, 2007. The amount of refunds increased very slightly in FY07, while administrative expenses decreased slightly during the year.

Changes in Net Assets—Defined Benefit Plan Funds (dollars in thousands)

	PERF		PEPFF		PECF	
	2007	2006	2007	2006	2007	2006
ADDITIONS						
Employer Contributions	\$ 283,419	\$ 255,531	\$ 74,707	\$ 63,603	\$ 12,499	\$ 11,826
Member Contributions	260,907	235,901	50,689	42,970	8,335	7,881
Investment Income (Loss)	2,206,085	1,331,296	882,408	543,959	25,081	12,995
Other	4,229	4,094	1,671	1,917	22	11
Total Additions	\$2,754,640	\$1,826,822	\$1,009,475	\$652,449	\$45,937	\$32,713
DEDUCTIONS						
Retirement Benefits	\$ 784,013	\$ 748,391	\$ 280,267	\$ 264,601	\$ 1,836	\$ 1,341
Refund of Contributions	25,745	26,452	874	867	474	619
Administrative Expenses	9,061	9,029	678	707	185	186
Other	2,918	3,093	248	295	12	4
Total Deductions	\$ 821,737	\$ 786,965	\$ 282,067	\$ 266,470	\$2,507	\$ 2,150
Increase in Net Assets	\$1,932,903	\$1,039,857	\$727,408	\$385,979	\$43,430	\$30,563
Ending Net Assets	\$13,718,459	\$11,785,556	\$5,529,663	\$4,802,255	\$174,281	\$130,851

Overall Financial Position

The Police and Fire Plan was 91.70% funded as of July 1, 2007 under the new asset valuation method, compared to 95.39% as of July 1, 2006. The funded ratio under the old asset valuation method would have been 94.94% at the end of fiscal year 2007. Contributions are deficient by 8 percent of pay for the Plan to become fully funded by 2020. Fortunately, contributions are scheduled to increase 4 percent over the next few years, but we still need to adjust assumptions or benefit provisions, increase contribution rates further, or extend the amortization period in order to shore up the fund. Legislative changes in our disability provisions were enacted in 2007, which resulted in a 0.47% of payroll decrease in our contribution deficiency. This is the seventh year in a row our funding ratio has decreased, but it is still a fairly healthy funding ratio, indicating that we have 91.7 cents available in reserves to pay each dollar in future benefits.

PECF

In the Public Employees Correctional Fund, total assets as of June 30, 2007 equaled \$201 million, an increase of \$54 million or 37% from the prior year. The PECF is a very new fund, and brings in more cash through contributions than it spends paying benefits and refunds. Total liabilities as of June 30, 2007 were \$27 million, an increase of \$11 million from the prior year, due to more securities being loaned out at year end and thus more securities lending collateral on the books. Total net assets, the difference between total assets and total liabilities, increased \$43 million in fiscal year 2007, resulting in an ending net asset value of \$174 million.

Additions to Plan Net Assets

Contributions and net investment income for FY07 totaled \$46 million, an increase of \$13 million. Employer and member contributions increased roughly 6 percent to \$12.5 million and \$8.3 million respectively, due to an increase in the number of active members and higher salaries. Contribution rates were not increased in the PECF. Net investment income in FY07 totaled \$25 million, an increase of \$12 million from FY06, due to tremendous investment returns.

Deductions from Plan Net Assets

Expenses for this plan are still quite small. Retirement benefits increased 37% from \$1.3 million in FY06 to \$1.8 million in FY07 as more members became eligible to retire. Refunds decreased 23% to \$474,000 as a result of members being able to retire.

Administrative expenses decreased slightly and represent about one-tenth of one percent of total net assets.

Overall Financial Position

In only its eighth year of existence, the Public Employees Correctional Fund is 98.38% funded, an increase from last year's 94.35%. Since there are very few PECF retirees in the MPRIF, the change in asset valuation method for the MPRIF had very little effect on this plan. The funded ratio under the old asset valuation method would have been 98.83% as of the end of fiscal year 2007. With only eight 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 17 years.

AGENCY SUMMARY

PERA's combined net assets have increased consistently over the last three decades, with the exception of the economic downturn of fiscal years 2001 and 2002. FY07 was no exception, due to excellent investment returns, increased contribution rates in two of the three plans, and a growing membership. Funding ratios in two of the plans would have improved if we had not changed our asset valuation method, and the third plan is still more than 91% funded. We have concerns with the MPRIF that we plan to address with the legislature this next session. We also hope to adjust some of our actuarial assumptions in fiscal year 2008, based on our last experience study. Those changes should reduce the actuarial accrued liabilities in our defined benefit plans. The Board of Trustees will continue to strive to ensure the security and stability of our funds.

This financial report is designed to provide a general overview of PERA's finances and to demonstrate its accountability with the assets it holds in trust. 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.

Statement of Plan Net Assets

As of June 30, 2007 (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	\$ 3,174	\$ 1,712	\$ 327	\$ 30	\$ 5,243
Receivables					
Accounts Receivable	\$ 16,581	\$ 16,324	\$ 1,035	\$ 100	\$ 34,040
Due from Other Funds	985	111	14	0	1,110
Total Receivables	\$ 17,566	\$ 16,435	\$ 1,049	\$ 100	\$ 35,150
Investments at fair value					
Equity in Minnesota Post					
Retirement Investment Fund	\$ 6,606,806	\$ 2,358,901	\$ 7,019	\$ 0	\$ 8,972,726
External Domestic Equity	2,389,525	1,061,022	55,200		3,505,747
Fixed Income	1,579,947	701,251	36,506		2,317,704
Global Equity	1,158,388	514,630	26,752		1,699,770
Passive Domestic Equity	1,139,485	506,432	26,309		1,672,226
SBI Alternative	766,626	341,220	17,689		1,125,535
Short-Term Cash Equivalent	87,065	39,072	3,662	286	130,085
Investments for Defined Contrib.	0	0	0	31,500	31,500
Total Investments	\$13,727,842	\$5,522,528	\$173,137	\$31,786	\$19,455,293
Securities Lending Collateral	\$ 2,172,946	\$ 873,405	\$ 27,033	\$ 4,803	\$ 3,078,187
Capital Assets					
Equipment Net of					
Accumulated Depreciation	\$ 619	\$ 0	\$ 0	\$ 0	\$ 619
Property Net of					
Accumulated Depreciation	10,166	0	0	0	10,166
Total Capital Assets	\$ 10,785	\$ 0	\$ 0	\$ 0	\$ 10,785
Deferred Bond Charges	\$ 115	\$ 0	\$ 0	\$ 0	\$ 115
Total Assets	\$15,932,428	\$6,414,080	\$201,546	\$36,719	\$22,584,773
LIABILITIES					
Accounts Payable	\$ 29,805	\$ 10,330	\$ 47	\$ 0	\$ 40,182
Payable to Other Funds	126	682	185	117	1,110
Securities Lending Collateral	2,172,946	873,405	27,033	4,803	3,078,187
Accrued Compensated Absences	714	0	0	0	714
Bonds Payable	10,378	0	0	0	10,378
Total Liabilities	\$ 2,213,969	\$ 884,417	\$ 27,265	\$ 4,920	\$ 3,130,571
Net Assets held in trust for Pension Benefits	\$13,718,459	\$5,529,663	\$174,281	\$31,799	\$19,454,202

(A schedule of funding progress for each plan is presented on page 32.)

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

Statement of Changes in Plan Net Assets

For the Fiscal Year Ended June 30, 2007 (in thousands)

	Public Employees Retirement Fund	Public Employees Police and Fire Fund	Public Employees Correctional Fund	Public Employees Defined Contribution Plan	Total
ADDITIONS					
Contributions					
Employer	\$ 283,419	\$ 74,707	\$ 12,499	\$ 1,374	\$ 371,999
Plan member	260,907	50,689	8,335	1,254	321,185
Total Contributions	\$ 544,326	\$ 125,396	\$ 20,834	\$ 2,628	\$ 693,184
Investments					
Net appreciation (depreciation) in fair value	\$ 1,450,239	\$ 596,849	\$ 20,355	\$ 4,074	\$ 2,071,517
Interest	95,177	42,592	2,139	181	140,089
Dividends	101,405	45,653	2,227	0	149,285
Distributed income of the Minnesota Post Retirement Investment Fund	573,354	203,044	523	0	776,921
Total investment activity Income	\$ 2,220,175	\$ 888,138	\$ 25,244	\$ 4,255	\$ 3,137,812
Less investment expense	(18,946)	(7,683)	(223)	0	(26,852)
Net income from investment activity	\$ 2,201,229	\$ 880,455	\$ 25,021	\$ 4,255	\$ 3,110,960
<i>From securities lending activities:</i>					
Securities lending income	\$ 96,279	\$ 38,693	\$ 1,196	\$ 169	\$ 136,337
Securities lending expenses:					
Borrower rebates	(89,962)	(36,152)	(1,118)	(157)	(127,389)
Management fees	(1,461)	(588)	(18)	(2)	(2,069)
Net income from securities lending	\$ 4,856	\$ 1,953	\$ 60	\$ 10	\$ 6,879
Total Net Investment Income	\$ 2,206,085	\$ 882,408	\$ 25,081	\$ 4,265	\$ 3,117,839
Other additions	\$ 4,229	\$ 1,671	\$ 22	\$ 0	\$ 5,922
Total Additions	\$ 2,754,640	\$1,009,475	\$ 45,937	\$ 6,893	\$ 3,816,945
DEDUCTIONS					
Benefits	\$ 784,013	\$ 280,267	\$ 1,836	\$ 0	\$ 1,066,116
Refunds of contributions	25,745	874	474	2,014	29,107
Administrative expenses	9,061	678	185	117	10,041
Other deductions	2,918	248	12	0	3,178
Total Deductions	\$ 821,737	\$ 282,067	\$ 2,507	\$ 2,131	\$ 1,108,442
Net Increase (Decrease)	\$ 1,932,903	\$ 727,408	\$ 43,430	\$ 4,762	\$ 2,708,503
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS					
Beginning of year	\$11,785,556	\$4,802,255	\$130,851	\$27,037	\$16,745,699
End of year	\$13,718,459	\$5,529,663	\$174,281	\$31,799	\$19,454,202

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

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2007

A. PLAN DESCRIPTION

1. Organization

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

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, 2007, there were 6,867 members in the plan.

Shown in **Figure 1** below are the membership totals in the PERA defined benefit plans as of June 30, 2007.

4. Benefit Provisions - 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

Plan Participation

(Total Membership)

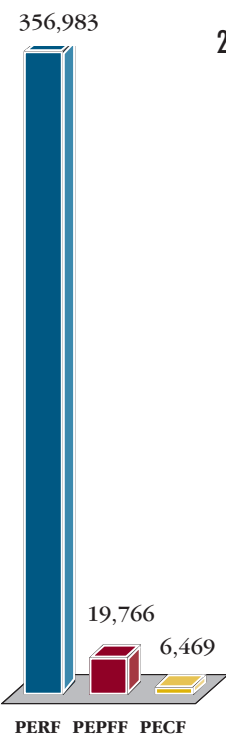


Fig.1 PERA Membership — Defined Benefit Plans

	<u>PERF</u>	<u>PEPFF</u>	<u>PECF</u>	<u>Total</u>
Retirees and beneficiaries receiving benefits	61,436	7,032	275	68,743
Terminated employees entitled to benefits/refunds but not yet receiving them:				
Vested	39,722	1,200	1,337	42,259
Non-Vested	109,599	814	1,291	111,704
Current, active employees:				
Vested	106,073	8,888	2,253	117,214
Non-Vested	40,153	1,832	1,313	43,298
Total	<u>356,983</u>	<u>19,766</u>	<u>6,469</u>	<u>383,218</u>

belong to either the Basic or Coordinated Plan. Coordinated members are covered by Social Security and Basic members are not. All new members must participate in the Coordinated Plan. Two methods are used to compute benefits for Coordinated and Basic members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2).

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

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

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 twenty five-hundredths of one percent (0.25%) of the assets in each member's account each year.

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 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.

There is no vesting period required to receive benefits in the PEDCP.

Notes

(Continued)

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 when due, pursuant to formal commitments and statutory requirements. Expenses are recorded when the liability is incurred. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

3. Investment Policies and Valuation Methodology

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, 2007, the participation shares in the external pools at fair value, excluding the Minnesota Post Retirement Investment Fund (MPRIF), totaled approximately 28.38 percent for the PERE, 12.61 percent for the PEPFF and 0.66 percent for the PEEF. The funds' shares of net assets of the Minnesota Post Retirement Investment Fund, at fair value, totaled 26.15 percent, 9.34 percent and 0.03 percent, respectively.

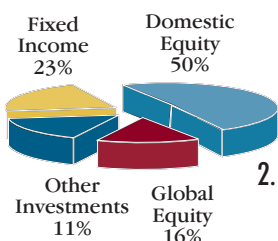
b) Minnesota Statutes, Section 11A.24, broadly restricts retirement fund investments to obligations and stocks of United States and Canadian governments, their agencies and their registered corporations; short term obligations of specified high quality; restricted participation as a limited partner in venture capital, real estate or resource equity investments; restricted participation in registered mutual funds; and some qualified foreign instruments.

c) Investments in the pooled accounts, including assets of the PEDCP, are reported at fair value. **Figure 2** provides a summary of cost and fair values of the investments as of June 30, 2007 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.

d) Information about the primary government's (State of Minnesota) investments, including credit risk classification, can be obtained from the Minnesota Department of Finance, 400 Centennial Building, 658 Cedar Street, St. Paul, Minnesota 55155. Information on specific investments owned by the pooled accounts, currency risk, interest rate risk, investment activity and investment management fees paid 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.

e) 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.

Active Funds Pooled Accounts (Portfolio Allocation)



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. 2 PERA Investments — All Funds (in thousands)

	Cost June 30, 2007	Fair Value June 30, 2007
Pooled Accounts		
External Domestic Equity	\$ 3,429,977	\$ 3,505,747
Fixed Income	2,400,149	2,317,704
Global Equity	1,386,362	1,699,770
Passive Domestic Equity	1,347,014	1,672,226
SBI Alternative	986,597	1,125,535
Total Pooled Accounts	\$ 9,550,099	\$10,320,982
Short Term Pooled Cash	\$ 129,799	\$ 129,799
Post Retirement Investment Account	\$ 9,671,931	\$ 8,972,726
Cash and Investments for Deferred Comp. Benefits	\$ 31,786	\$ 31,786
Totals	\$19,383,615	\$19,455,293

f) 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 \$18,945,836 for PERF, \$7,683,305 for PEPFF, and \$223,341 for PECF. A detailed schedule of fees and commissions for the entire pool by brokerage firm, along with the number of shares traded, total commissions, and commissions per share may 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. 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 2007, the combined depository insurance and collateral was sufficient to meet legal requirements and secure all PERA deposits, eliminating exposure to custodial credit risk.

5. Investment Risk

a) Credit risk is the risk that an issuer or counterparty to an investment will be unable to fulfill its obligations to the holder of the investment. The State Board of Investment has policies designed to minimize credit risk. They may invest funds in governmental obligations provided the issue is backed by the full faith and credit of the issuer or the issue is rated among the top four quality rating categories by a nationally recognized rating agency. They may invest funds in corporate obligations provided the issue is rated among the top four quality

categories by a nationally recognized rating agency. They may also invest in unrated corporate obligations or in corporate obligations that are not rated among the top four quality categories provided that:

- The aggregate value of these obligations may not exceed five percent of the fund for which the state board is investing;
- Participation is limited to 50 percent of a single offering; and
- Participation is limited to 25 percent of an issuer's obligations.

SBI may also invest in bankers acceptances, deposit notes of U.S. banks, certificates of deposit, mortgage securities, and asset backed securities rated in the top four quality categories by a nationally recognized rating agency. Commercial paper must be rated in the top two quality categories.

PERA's share of SBI's exposure to credit risk, based on S&P Quality Ratings for debt securities and short-term investments, is shown in **Figure 3**.

Fig. 3 Credit Risk Exposure

<u>Quality Rating</u>	<u>Fair Value (in thousands)</u>
BBB or Better	\$ 5,768,376
BB or Lower	130,572
Not Rated	168,027

b) Concentration of credit risk is the risk of loss that may be attributed to the magnitude of a government's investment in a single issuer. PERA does not have exposure to a single issuer that equals or exceeds 5% of the overall portfolio and, therefore, there is no concentration of credit risk.

c) Interest rate risk is the risk that changes in interest rates of debt investments could adversely affect the fair value of an investment. The State Board of Investment does not have a policy on interest rate risk. Debt securities are held in external investment pools and PERA's share has the following weighted average maturities as shown in **Figure 4**.

d) Foreign currency risk is the risk that changes in exchange rates between the

A detailed schedule of fees and commissions by brokerage firm, along with the number of shares traded, total commissions, and commissions per share may be obtained from the Minnesota State Board of Investment.

Notes

(Continued)

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 140,000 square foot building to house all three retirement systems. The systems moved into the facility in September 2001.

Fig. 4 Interest Rate Risk

Security	Weighted Average Maturity (in years)
Cash Equivalents	0.14
Mutual Funds	0.42
U.S. Agencies	3.95
Municipal Bonds	5.68
U.S. Treasuries	6.56
Corporate Bonds	9.65
Asset-Backed Securities	12.44
Mortgage-Backed Securities	25.23

U.S. dollar and foreign currencies could adversely affect the fair value of an investment. Most foreign currency risk resides within SBI's international equity investment holdings. In order to reduce foreign currency risk, the State Board of Investment has developed the following policies. Government obligations, including guaranteed or insured issues of the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, and the African Development Bank, must pay interest and principal in U.S. dollars. The principal and interest of obligations of corporations, including those corporations incorporated or organized under the laws of the Dominion of Canada or any province thereof, must also be paid in U.S. dollars. SBI has less than a 15 percent exposure to currency risk. PERA's share of investments at June 30, 2007 was distributed among the currencies shown in Figure 5.

e) 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, 2007, PERA's exposure to market risk is minimal.

5. Capital Assets

Capital assets, generally assets with a cost in excess of \$5,000 and a useful life greater than 1 year, 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.

Capital assets are presented on the June 30, 2007 Statement of Plan Net Assets at historical cost, net of accumulated depreciation, as summarized in Figure 6.

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 140,000 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 as of June 30, 2007 is 39.8 percent. PERA's share of the cost to purchase the 4.3 acres of land was \$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

Fig. 5 Fair Value (in thousands)

Currency	Cash	Fixed Income	Equity
Australian Dollar			\$115,255
Brazilian Real			29,563
Canadian Dollar			146,674
Euro			842,424
Hong Kong Dollar			105,268
Indian Rupee			38,402
Japanese Yen			457,953
New Taiwan Dollar			43,441
Norwegian Krone			24,103
Pound Sterling			505,105
Singapore Dollar			30,841
South African Rand			34,239
South Korean Won			53,770
Swedish Krona			64,623
Swiss Franc			154,986
Other	\$21,563	\$1,562	102,061
Total	\$21,563	\$1,562	\$2,748,706

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 \$10,377,850. 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 7**.

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 \$66,975 is considered a short-term liability and \$647,611 is considered a long-term liability. The total, \$714,586, is shown on the Statement of Plan Net Assets.

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, via a Securities Lending Authorization Agreement, authorized State Street Bank and Trust Company to lend its securities to broker-dealers and banks pursuant to a form of loan agreement.

During the fiscal year, State Street lent, at the direction of the SBI, certain securities held by State Street as custodian and received cash (both United States and foreign currency), 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 102% 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. There were no 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, 2007, the investment pool had an average duration of 53 days and an average final maturity of 430 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, 2007 SBI had no

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.

Fig. 6 Capital Assets (in thousands)

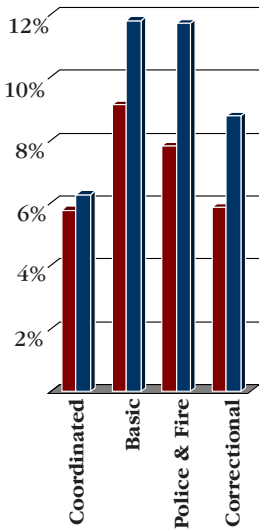
	Balance July 1, 2006	Additions	Deductions	Balance June 30, 2007
Capital assets not being depreciated:				
Land	\$ 170	\$ 0	\$ 0	\$ 170
Capital assets being depreciated:				
Building	\$ 11,758	\$ 0	0	\$ 11,758
Furniture & Fixtures	522	0	0	522
Data Processing Equipment	1,586	61	(340)	1,307
Office Equipment	<u>154</u>	<u>0</u>	<u>0</u>	<u>154</u>
Total capital assets being depreciated	\$14,020	\$ 61	\$(340)	\$13,741
Less accumulated depreciation for:				
Building	\$ (1,468)	\$ (294)	\$ 0	\$ (1,762)
Equipment, Furniture & Fixtures	<u>(1,517)</u>	<u>(187)</u>	<u>340</u>	<u>(1,364)</u>
Total accumulated depreciation	\$(2,985)	\$(481)	\$ 340	\$(3,126)
Total capital assets, net of accumulated depreciation	<u>\$11,205</u>	<u>\$(420)</u>	<u>\$ 0</u>	<u>\$10,785</u>

Notes

(Continued)

FY07 Contribution Rates

■ Employee
■ Employer



credit risk exposure to borrowers. PERA's portion of the collateral held and the fair value of securities on loan from the SBI as of June 30, 2007 was \$3,516,405,465 and \$3,388,870,672 respectively. Cash collateral of \$3,078,186,438 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. CONTRIBUTIONS REQUIRED AND CONTRIBUTIONS MADE

Minnesota Statutes, Chapters 353, 353A, 353B, 353E and 356 set the rates for employer and employee contributions. In 2005 the Minnesota legislature passed legislation that increases employer and employee contribution rates for PEPFF members and for Coordinated Plan members of the PERF over a five-year period. Current and future contribution rates are shown in **Figure 8**. New contribution rates are expected to be sufficient to get the PERF fully funded by the year 2031, the PECF by the year 2023, and the PEPFF by 2020, as is required under Minnesota Statutes. The required contributions are expressed as a level percentage of covered payroll and are actuarially determined using an individual entry-age actuarial cost method.

Legislation passed in 1999 closed the Police and Fire Consolidation Fund and moved members and necessary assets to the PEPFF.

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 2007 we received \$6,428,330 in principal and interest payments. Future principal payments of \$11,859,323 are

shown on the Statement of Plan Net Assets as a receivable. Of that amount, \$5,687,921 is due by January 31, 2008.

D. 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 was, until this year, by definition fully funded when funding ratios were calculated, in accordance with Minnesota statutes. Effective this year, funding ratios are calculated using the full fair value of the MPRIF assets. 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 invest-

Fig 7. Remaining Revenue Bond Repayment Schedule (In dollars)

Fiscal Year	PERA		Total P & I
	Principal	Interest	
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	\$10,377,850	\$8,830,991	\$19,208,841

ments. 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 and any mortality gains or losses incurred during the year. As of June 30, 2007, the Public Employees Retirement Fund's share of net assets of the MPRIF, at participation, is \$7,577,865,197 and at fair value is \$6,606,806,101. The Public Employees Police and Fire Fund's share of net assets of the MPRIF, at participation, is \$2,706,554,320 and at fair value is \$2,358,900,619. The Public Employees Correctional Fund's share of net assets of the MPRIF, at participation, is \$8,414,877 and at fair value is \$7,019,072.

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 in June, 2006 are eligible to receive the following January 1, 2008 benefit increase:

Inflation Based Benefit Increase	2.500%
Investment Based Benefit Increase	0.000%
Total Benefit Increase	2.500%

Benefit recipients whose first benefit was paid after June 30, 2006 but before June 2, 2007 will receive a prorated amount of the January 1, 2008 benefit increase.

E. OTHER NOTES

1. 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 2007, administrative expenses allocated to PERF, PEPFF, PECF, and PEDCP totaled \$9,060,892, \$678,383, \$185,346 and \$116,465 respectively.

2. Participating Pension Plan

All employees of the Public Employees Retirement Association are covered by the PERF Coordinated Plan and eligible for the plan provisions described in Note A.4. Minnesota Statute 353.27 sets the rates for employee and employer contributions. These statutes are established and amended by the state legislature. Current and future rates are shown in

Figure 8. Total covered payroll for PERA employees during fiscal year 2007 was approximately \$4.35 million.

Employer pension contributions for PERA employees for the years ending June 30, 2007, 2006 and 2005 were \$266,635, \$260,366, and \$246,135, respectively, equal to the required contributions for each year as set by state statute.

Fig. 8 Retirement Plan Contribution Rates

Effective Date	Contributor	PERF		PEPFF	PECF*
		Basic*	Coordinated		
1/1/06	Member	9.10%	5.50%	7.00%	5.83%
	Employer	11.78%	6.00%	10.50%	8.75%
1/1/07	Member	9.10%	5.75%	7.80%	5.83%
	Employer	11.78%	6.25%	11.70%	8.75%
1/1/08	Member	9.10%	6.00%	8.60%	5.83%
	Employer	11.78%	6.50%	12.90%	8.75%
1/1/09	Member	9.10%	6.00%	9.40%	5.83%
	Employer	11.78%	6.75%	14.10%	8.75%
1/1/10	Member	9.10%	6.00%	9.40%	5.83%
	Employer	11.78%	7.00%	14.10%	8.75%

* Basic Plan and PECF contribution rates are not expected to increase in the near future. Legislation passed in 2005 increased rates in the Coordinated Plan over five years and in the PEPFF over four years

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.

Schedule of Funding Progress

Required Supplementary Information (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]
6/30/2002	\$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%
6/30/2004	11,477,961	14,959,465	3,481,504	76.7%	3,968,034	87.7%
6/30/2005	11,843,936	15,892,555	4,048,619	74.5%	4,096,138	98.8%
6/30/2006	12,495,207	16,737,757	4,242,550	74.7%	4,247,109	99.9%
6/30/2007	12,985,324	17,705,627	4,720,303	73.3%	4,448,954	106.1%

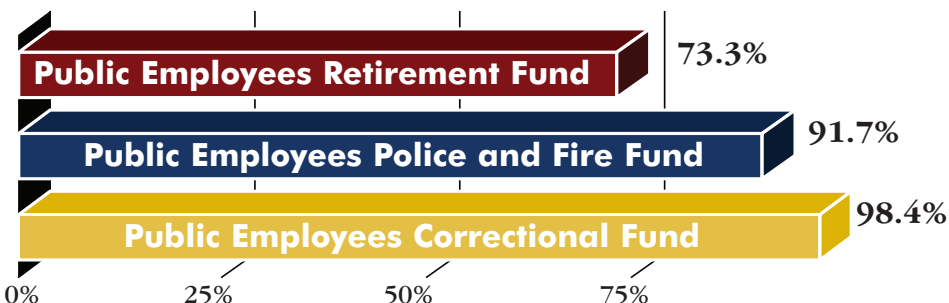
PUBLIC EMPLOYEES POLICE AND FIRE FUND

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]
6/30/2002	\$ 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%
6/30/2004	4,746,834	4,692,190	(54,644)	101.2%	551,266	- 9.9%
6/30/2005	4,814,961	4,956,340	141,379	97.2%	580,723	24.4%
6/30/2006	5,017,951	5,260,564	242,613	95.4%	618,435	39.2%
6/30/2007	5,198,922	5,669,347	470,425	91.7%	648,342	72.6%

PUBLIC EMPLOYEES CORRECTIONAL 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]
6/30/2002	\$ 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%
6/30/2004	75,515	85,693	10,178	88.1%	109,600	9.3%
6/30/2005	98,156	108,926	10,770	90.1%	116,849	9.2%
6/30/2006	125,776	133,306	7,530	94.4%	125,189	6.0%
6/30/2007	159,548	162,169	2,621	98.4%	134,117	2.0%

FUNDING RATIOS
(Percent Funded)



The chart above reflects funding ratios for the three defined benefit funds administered by PERA.

Schedule of Employer Contributions

Required Supplementary Information (last six years, in thousands, unaudited)

PUBLIC EMPLOYEES RETIREMENT FUND

Year Ended June 30	Actuarially Required Contribution Rate* (a)	Actual Covered Payroll (b)	Actual Member Contributions (c)	Annual Required Contribution [(a) x (b)] - (c)	Actual Employer Contribution	Percentage Contributed
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%
2004	12.25%	3,968,034	215,697	270,387	225,745	83.49%
2005	12.72%	4,096,138	216,701	304,328	232,963	76.55%
2006	13.26%	4,247,109	235,901	327,265	255,531	78.08%
2007	13.41%	4,448,954	260,907	335,697	283,419	84.43%

PUBLIC EMPLOYEES POLICE AND FIRE FUND

Year Ended June 30	Actuarially Required Contribution Rate* (a)	Actual Covered Payroll (b)	Actual Member Contributions (c)	Annual Required Contribution [(a) x (b)] - (c)	Actual Employer Contribution	Percentage Contributed
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%
2004	19.47%	551,266	36,313	71,018	52,769	74.30%
2005	21.99%	580,723	37,873	89,828	55,802	62.12%
2006	24.36%	618,435	42,970	107,681	63,603	59.07%
2007	25.76%	648,342	50,689	116,325	74,707	64.22%

PUBLIC EMPLOYEES CORRECTIONAL FUND

Year Ended June 30	Actuarially Required Contribution Rate* (a)	Actual Covered Payroll (b)	Actual Member Contributions (c)	Annual Required Contribution [(a) x (b)] - (c)	Actual Employer Contribution	Percentage Contributed
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%
2004	14.15%	109,600	6,672	8,836	10,029	113.50%
2005	13.06%	116,849	7,192	8,068	10,814	134.03%
2006	13.09%	125,189	7,881	8,507	11,826	139.02%
2007	12.71%	134,117	8,335	8,712	12,499	143.48%

* Actuarially Required Contribution Rate is calculated according to parameters of GASB 25 with no assumption for growth of covered population.

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	6/30/2007	6/30/2007	6/30/2007
Actuarial Cost Method	Entry Age	Entry Age	Entry Age
Amortization Method	Level Percent Closed	Level Percent Closed	Level Percent Closed
Remaining Amortization Period	24 years	13 years	16 years
Asset Valuation Method			
Active Funds	Fair Market Value Smoothed Over 5 Years	Fair Market Value Smoothed Over 5 Years	Fair Market Value Smoothed Over 5 Years
MPRIF*	Fair Market Value	Fair Market Value	Fair Market Value
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

* In past years, Minnesota Post Retirement Investment Fund (MPRIF) assets were valued at the level of reserves necessary for the fund to be fully funded in accordance with Minnesota Statutes. Since the level of reserves necessary for the fund to be fully funded was greater than the fair market value of assets in fiscal years 2006 and 2007, the change in asset valuation method increased the unfunded actuarial accrued liability in fiscal year 2007 by the following amounts: PERF—\$514,700,630, PEPFF—\$183,785,405, PECF—\$719,241.

Schedule of Investment Expenses

For the Fiscal Year Ended June 30, 2007 (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	\$15,622	\$6,340	\$184	\$22,146
Outside Money Managers–Bonds	2,601	1,051	30	3,682
Minnesota State Board of Investment	558	226	7	791
Richards & Tierney	80	32	1	113
Financial Control Systems	74	30	1	105
Pension Consulting Alliance	11	4	0	15
Total	<u>\$18,946</u>	<u>\$7,683</u>	<u>\$223</u>	<u>\$26,852</u>

Schedule of Payments to Consultants

For the Fiscal Year Ended June 30, 2007 (in thousands)

<u>Individual or Firm Name</u>	<u>Nature of Service</u>	<u>Fee Paid</u>
Benefacts, Inc.	Management	\$155
Segal Company	Actuarial	146
Mercer Human Resources	Actuarial	123
Evalumed	Medical Services	114
VR Election Services	Management	113
Fishnet Security Inc	Management	24
Van Wagner	Medical Services	12
Software House Intl	System Development	11
US Bank - St Paul	Management	8
Independent Medical Services	Medical Services	7
Software Dimensions Consulting	System Development	6
Berwyn Group	Management	5
Medical Evaluations Inc	Medical Services	5
Klausner, Robert D PA	Management	4
Seminar Speakers (3)	Management	4
Avenet	System Development	1
Accurint	Management	1
Powermind System Inc	Management	1
Benchmark Reporting Agency	Management	1
State of Minnesota —		
Attorney General	Legal	\$103
Department of Health	Medical Services	78
Administrative Law Judge	Medical Services	60
Total		<u>\$982</u>

Schedule of Administrative Expenses

For the Fiscal Year Ended June 30, 2007 (in thousands)

PERSONAL SERVICES:

Staff Salaries	\$5,644	
Part-Time, Seasonal Labor	83	
Other Benefits	<u>135</u>	
Total Personal Services		\$5,862

PROFESSIONAL SERVICES:

Actuarial	\$ 269	
Legal	103	
Management Consultants	316	
Medical Evaluations	276	
System Development	<u>18</u>	
Total Professional Services		982

COMMUNICATIONS:

Mail & Telephone Services	\$ 661	
Printing & Publications	<u>121</u>	
Total Communication		782

OFFICE BUILDING & MAINTENANCE:

Building	\$ 451	
Depreciation—Building	294	
Bond Interest	<u>609</u>	
Total Building and Maintenance		1,354

OTHER:

Depreciation—Equipment	\$ 187	
Employee Development	54	
Equipment Maintenance	53	
Indirect Costs	146	
Operating Costs	38	
Supplies and Materials	494	
Travel	<u>89</u>	
Total Other		<u>1,061</u>

Total Administrative Expense **\$10,041**

ALLOCATION OF ADMINISTRATIVE EXPENSE:

Defined Benefit Plans		
Public Employees Retirement Fund		\$ 9,061
Public Employees Police and Fire Fund		678
Public Employees Correctional Fund		185

Defined Contribution Plans		
Public Employees Defined Contribution Plan		<u>117</u>

Total Administrative Expenses **\$10,041**

Investment Section

Investment Report

Investment Results

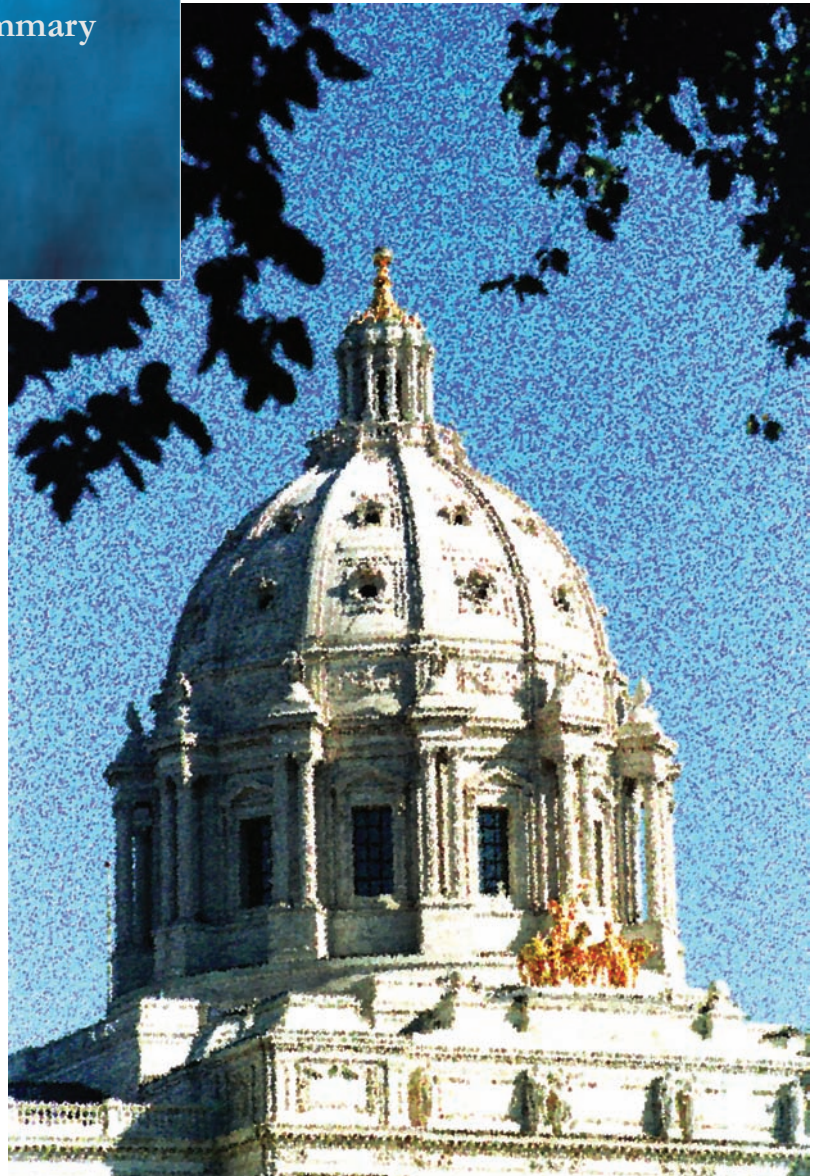
Asset Allocation

List of Largest
Assets Held

Investment Summary
at Cost

Investment Summary
at Fair Value

Fair Value of
Investments



Investment Report



MINNESOTA STATE BOARD OF INVESTMENT



Board Members:

Governor
Tim Pawlenty

State Auditor
Rebecca Otto

Secretary of State
Mark Ritchie

Attorney General
Lori Swanson

Executive Director:

Howard J. Bicker

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An Equal Opportunity
Employer

Investment Authority

The assets of the Public Employees Retirement Association are invested under the direction and authority of the State Board of Investment (SBI) in accordance with Minnesota Statutes, Chapters 11A and 356A. The SBI is made up of the State Governor, State Auditor, 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 42nd percentile, above the median fund in the Trust Universe Comparison Service.

Investment Presentation

Investment returns were prepared using a time-weighted rate of return methodology based upon fair market values, net of investment expenses.

A handwritten signature in black ink that reads "Howard J. Bicker".

Howard Bicker
Executive Director
State Board of Investment

Investment Results

FUND PERFORMANCE

Fund	Rates of Return (Annualized)			
	<u>FY 2007</u>	<u>3-Year</u>	<u>5-Year</u>	<u>10-Year</u>
Basic Funds (Active Accounts)	18.5%	14.0%	12.0%	8.5%
Basic Composite Market Index	18.2	13.9	11.9	8.3
MPRIF Fund (Retiree Accounts)	18.2%	13.5%	11.8%	8.1%
MPRIF Composite Market Index	17.7	13.2	11.6	7.9
Combined Funds (Active/Retiree)*	18.3%	13.8%	11.9%	8.3%
Combined Composite Market Index	18.0	13.5	11.8	8.1

* 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:

Domestic Stocks—Russell 3000 measures the performance of the largest 3,000 US companies;

Int'l. Stocks—Morgan Stanley Capital International All Country World Index measures equity market performance in the global developed and emerging markets. There are 47 countries included in this index. It does not include the United States;

Bonds—Lehman Bros. Aggregate Bond Index reflects the performance of the broad bond market for investment grade (Baa or higher) bonds, US Treasury and agency securities, and mortgage obligations with maturities greater than one year.

INVESTMENT RETURNS BY SECTOR

Performance of Asset Pools (Net of Fees)

	Rates of Return (Annualized)			
	<u>FY 2007</u>	<u>3-Year</u>	<u>5-Year</u>	<u>10-Year</u>
Domestic Stock Pool	19.7%	12.3%	11.3%	7.1%
Russell 3000	20.1	12.4	11.6	7.2
Bond Pool	6.3%	4.3%	5.0%	6.3%
Lehman Agg.	6.1	4.0	4.5	6.0
International Stock Pool	30.3%	24.6%	18.8%	8.3%
MSCI ACWI Free ex US (net)	29.6	24.5	19.3	7.9
Alternative Investments	25.6%	31.9%	22.2%	17.7%
Real Estate Pool (Equity Emphasis)	23.8%	21.6%	16.6%	15.5%
Private Equity Pool (Equity Emphasis)	25.3%	31.5%	21.6%	17.2%
Resource Pool (Equity Emphasis)	52.3%	78.1%	44.1%	25.7%
Yield Oriented Pool (Debt Emphasis)	20.6%	30.4%	22.4%	17.9%

Note: Investment returns were calculated using a time-weighted rate of return.

Asset Allocation

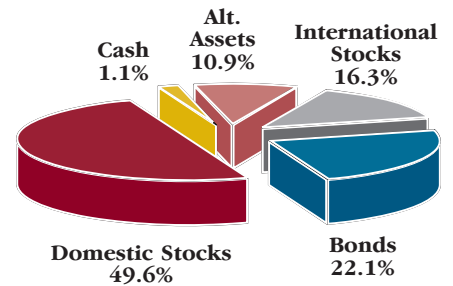
ASSET ALLOCATION (AT JUNE 30, 2007)*

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.

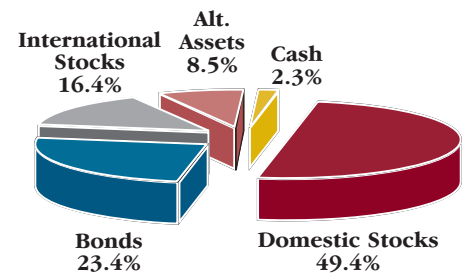
Investment Type	Basic		MPRIF	
	Actual Asset Mix	Long-term Policy Target	Actual Asset Mix	Long-term Policy Target
Domestic Stocks	49.6%	45.0%	49.4%	45.0%
International Stocks	16.3	15.0	16.4	15.0
Bonds	22.1	24.0	23.4	25.0
Alternative Assets**	10.9	15.0	8.5	12.0
Cash	1.1	1.0	2.3	3.0
Total	100%	100%	100%	100%*

* Source: Minnesota State Board of Investment (SBI) FY2007 Annual Report.
 ** Alternative assets include real estate, venture capital and resource (oil, gas, etc.) funds.

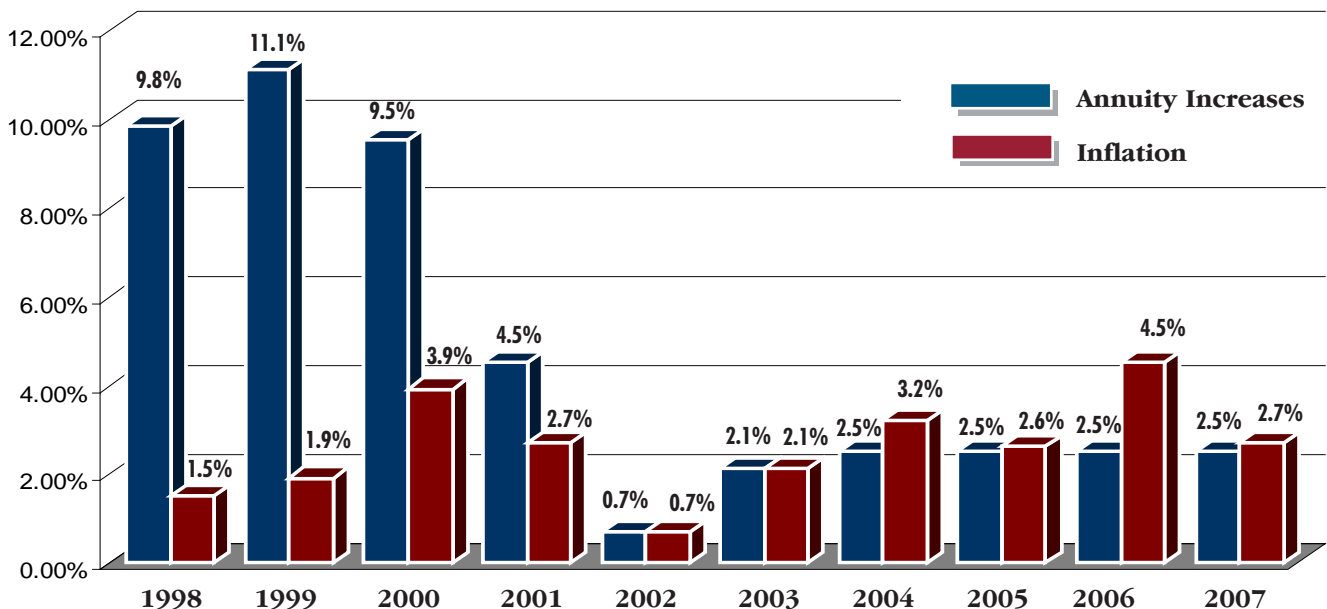
BASIC FUNDS



POST RETIREMENT INVESTMENT FUND



ANNUITY INCREASE VS. INFLATION (LAST 10 YEARS)



Increases awarded to PERA retirees under the MPRIF greatly outpaced inflation during the 1990s but fell slightly short over the last four years. Increases and inflation are both measured as of June 30, the end of PERA's fiscal year.

List of Largest Assets Held

June 30, 2007

COMPOSITE OF TOP TEN EQUITY HOLDINGS (BY FAIR VALUE)

Security	Fair Value (In millions)	% of Portfolio
Exxon Mobil Corp.	\$220.2	1.14%
General Electric Co.	171.7	0.89
Microsoft Corp.	132.6	0.69
Citigroup Inc.	128.5	0.67
Bank America Corp.	126.8	0.66
AT&T Inc.	118.1	0.61
Pfizer Inc.	109.6	0.57
Procter & Gamble Co.	108.1	0.56
Aetna	99.2	0.51
Prime Property	96.7	0.50

COMPOSITE OF TOP TEN BOND HOLDINGS (BY FAIR VALUE)

Security	Coupon	Fair Value (In millions)	% of Portfolio
ABN AMRO Tri Party	5.150%	\$141.9	0.74%
FNMA	6.000	119.3	0.62
FNMA	5.000	87.2	0.45
United States Treasury Notes	4.750	81.9	0.42
United States Treasury Notes	3.125	71.3	0.37
FNMA	5.500	69.4	0.36
United States Treasury Notes	4.250	69.1	0.36
HSBC Tri Party	5.300	68.3	0.35
Fifth Third Bank Grand Cayman	5.313	44.9	0.23
Citibank Nassau	5.060	44.9	0.23

PERA's assets are commingled in various pooled investment accounts administered by the State Board of Investment. PERA does not own specific values of the underlying assets. The percentages shown are those of the total pooled accounts. The fair value amounts are based on PERA's participation in SBI's Basic Funds and the Minnesota Post Retirement Investment Fund. 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, 2007 (in thousands)

PUBLIC EMPLOYEES RETIREMENT FUND

Pooled Accounts	Cost June 30, 2006	Total Acquisitions	Total Dispositions	Cost June 30, 2007
Equity in MPRIF	\$ 6,791,146	\$ 1,082,094	\$ 751,733	\$ 7,121,507
External Domestic Equity	2,108,648	338,001	116,471	2,330,178
Passive Domestic Equity	819,633	112,121	23,383	908,371
Global Equity	833,103	197,500	87,948	942,655
Fixed Income	1,469,642	210,168	45,171	1,634,639
SBI Alternative Assets	568,469	222,434	118,891	672,012
Short-term Cash Equivalents	60,320	766,314	739,569	87,065
Total Pooled Accounts	<u>\$12,650,961</u>	<u>\$2,928,632</u>	<u>\$1,883,166</u>	<u>\$13,696,427</u>

PUBLIC EMPLOYEES POLICE AND FIRE FUND

Pooled Accounts	Cost June 30, 2006	Total Acquisitions	Total Dispositions	Cost June 30, 2007
Equity in MPRIF	\$ 2,380,512	\$ 395,957	\$ 233,783	\$ 2,542,686
External Domestic Equity	976,480	150,843	78,421	1,048,902
Passive Domestic Equity	388,879	47,253	19,117	417,015
Global Equity	384,092	86,161	48,181	422,072
Fixed Income	672,505	94,624	39,160	727,969
SBI Alternative Assets	259,699	95,035	55,916	298,818
Short-term Cash Equivalents	29,203	236,416	226,547	39,072
Total Pooled Accounts	<u>\$ 5,091,370</u>	<u>\$1,106,289</u>	<u>\$ 701,125</u>	<u>\$ 5,496,534</u>

PUBLIC EMPLOYEES CORRECTIONAL FUND

Pooled Accounts	Cost June 30, 2006	Total Acquisitions	Total Dispositions	Cost June 30, 2007
Equity in MPRIF	\$ 5,649	\$ 3,006	\$ 917	\$ 7,738
External Domestic Equity	40,283	11,977	1,363	50,897
Passive Domestic Equity	17,129	4,602	103	21,628
Global Equity	16,600	6,542	1,507	21,635
Fixed Income	30,063	7,662	184	37,541
SBI Alternative Assets	11,814	6,504	2,551	15,767
Short-term Cash Equivalents	2,636	38,746	37,720	3,662
Total Pooled Accounts	<u>\$ 124,174</u>	<u>\$ 79,039</u>	<u>\$ 44,345</u>	<u>\$ 158,868</u>

Investment Summary at Fair Value

For the Fiscal Year Ended June 30, 2007 (in thousands)

PUBLIC EMPLOYEES RETIREMENT FUND

Pooled Accounts	Fair Value June 30, 2006	Fair Value June 30, 2007	Percent of Portfolio
Equity in MPRIF	\$ 5,747,712	\$ 6,606,806	48%
External Domestic Equity	2,037,010	2,389,525	17
Passive Domestic Equity	926,112	1,139,485	8
Global Equity	949,840	1,158,388	8
Fixed Income	1,404,243	1,579,947	12
SBI Alternative Assets	672,690	766,626	6
Short-term Cash Equivalent	60,320	87,065	1
Total Pooled Accounts	<u>\$11,797,957</u>	<u>\$13,727,842</u>	<u>100%</u>

PUBLIC EMPLOYEES POLICE AND FIRE FUND

Pooled Accounts	Fair Value June 30, 2006	Fair Value June 30, 2007	Percent of Portfolio
Equity in MPRIF	\$ 2,015,350	\$ 2,358,901	43%
External Domestic Equity	929,601	1,061,022	19
Passive Domestic Equity	423,156	506,432	9
Global Equity	433,768	514,630	9
Fixed Income	640,638	701,251	13
SBI Alternative Assets	307,336	341,220	6
Short-term Cash Equivalents	29,203	39,072	1
Total Pooled Accounts	<u>\$4,779,052</u>	<u>\$ 5,522,528</u>	<u>100%</u>

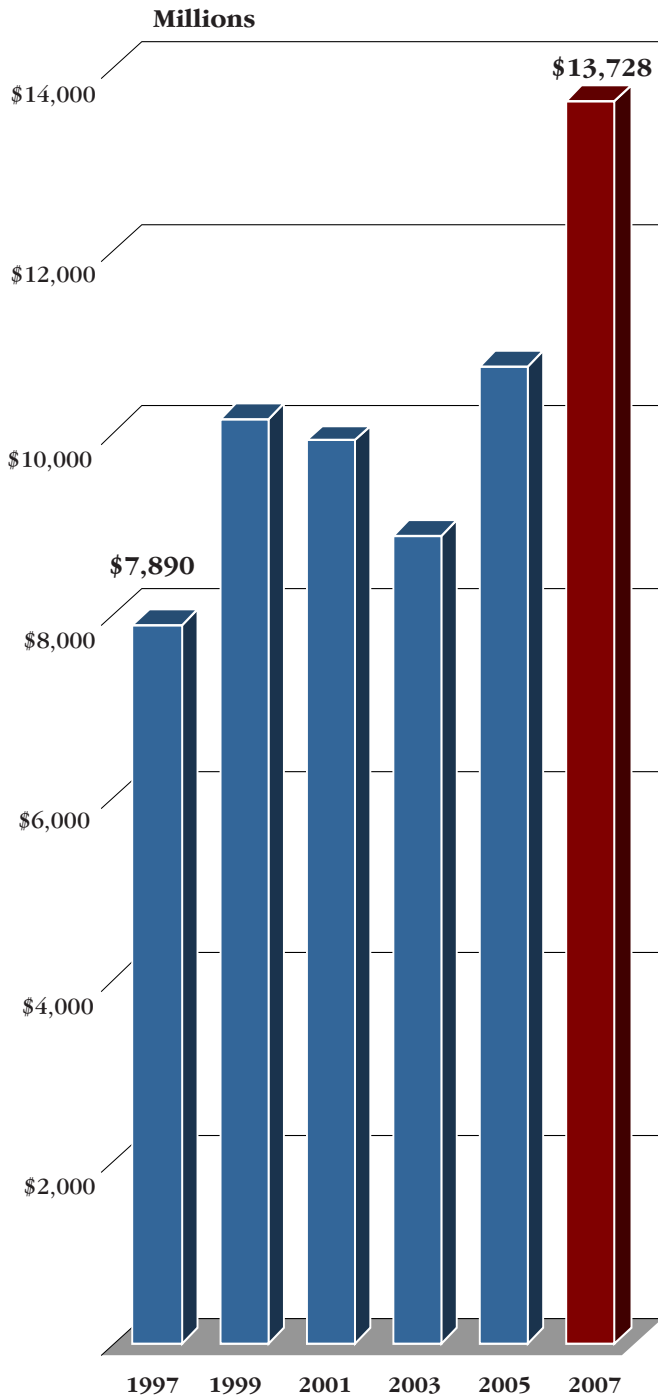
PUBLIC EMPLOYEES CORRECTIONAL FUND

Pooled Accounts	Fair Value June 30, 2006	Fair Value June 30, 2007	Percent of Portfolio
Equity in MPRIF	\$ 4,804	\$ 7,019	4%
External Domestic Equity	41,870	55,200	32
Passive Domestic Equity	19,031	26,309	15
Global Equity	19,521	26,752	16
Fixed Income	28,864	36,506	21
SBI Alternative Assets	13,823	17,689	10
Short-term Cash Equivalents	2,636	3,662	2
Total Pooled Accounts	<u>\$ 130,549</u>	<u>\$ 173,137</u>	<u>100%</u>

Fair Value of Investments

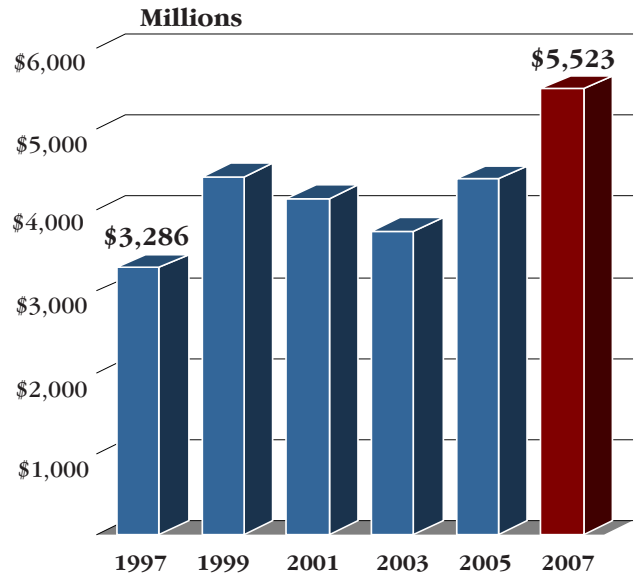
Last 10 Years

PUBLIC EMPLOYEES RETIREMENT FUND*



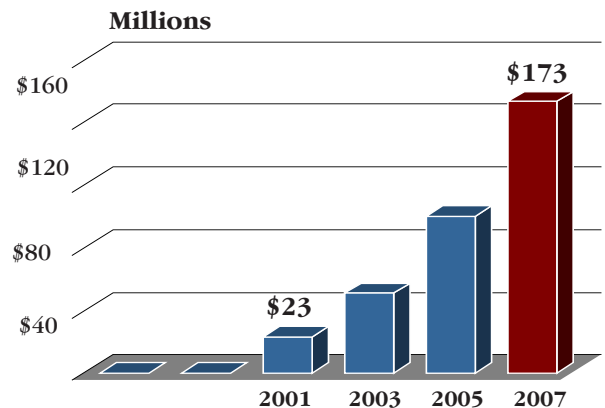
Over the past 10 years, the value of investments of the Public Employees Retirement Fund has grown from \$7.9 billion to \$13.7 billion.

POLICE AND FIRE FUND*



Fair value of Police and Fire Fund investments increased from \$3.3 billion in 1997 to \$5.5 billion in 2007.

PUBLIC EMPLOYEES CORRECTIONAL FUND*



Created in 1999, the Public Employees Correctional Fund now has investments valued at \$173 million.

* Charts indicate value of both Active and MPRIF holdings.

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Actuarial Section

Actuary's Certification Letter

Summary of Actuarial Assumptions and Methods

Sample Annual Rates Per 10,000 Employees

Determination of Actuarial Value of Assets

Solvency Test

Schedule of Active Member Valuation Data

Schedule of Retirees and Beneficiaries

Determination of Contribution Sufficiency

Schedule of Changes in Unfunded
Actuarial Accrued Liabilities



Actuary's Certification Letter



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December 5, 2006

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 (PEPF), and the Public Employees Correctional Fund (PECF) as of June 30, 2007.

The fundamental financing objectives of the funds are to establish contribution rates that, 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 PERF is 73.34% funded, and the contributions are deficient by 1.06% of payroll to meet the target of full funding by 2031. The PEPF is 91.70% funded, and the contributions are deficient by 7.98% of payroll to meet the 2020 full funding target date. The PECF is 98.38% funded, and the contribution rates are 2.22% of payroll higher than what is necessary for that fund to be fully funded by 2023.

The actuarial valuation was based upon applicable GASB 25 and statutory provisions and the Standards for Actuarial Work in effect on July 1, 2007. 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 method 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.

The asset valuation method for the Minnesota Post Retirement Investment Fund was changed this year. Rather than valuing that Fund equal to the reserves necessary to make the Fund fully funded as was required in the past, this year the Fund was valued at fair market value. That change had a negative effect on funding ratios. Had that change not occurred, the funding ratio for the PERF would have increased to 76.25%. The funding ratios for the PEPF and the PECF would have been 94.94% and 98.83% respectively. The new asset valuation method is in compliance with generally accepted accounting principles.

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

Sincerely,

Thomas D. Levy,
FSA, FCIA, MAAA, EA
Senior Vice President
And Chief Actuary

Benefits, Compensation and HR Consulting ATLANTA BOSTON CALGARY CHICAGO CLEVELAND DENVER HARTFORD HOUSTON LOS ANGELES
MINNEAPOLIS NEW ORLEANS NEW YORK PHILADELPHIA PHOENIX PRINCETON RALEIGH SAN FRANCISCO TORONTO WASHINGTON, DC

Multinational Group of Actuaries and Consultants BARCELONA BRUSSELS DUBLIN GENEVA HAMBURG JOHANNESBURG LONDON
MELBOURNE MEXICO CITY OSLO PARIS

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 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	
a. Active Fund	Fair market value smoothed over 5 years.†††
b. MPRIF	Fair market value #

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	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	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	
a. Active Fund	Market value smoothed over 5 years.†††
b. MPRIF	Fair market value #

Adoption Dates

* 1960	*** 1989	†† 1999	†††† 2002	# 2007
** 1984	† 1997	††† 2000	‡ 2003	

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	
a. Active Fund	Fair market value smoothed over 5 years.†††
b. MPRIF	Fair Market Value#

Adoption Dates

* 1960 †† 1999 ††† 2000 # 2007

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.

<u>Year</u>	<u>Percent</u>	<u>Year</u>	<u>Percent</u>	<u>Year</u>	<u>Percent</u>
1	40%	2	15%	3	10%

PEPFF also uses Select Table for first three years.

<u>Year</u>	<u>Percent</u>	<u>Year</u>	<u>Percent</u>	<u>Year</u>	<u>Percent</u>
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

<u>Gender</u>	<u>Benefit Option (% chosen)</u>				
	<u>Single-life</u>	<u>25%</u>	<u>50%</u>	<u>75%</u>	<u>100%</u>
Male	30%	10%	20%	10%	30%
Female	70	5	5	5	15

PUBLIC EMPLOYEES POLICE AND FIRE FUND

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

PUBLIC EMPLOYEES CORRECTIONAL FUND

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

Actuarial Tables

Sample Annual Rates per 10,000 Employees, June 30, 2007

PUBLIC EMPLOYEES RETIREMENT FUND

<u>Age</u>	<u>Mortality</u>		<u>Disability</u>		<u>Termination</u>		<u>Salary Increase</u>
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	
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%
70	111	58	-	-	-	-	5.00%

PUBLIC EMPLOYEES POLICE AND FIRE FUND

<u>Age</u>	<u>Mortality</u>		<u>Disability</u>		<u>Termination</u>		<u>Salary Increase</u>
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	
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%
70	139	64	-	-	-	-	5.25%

PUBLIC EMPLOYEES CORRECTIONAL PLAN

<u>Age</u>	<u>Mortality</u>		<u>Disability</u>		<u>Termination</u>		<u>Salary Increase</u>
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	
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%
70	248	124	-	-	-	-	5.25%

Determination of Actuarial Value of Assets

As of June 30, 2007 (in thousands)

PUBLIC EMPLOYEES RETIREMENT FUND

Fair value of assets available for benefits(a) \$ 13,718,459

Calculation of unrecognized return	<u>Original Amount</u>	<u>% Not Recognized</u>	<u>Unrecognized Return</u>
Year ended June 30, 2007	\$604,970	80%	\$483,976
Year ended June 30, 2006	211,694	60%	127,016
Year ended June 30, 2005	131,918	40%	52,767
Year ended June 30, 2004	346,876	20%	<u>69,376</u>
Total unrecognized return (b)			\$ 733,135

Actuarial value of assets (a-b) \$12,985,324

PUBLIC EMPLOYEES POLICE AND FIRE FUND

Fair value of assets available for benefits(a) \$ 5,529,663

Calculation of unrecognized return	<u>Original Amount</u>	<u>% Not Recognized</u>	<u>Unrecognized Return</u>
Year ended June 30, 2007	\$270,764	80%	\$216,611
Year ended June 30, 2006	93,192	60%	55,915
Year ended June 30, 2005	54,936	40%	21,975
Year ended June 30, 2004	181,200	20%	<u>36,240</u>
Total unrecognized return (b)			\$ 330,741

Actuarial value of assets (a-b) \$ 5,198,922

PUBLIC EMPLOYEES CORRECTIONAL PLAN

Fair value of assets available for benefits(a) \$ 174,281

Calculation of unrecognized return	<u>Original Amount</u>	<u>% Not Recognized</u>	<u>Unrecognized Return</u>
Year ended June 20, 2007	\$ 13,050	80%	\$ 10,440
Year ended June 30, 2006	3,875	60%	2,325
Year ended June 30, 2005	1,967	40%	787
Year ended June 30, 2004	5,906	20%	<u>1,181</u>
Total unrecognized return (b)			\$ 14,733

Actuarial value of assets (a-b) \$ 159,548

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
6-30-02	\$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
6-30-04	1,603,208	7,959,035	5,397,222	11,477,961	100	100	35.5
6-30-05	1,721,748	8,434,791	5,736,016	11,843,936	100	100	29.4
6-30-06	1,841,423	8,867,326	6,029,008	12,495,207	100	100	29.6
6-30-07	1,974,734	9,374,533	6,356,360	12,985,324	100	100	25.7

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
6-30-02	\$ 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
6-30-04	342,112	2,725,088	1,624,990	4,746,834	100	100	103.4
6-30-05	359,984	2,864,556	1,731,800	4,814,961	100	100	91.8
6-30-06	382,955	2,999,598	1,878,011	5,017,951	100	100	87.1
6-30-07	404,434	3,333,906	1,931,007	5,198,922	100	100	75.6

PUBLIC EMPLOYEES CORRECTIONAL 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
6-30-02	\$ 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
6-30-04	23,610	17,241	44,842	75,918	100	100	78.2
6-30-05	28,635	23,141	57,150	98,156	100	100	81.2
6-30-06	33,774	30,695	68,837	125,776	100	100	89.1
6-30-07	38,697	41,560	81,912	159,548	100	100	96.8

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>
6-30-02	137,817	\$3,728,000,000	\$27,050	3.9%
6-30-03	140,066	3,978,000,000	28,398	5.0
6-30-04	138,164	4,220,503,000	30,547	7.6
6-30-05	142,303	4,530,883,000	31,840	4.2
6-30-06	144,244	4,703,895,000	32,611	2.4
6-30-07	146,226	4,957,790,000	33,905	4.0

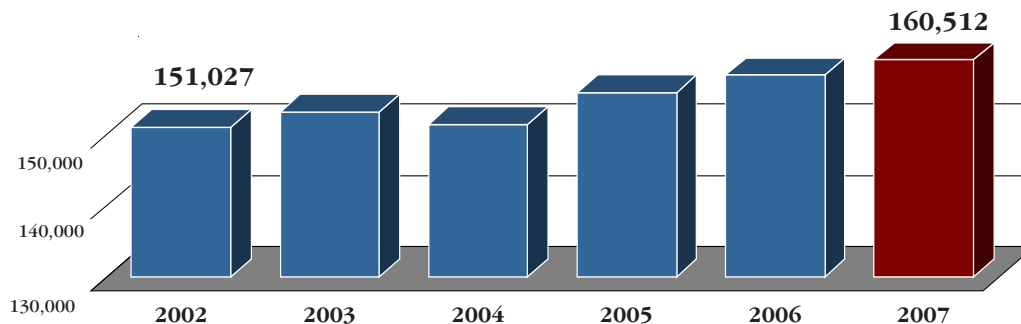
PUBLIC EMPLOYEES POLICE AND FIRE FUND

<u>Valuation Date</u>	<u>Number</u>	<u>Valuation Payroll</u>	<u>Annual Average Pay</u>	<u>% Increase in Average Pay</u>
6-30-02	9,940	\$ 508,550,000	\$51,162	1.5%
6-30-03	9,948	546,533,000	54,939	7.4
6-30-04	10,055	593,949,000	59,070	7.5
6-30-05	10,235	625,807,000	61,144	3.5
6-30-06	10,591	668,088,000	63,081	3.2
6-30-07	10,720	699,841,000	65,284	3.5

PUBLIC EMPLOYEES CORRECTIONAL FUND

<u>Valuation Date</u>	<u>Number</u>	<u>Valuation Payroll</u>	<u>Annual Average Pay</u>	<u>% Increase in Average Pay</u>
6-30-02	3,270	\$100,801,000	\$30,826	5.4%
6-30-03	3,155	109,456,000	34,693	12.5
6-30-04	3,251	120,511,000	37,069	6.8
6-30-05	3,352	129,231,000	38,554	4.0
6-30-06	3,531	141,083,000	39,956	3.6
6-30-07	3,566	148,794,000	41,726	4.4

RETIREMENT FUND ACTIVE MEMBERS



The number of active employees participating in PERA's three defined benefit plans has increased a total of 6.3 percent since 2002.

Schedule of Retirees and Beneficiaries

Last Six Years

PUBLIC EMPLOYEES RETIREMENT FUND

Year Ended	Added to Rolls		Removed from Rolls		Year-End Total		% Change in Annual Allowances	Average Annual Allowances
	Number Added	Annual Allowances*	Number Removed	Annual Allowances*	Number	Annual Allowances		
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
6-30-04	4,060		2,003		54,620	690,178,000	7.5	12,636
6-30-05	3,868	\$32,856,000	1,838	\$2,063,000	56,650	720,971,000	4.5	12,727
6-30-06	4,317	36,537,000	1,889	2,176,000	59,078	755,332,000	4.8	12,785
6-30-07	4,374	40,320,000	2,016	2,343,000	61,436	793,309,000	5.0	12,913

PUBLIC EMPLOYEES POLICE AND FIRE FUND

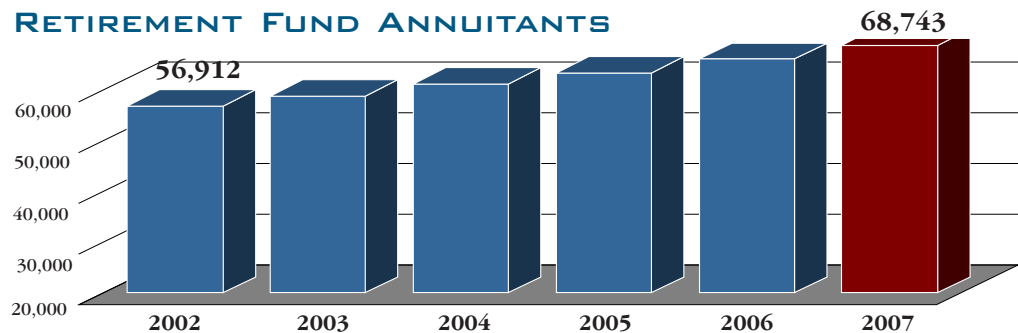
Year Ended	Added to Rolls		Removed from Rolls		Year-End Total		% Change in Annual Allowances	Average Annual Allowances
	Number Added	Annual Allowances*	Number Removed	Annual Allowances*	Number	Annual Allowances		
6-30-02	368		395		5,971	\$218,719,000	7.7%	\$36,630
6-30-03	406		169		6,208	229,405,000	4.9	36,953
6-30-04	406		183		6,431	243,458,000	6.1	37,857
6-30-05	394	\$10,165,000	210	\$574,000	6,615	253,049,000	3.9	38,254
6-30-06	393	13,535,000	207	632,000	6,801	265,952,000	5.1	39,105
6-30-07	428	17,754,000	197	578,000	7,032	283,128,000	6.5	40,263

PUBLIC EMPLOYEES CORRECTIONAL FUND

Year Ended	Added to Rolls		Removed from Rolls		Year-End Total		% Change in Annual Allowances	Average Annual Allowances
	Number Added	Annual Allowances*	Number Removed	Annual Allowances*	Number	Annual Allowances		
6-30-02	27		1		63	\$ 377,000	109.6%	\$ 5,987
6-30-03	43		6		100	621,000	64.8	6,215
6-30-04	40		1		139	911,000	46.0	6,552
6-30-05	43	\$217,000	2	\$1,000	180	1,127,000	23.7	6,261
6-30-06	48	343,000	5	4,000	223	1,466,000	30.1	6,575
6-30-07	57	490,000	5	3,000	275	1,953,000	33.2	7,102

* Annual allowances for additions and subtractions unavailable before 6/30/05.

RETIREMENT FUND ANNUITANTS



The number of annuitants from PERA's three defined benefit plans has increased at an annualized rate of 4 percent since 2002.

Determination of Contribution Sufficiency

As of June 30, 2007

PUBLIC EMPLOYEES RETIREMENT FUND*

Statutory Contributions—M.S. Chapter 353	Percent of Payroll	Dollar Amount
Employee Contributions	5.88%	\$ 291,588,497
Employer Contributions	<u>6.38%</u>	<u>316,425,146</u>
Total (a)	12.26%	\$608,013,643
Actuarially Required Contributions—M.S. Chapter 356		
Normal Cost	Retirement	\$ 301,203,523
	Disability	17,441,725
	Death	6,912,257
	Withdrawal	<u>59,802,152</u>
Total	7.78%	\$ 385,359,657
Amortization of Supplemental Contribution (UALL)	5.35%	265,241,756
Allowance for Administrative Expenses	<u>0.19%</u>	<u>9,419,801</u>
Total (b)	13.32%	\$660,021,214
Contribution Sufficiency(Deficiency) (a - b)	<u>-1.06%</u>	<u>\$ (52,007,571)</u>

PUBLIC EMPLOYEES POLICE AND FIRE FUND*

Statutory Contributions—M.S. Chapter 353	Percent of Payroll	Dollar Amount
Employee Contributions	8.20%	\$ 57,386,982
Employer Contributions	<u>12.30%</u>	<u>86,080,473</u>
Total (a)	20.50%	\$143,467,455
Actuarially Required Contributions—M.S. Chapter 356		
Normal Cost	Retirement	\$ 117,516,403
	Disability	22,272,592
	Death	5,090,494
	Withdrawal	<u>10,449,012</u>
Total	22.19%	\$ 155,328,501
Amortization of Supplemental Contribution (UALL)	6.19%	43,320,173
Allowance for Administrative Expenses	<u>0.10%</u>	<u>699,841</u>
Total (b)	28.48%	\$199,348,515
Contribution Sufficiency(Deficiency) (a - b)	<u>-7.98%</u>	<u>\$ (55,881,060)</u>

PUBLIC EMPLOYEES CORRECTIONAL FUND*

Statutory Contributions—M.S. Chapter 353	Percent of Payroll	Dollar Amount
Employee Contributions	5.83%	\$ 8,674,664
Employer Contributions	<u>8.75%</u>	<u>13,019,436</u>
Total (a)	14.58%	\$ 21,694,100
Actuarially Required Contributions—M.S. Chapter 356		
Normal Cost	Retirement	\$ 11,930,777
	Disability	2,202,418
	Death	529,189
	Withdrawal	<u>3,322,640</u>
Total	12.09%	\$ 17,985,024
Amortization of Supplemental Contribution (UALL)	0.14%	208,311
Allowance for Administrative Expenses	<u>0.13%</u>	<u>193,432</u>
Total (b)	12.36%	\$ 18,386,767
Contribution Sufficiency(Deficiency) (a - b)	<u>2.22%</u>	<u>\$ 3,307,333</u>

* Projected annual payroll for fiscal year beginning July 1, 2007:

PERF — \$4,957,789,826

PEPFF — \$699,841,244

PECF — \$148,793,559

Schedule of Changes in Unfunded Actuarial Accrued Liabilities (UAAL)

For the Fiscal Year Ended June 30, 2007 (in thousands)

	<u>PERF</u>	<u>PEPFF</u>	<u>PECF</u>
A. UAAL at Beginning of Year (7/1/06)	\$4,242,550	\$242,613	\$ 7,530
B. Change Due to Interest Requirements and Current Rate of Funding			
1. Normal Cost and Expenses	366,059	149,098	17,134
2. Contributions	(544,326)	(125,395)	(20,834)
3. Interest on A, B1 and B2	<u>368,597</u>	<u>27,966</u>	<u>1,211</u>
C. Expected UAAL at End of Year (A+B)	\$4,432,880	\$294,282	\$ 5,041
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.	(101,198)	(45,220)	(1,070)
2. Investment Return. If there is greater investment return than assumed, there is a gain; if less, a loss.	(205,887)	(93,810)	(5,018)
3. MPRIF Mortality. If Post Fund annuitants live longer than assumed, there is a loss; if not as long, a gain.	25,061	8,126	(290)
4. Other Items. Miscellaneous gains and losses resulting from salary increases, mortality, withdrawal, etc.	<u>54,746</u>	<u>148,111</u>	<u>3,239</u>
E. UAAL at End of Year Before Plan Amendments and changes in Actuarial Assumption (C+D)	\$4,205,602	\$311,489	\$ 1,902
F. Change in UAAL Due to Change in Asset Valuation Method	514,701	183,786	719
G. Change in UAAL Due to Change in Plan Provisions	<u>0</u>	<u>(24,850)</u>	<u>0</u>
H. UAAL at End of Year 6/30/07 (E+F+G)	<u>\$4,720,303</u>	<u>\$470,425</u>	<u>\$ 2,621</u>

Statistical Section

Introduction

Schedule of Changes in Net Assets

Revenues and Expenses

Summary of Membership

Active Members by Age and Service

Schedule of New Retirees and
Initial Benefit Paid

Schedule of Benefit Recipients by Type

PERA Annuitant Residency

Principal Participating Employers

Participating Employers



Introduction



Public Employees Retirement Association of Minnesota
60 Empire Drive, Suite 200
Saint Paul, Minnesota 55103-2088
Member Information Services: 651-296-7460 or 1-800-652-9026
Employer Response Lines: 651-296-3636 or 1-888-892-7372
PERA Fax Number: 651-297-2547
PERA Website: www.mnpera.org



November 30, 2007

GASB Statement No. 44, Economic Condition Reporting: The Statistical Section, was issued in May 2004. The statement establishes requirements related to the supplementary information presented in the Statistical Section of this report. The objective of the information found in the Statistical Section is to provide financial statement users with additional historical perspective, context, and detail. We hope that when used in conjunction with information found in previous sections of this report, readers will gain a better understanding of PERA's overall financial condition.

Financial Information

The Schedule of Changes in Net Assets is presented for the last 10 years, giving the reader an opportunity to review trends in the revenues and expenses of our defined benefit plans. The Revenues and Expenses graph on page 58 shows that almost 70 percent of our revenue has come from investment income over the past 20 years.

Plan Membership

Membership data for the past ten years can be found on page 59. Active membership has increased 10 percent during that time period, while the number of benefit recipients has increased 43 percent and the number of terminated vested members has increased 236 percent. The graphs on page 60 show the distribution of our active membership as of 6/30/07.

Information about our benefit recipients is provided on pages 61 through 67, including monthly benefit amounts, types of benefits, benefit options, and location of benefit recipients.

Employers

The rest of this section provides information about the employers who participate in PERA.

All non-accounting data is derived from PERA's internal sources.

A handwritten signature in black ink that reads 'David Bergong'.

Assistant Executive Director,
Finance and IS

Schedule of Changes in Net Assets

Last 10 Fiscal Years (in thousands)

PUBLIC EMPLOYEES RETIREMENT FUND

	1998	1999	2000	2001
ADDITIONS				
Employer Contributions	\$ 151,499	\$ 173,370	\$ 186,637	\$ 188,208
Member Contributions	140,386	158,475	171,073	173,380
Investment Income (net of expense)	1,581,550	1,052,303	914,574	(754,349)
Other	<u>1,382</u>	<u>2,405</u>	<u>1,299</u>	<u>1,907</u>
Total Additions to Plan Net Assets	<u>\$1,874,817</u>	<u>\$1,386,553</u>	<u>\$1,273,583</u>	<u>\$ (390,854)</u>
DEDUCTIONS				
Benefits	\$ 412,745	\$ 467,601	\$ 527,119	\$ 592,210
Refunds	16,922	17,219	19,366	18,768
Administrative Expenses	7,076	9,631	8,329	8,344
Other	<u>1,301</u>	<u>1,618</u>	<u>1,527</u>	<u>2,441</u>
Total Deductions From Plan Net Assets	<u>\$ 438,044</u>	<u>\$ 496,069</u>	<u>\$ 556,341</u>	<u>\$ 621,763</u>
Change in Plan Net Assets	<u>\$1,436,773</u>	<u>\$ 890,484</u>	<u>\$ 717,242</u>	<u>\$(1,012,617)</u>

PUBLIC EMPLOYEES POLICE AND FIRE FUND

	1998*	1999*	2000	2001
ADDITIONS				
Employer Contributions	\$ 56,015	\$ 57,849	\$ 53,178	\$ 52,960
Member Contributions	32,285	34,326	31,213	31,341
Investment Income (net of expense)	722,235	459,801	439,566	(334,406)
Other	<u>24,415</u>	<u>2,387</u>	<u>503</u>	<u>2,744</u>
Total Additions to Plan Net Assets	<u>\$834,950</u>	<u>\$554,363</u>	<u>\$524,460</u>	<u>\$(247,361)</u>
DEDUCTIONS				
Benefits	\$117,140	\$139,452	\$165,719	\$192,246
Refunds	1,478	1,106	94,754	3,358
Administrative Expenses	746	1,015	679	639
Other	<u>534</u>	<u>410</u>	<u>1,549</u>	<u>447</u>
Total Deductions From Plan Net Assets	<u>\$119,898</u>	<u>\$141,983</u>	<u>\$262,701</u>	<u>\$ 196,690</u>
Change in Plan Net Assets	<u>\$715,052</u>	<u>\$412,380</u>	<u>\$261,759</u>	<u>\$(444,051)</u>

PUBLIC EMPLOYEES CORRECTIONAL FUND (ESTABLISHED 7/1/99)

	1998**	1999**	2000	2001
ADDITIONS				
Employer Contributions			\$ 6,487	\$ 8,054
Member Contributions			4,382	5,308
Investment Income (net of expense)			253	(750)
Other			<u>32</u>	<u>20</u>
Total Additions to Plan Net Assets			<u>\$11,154</u>	<u>\$12,632</u>
DEDUCTIONS				
Benefits			\$ 20	\$ 173
Refunds			30	160
Administrative Expenses			111	130
Other			<u>0</u>	<u>1</u>
Total Deductions From Plan Net Assets			<u>\$ 161</u>	<u>\$ 464</u>
Change in Plan Net Assets			<u>\$10,993</u>	<u>\$12,168</u>

2002	2003	2004	2005	2006	2007
\$ 206,982	\$221,689	\$ 225,744	\$ 232,963	\$ 255,531	\$ 283,419
191,422	205,963	215,697	216,701	235,901	260,907
(765,319)	199,769	1,434,654	1,047,792	1,331,296	2,206,085
3,692	3,609	4,437	4,310	4,094	4,229
<u>\$ (363,223)</u>	<u>\$631,030</u>	<u>\$1,880,532</u>	<u>\$1,501,766</u>	<u>\$1,826,822</u>	<u>\$2,754,640</u>

\$ 642,088	\$664,459	\$ 687,124	\$715,043	\$ 748,391	784,013
16,267	18,242	22,556	24,952	26,452	25,745
8,680	8,628	8,830	9,118	9,029	9,061
2,356	1,374	2,725	2,040	3,093	2,918
<u>\$ 669,391</u>	<u>\$692,703</u>	<u>\$ 721,235</u>	<u>\$751,153</u>	<u>\$ 786,965</u>	<u>\$ 821,737</u>
<u>\$ (1,032,614)</u>	<u>\$ (61,673)</u>	<u>\$1,159,297</u>	<u>\$750,613</u>	<u>\$1,039,857</u>	<u>\$1,932,903</u>

2002	2003	2004	2005	2006	2007
\$ 90,664	\$ 50,917	\$52,769	\$ 55,802	\$ 63,603	\$ 74,707
33,801	34,751	36,313	37,873	42,970	50,689
(328,160)	76,117	578,008	435,327	543,959	882,408
1,937	3,281	2,733	2,113	1,917	1,671
<u>\$(201,758)</u>	<u>\$165,066</u>	<u>\$669,823</u>	<u>\$531,115</u>	<u>\$652,449</u>	<u>\$1,009,475</u>

\$212,405	\$225,434	\$237,442	\$251,429	\$264,601	\$ 280,267
711	643	644	734	867	874
647	675	712	703	707	678
255	301	541	477	295	248
<u>\$214,018</u>	<u>\$227,053</u>	<u>\$239,339</u>	<u>\$253,343</u>	<u>\$266,470</u>	<u>\$ 282,067</u>
<u>\$(415,776)</u>	<u>\$ (61,987)</u>	<u>\$430,484</u>	<u>\$277,772</u>	<u>\$385,979</u>	<u>\$ 727,408</u>

2002	2003	2004	2005	2006	2007
\$ 8,830	\$ 9,645	\$10,029	\$10,814	\$11,826	\$12,499
5,882	6,430	6,672	7,192	7,881	8,335
(2,290)	1,386	9,131	8,714	12,995	25,081
12	11	4	9	11	22
<u>\$12,434</u>	<u>\$17,472</u>	<u>\$25,836</u>	<u>\$26,729</u>	<u>\$32,713</u>	<u>\$45,937</u>

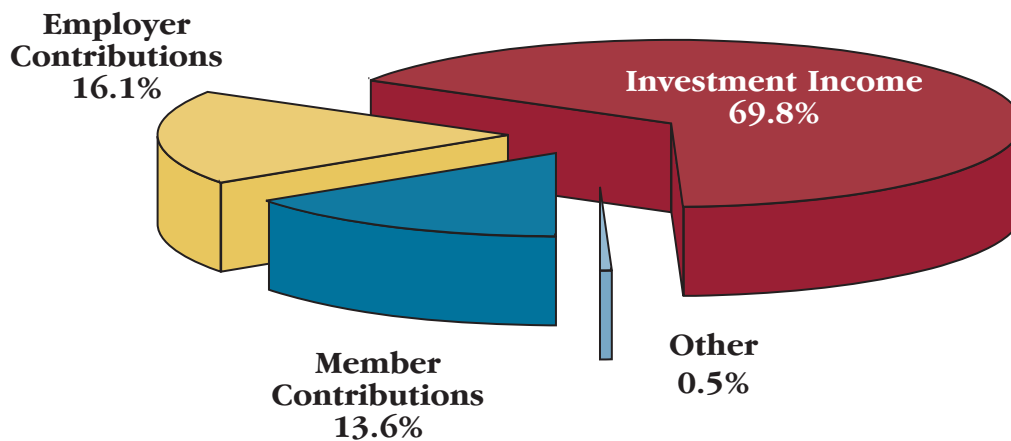
\$ 338	\$ 559	\$ 805	\$ 1,041	\$ 1,341	\$ 1,836
272	409	588	691	619	474
137	149	162	176	186	185
1	2	5	9	4	12
<u>\$ 748</u>	<u>\$ 1,119</u>	<u>\$ 1,560</u>	<u>\$ 1,917</u>	<u>\$ 2,150</u>	<u>\$ 2,507</u>
<u>\$11,686</u>	<u>\$16,353</u>	<u>\$24,276</u>	<u>\$24,812</u>	<u>\$30,563</u>	<u>\$43,430</u>

Revenues and Expenses

Average over last 20 years

REVENUES BY SOURCE (FY1988 - FY2007)

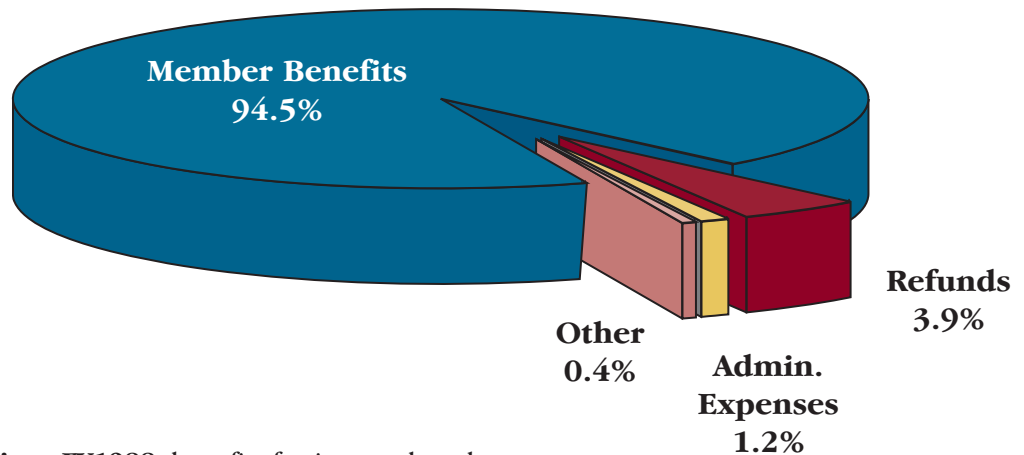
All Funds



Over the past 20 years, investment earnings have been responsible for nearly 70 percent of PERA's revenues.

EXPENSE BY TYPE (FY1988 - FY2007)

All Funds



Since FY1988, benefits for its members has represented over 94 percent of PERA's expenses.

Summary of Membership

Last 10 Years

PUBLIC EMPLOYEES RETIREMENT FUND

<u>Fiscal Year</u>	<u>Active</u>	<u>Benefit Recipients</u>	<u>Terminated Vested</u>	<u>Terminated Non-Vested</u>	<u>Total</u>
1998	136,166	43,142	12,238	15,847	207,393
1999	139,808	45,259	14,060	18,491	217,618
2000	135,560	47,347	21,495	79,362	283,764
2001	138,759	49,414	25,917	83,027	297,117
2002	137,817	50,878	29,353	87,114	305,162
2003	140,066	52,563	32,128	94,340	319,097
2004	138,164	54,620	33,915	102,265	328,964
2005	142,303	56,650	35,768	100,369	335,090
2006	144,244	59,078	37,476	105,590	346,388
2007	146,226	61,436	39,722	109,599	356,983

PUBLIC EMPLOYEES POLICE AND FIRE FUND

<u>Fiscal Year</u>	<u>Active</u>	<u>Benefit Recipients</u>	<u>Terminated Vested</u>	<u>Terminated Non-Vested</u>	<u>Total</u>
1998*	9,296	4,941	346	194	14,777
1999*	9,477	5,259	368	195	15,299
2000	9,627	5,678	470	626	16,401
2001	9,858	5,998	554	610	17,020
2002	9,940	5,971	637	663	17,211
2003	9,948	6,208	758	740	17,654
2004	10,055	6,431	878	750	18,114
2005	10,235	6,615	927	729	18,506
2006	10,591	6,801	999	757	19,148
2007	10,720	7,032	1,200	814	19,766

*includes Police & Fire Consolidation Fund

PUBLIC EMPLOYEES CORRECTIONAL FUND (ESTABLISHED 7/1/99)

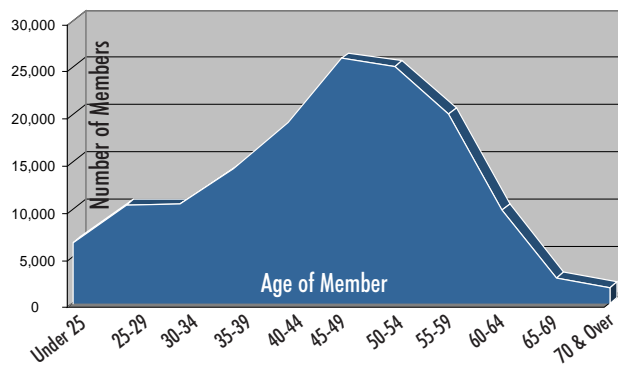
<u>Fiscal Year</u>	<u>Active</u>	<u>Benefit Recipients</u>	<u>Terminated Vested</u>	<u>Terminated Non-Vested</u>	<u>Total</u>
2000	2,781	12	0	0	2,793
2001	3,238	37	97	267	3,639
2002	3,270	63	282	488	4,103
2003	3,155	100	590	702	4,547
2004	3,251	139	758	911	5,059
2005	3,352	180	915	906	5,353
2006	3,531	223	1,100	1,086	5,940
2007	3,566	275	1,337	1,291	6,469

Active Members

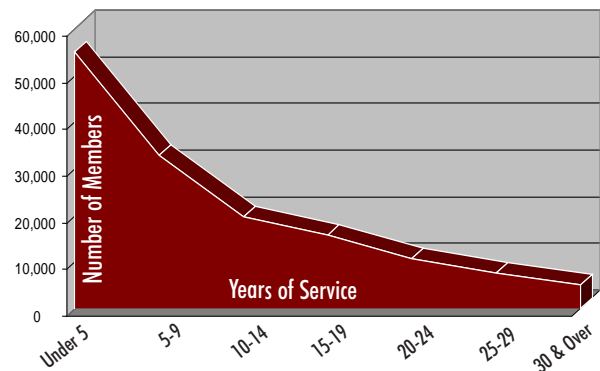
By Age and Service as of June 30, 2007

PUBLIC EMPLOYEES RETIREMENT FUND

Active Members by Age

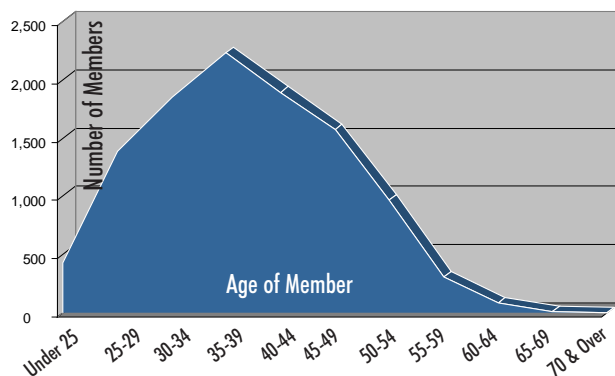


Active Members by Years of Service

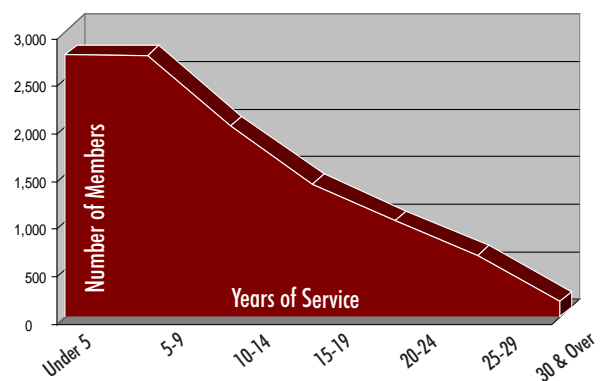


PUBLIC EMPLOYEES POLICE AND FIRE FUND

Active Members by Age

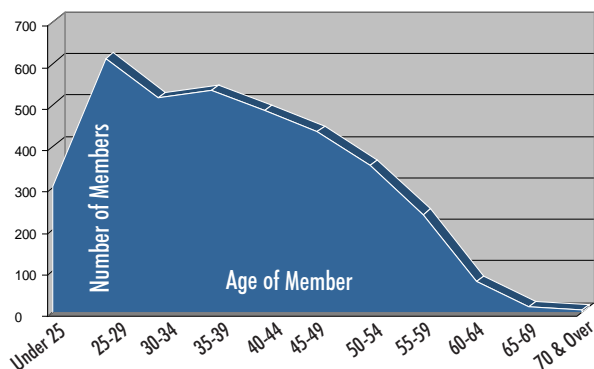


Active Members by Years of Service

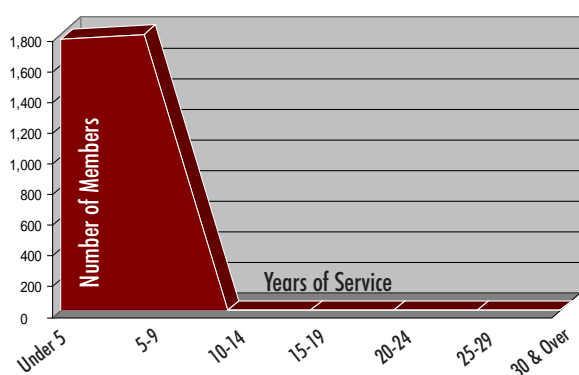


PUBLIC EMPLOYEES CORRECTIONAL FUND (ESTABLISHED 7/1/99)

Active Members by Age



Active Members by Years of Service



Schedule of New Retirees and Initial Benefit Paid

Last 10 Years

PUBLIC EMPLOYEES RETIREMENT FUND

	Years of Credited Service						
	0-4	5-9	10-14	15-19	20-24	25-29	30+
1998							
Average monthly benefit	\$ 89	\$ 160	\$ 312	\$ 465	\$ 654	\$1,060	\$2,296
Average high five salary	\$2,256	\$1,497	\$1,805	\$1,898	\$2,089	\$2,523	\$3,134
Number of retirants	277	473	535	541	481	391	374
1999							
Average monthly benefit	\$ 88	\$ 171	\$ 320	\$ 497	\$ 695	\$1,000	\$2,328
Average high five salary	\$2,111	\$1,586	\$1,797	\$2,021	\$2,212	\$2,452	\$3,249
Number of retirants	287	385	483	445	422	389	372
2000							
Average monthly benefit	\$ 75	\$ 168	\$ 313	\$ 509	\$ 701	\$1,084	\$2,136
Average high five salary	\$2,168	\$1,574	\$1,762	\$2,088	\$2,268	\$2,632	\$3,266
Number of retirants	286	474	549	468	462	410	413
2001							
Average monthly benefit	\$ 83	\$ 185	\$ 333	\$ 517	\$ 762	\$1,080	\$2,166
Average high five salary	\$2,344	\$1,706	\$1,883	\$2,161	\$2,436	\$2,637	\$3,402
Number of retirants	259	405	471	443	495	365	407
2002							
Average monthly benefit	\$ 92	\$ 177	\$ 362	\$ 562	\$ 774	\$1,086	\$2,095
Average high five salary	\$2,425	\$1,699	\$2,039	\$2,380	\$2,467	\$2,710	\$3,561
Number of retirants	252	333	440	377	411	369	360
2003							
Average monthly benefit	\$ 81	\$ 184	\$ 371	\$ 561	\$ 839	\$1,222	\$2,093
Average high five salary	\$2,157	\$1,721	\$2,075	\$2,279	\$2,621	\$2,996	\$3,663
Number of retirants	319	376	441	425	435	384	436
2004							
Average monthly benefit	\$ 100	\$ 189	\$ 392	\$ 610	\$ 887	\$1,245	\$2,236
Average high five salary	\$2,524	\$1,790	\$2,207	\$2,491	\$2,797	\$3,057	\$3,959
Number of retirants	342	417	458	526	409	401	544
2005							
Average monthly benefit	\$ 96	\$ 189	\$ 375	\$ 616	\$ 893	\$1,295	\$2,124
Average high five salary	\$2,397	\$1,795	\$2,087	\$2,462	\$2,800	\$3,117	\$3,938
Number of retirants	354	434	439	560	424	419	507
2006							
Average monthly benefit	\$ 100	\$ 211	\$ 419	\$ 672	\$ 898	\$1,320	\$2,115
Average high five salary	\$2,578	\$1,983	\$2,309	\$2,657	\$2,832	\$3,197	\$4,034
Number of retirants	393	588	527	563	470	409	577
2007							
Average monthly benefit	\$ 109	\$ 223	\$ 411	\$ 672	\$ 909	\$1,390	\$2,304
Average high five salary	\$3,031	\$2,017	\$2,263	\$2,659	\$2,856	\$3,346	\$4,282
Number of retirants	387	556	503	563	481	462	681

Schedule of New Retirees and Initial Benefit Paid

Last 10 Years

PUBLIC EMPLOYEES POLICE AND FIRE FUND

	Years of Credited Service						
	0-4	5-9	10-14	15-19	20-24	25-29	30+
1998							
Average monthly benefit	\$ 265	\$ 747	\$1,100	\$1,515	\$2,309	\$3,210	\$4,045
Average high five salary	\$4,185	\$3,367	\$2,847	\$3,096	\$3,646	\$4,075	\$4,323
Number of retirees	14	10	14	20	58	120	99
1999							
Average monthly benefit	\$ 552	\$ 875	\$1,699	\$1,559	\$2,365	\$3,368	\$4,259
Average high five salary	\$3,783	\$4,131	\$3,859	\$3,334	\$3,684	\$4,270	\$4,540
Number of retirees	12	9	13	13	53	126	72
2000							
Average monthly benefit	\$ 209	\$ 875	\$ 836	\$1,799	\$2,558	\$3,599	\$4,448
Average high five salary	\$3,897	\$3,780	\$2,221	\$3,389	\$3,913	\$4,497	\$4,724
Number of retirees	10	8	9	18	73	196	81
2001							
Average monthly benefit	\$ 244	\$ 931	\$1,143	\$1,691	\$2,808	\$3,612	\$4,401
Average high five salary	\$3,736	\$3,795	\$2,789	\$3,437	\$4,282	\$4,547	\$4,641
Number of retirees	13	6	6	14	60	133	41
2002							
Average monthly benefit	\$ 292	\$1,024	\$1,635	\$1,773	\$2,933	\$3,741	\$4,451
Average high five salary	\$3,608	\$4,908	\$4,658	\$3,518	\$4,347	\$4,711	\$4,808
Number of retirees	4	9	10	12	44	116	29
2003							
Average monthly benefit	\$ 286	\$ 845	\$1,214	\$1,817	\$3,033	\$3,907	\$4,902
Average high five salary	\$4,017	\$3,846	\$3,116	\$3,623	\$4,504	\$4,949	\$5,109
Number of retirees	11	10	10	21	49	111	51
2004							
Average monthly benefit	\$ 522	\$ 769	\$1,639	\$2,312	\$3,076	\$4,049	\$5,259
Average high five salary	\$4,647	\$3,586	\$4,468	\$4,325	\$4,552	\$5,079	\$5,626
Number of retirees	5	10	12	27	29	123	42
2005							
Average monthly benefit	\$ 316	\$1,145	\$1,208	\$2,095	\$2,915	\$4,376	\$4,969
Average high five salary	\$4,135	\$4,316	\$2,888	\$3,817	\$4,394	\$5,462	\$5,283
Number of retirees	10	16	8	26	41	103	49
2006							
Average monthly benefit	\$ 254	\$ 879	\$1,629	\$2,395	\$3,308	\$4,339	\$4,996
Average high five salary	\$3,541	\$4,142	\$4,022	\$4,610	\$4,928	\$5,402	\$5,323
Number of retirees	13	13	12	22	31	95	41
2007							
Average monthly benefit	\$ 474	\$1,116	\$2,095	\$2,195	\$3,355	\$4,815	\$5,685
Average high five salary	\$6,090	\$5,363	\$5,687	\$4,125	\$5,049	\$5,923	\$5,970
Number of retirees	5	15	13	22	47	119	66

Schedule of New Retirees and Initial Benefit Paid

Last 7 Years*

PUBLIC EMPLOYEES CORRECTIONAL FUND (ESTABLISHED 7/1/99)

	Years of Credited Service						
	0-4	5-9	10-14	15-19	20-24	25-29	30+
2000							
Average monthly benefit	\$ 28						
Average high five salary	\$2,521						
Number of retirants	10						
2001							
Average monthly benefit	\$ 71						
Average high five salary	\$3,050						
Number of retirants	12						
2002							
Average monthly benefit	\$ 157						
Average high five salary	\$3,617						
Number of retirants	15						
2003							
Average monthly benefit	\$ 182						
Average high five salary	\$2,917						
Number of retirants	21						
2004							
Average monthly benefit	\$ 251						
Average high five salary	\$3,475						
Number of retirants	26						
2005							
Average monthly benefit	\$ 363						
Average high five salary	\$3,757						
Number of retirants	27						
2006							
Average monthly benefit	\$ 460						
Average high five salary	\$3,888						
Number of retirants	31						
2006							
Average monthly benefit	\$ 463						
Average high five salary	\$3,671						
Number of retirants	33						

*Fund not established until July 1999.

Schedule of Benefit Recipients by Type

As of June 30, 2007

PUBLIC EMPLOYEES RETIREMENT FUND

Amount of Monthly Benefit	Number of Benefit Recipients	Type of Benefit				Option Selected					
		A	B	C	D	1	2	3	4	5	6
\$ 1 - \$ 250	14,131	12,638	333	799	361	9,927	2,961	141	626	212	264
251 - 500	11,370	9,668	447	870	385	7,629	2,075	147	831	260	428
501 - 750	8,224	6,926	240	757	301	5,262	1,568	137	804	233	220
751 - 1,000	6,085	5,154	120	541	270	3,794	1,134	124	659	264	110
1,001 - 1,250	4,543	3,827	101	389	226	2,611	895	136	591	216	94
1,251 - 1,500	3,331	2,779	110	289	153	1,778	652	122	496	179	104
1,501 - 1,750	2,413	1,962	83	250	118	1,215	463	105	431	123	76
1,751 - 2,000	1,832	1,477	67	218	70	910	328	97	319	111	67
2,001 - 2,250	1,497	1,195	64	198	40	649	322	68	302	95	61
2,251 - 2,500	1,233	1,026	44	139	24	555	251	60	253	71	43
2,501 - 2,750	1,043	868	34	123	18	450	220	51	224	65	33
2,751 - 3,000	882	754	23	99	6	359	185	49	212	55	22
3,001 - 3,250	751	657	22	69	3	290	173	42	185	41	20
3,251 - 3,500	611	520	16	73	2	221	146	47	142	41	14
3,501 - 3,750	535	457	9	68	1	170	136	32	159	29	9
3,751 - 4,000	463	409	6	47	1	152	113	31	133	29	5
4,001 - 4,250	410	360	5	42	3	139	105	32	104	25	5
4,251 - 4,500	346	310	2	32	2	119	91	16	95	23	2
4,501 - 4,750	275	249	1	24	1	98	71	19	74	12	1
4,751 - 5,000	235	202	3	29	1	84	55	15	63	15	3
5,001 - 5,250	201	184	1	15	1	74	48	9	57	12	1
5,251 - 5,500	161	149	1	11	0	56	38	9	46	11	1
5,501 - 5,750	128	118	0	10	0	35	35	7	44	7	0
5,751 - 6,000	120	107	1	12	0	45	31	4	35	4	1
> \$6000	616	558	5	52	1	176	165	44	188	38	5
Totals	61,436	52,554	1,738	5,156	1,988	36,798	12,261	1,544	7,073	2,171	1,589

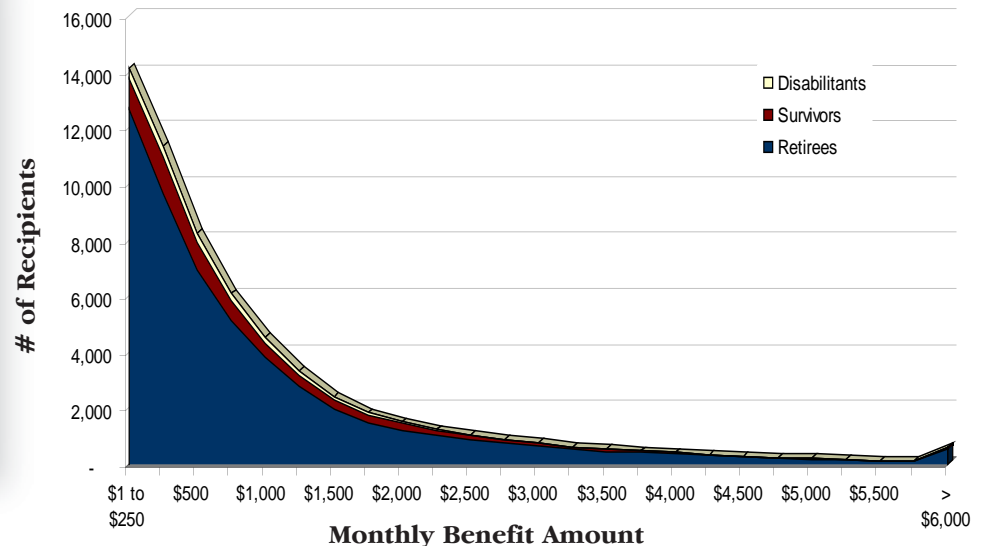
Type of Benefit

- A** Retirement
- B** Survivor of Active Member
- C** Survivor of Benefit Recipient
- D** Disability

Option Selected

- 1** Single Life
- 2** 100% J&S
- 3** 75% J&S
- 4** 50% J&S
- 5** 25% J&S
- 6** Other (Term-certain, children's benefits, etc.)

BENEFIT RECIPIENTS BY BENEFIT AMOUNT



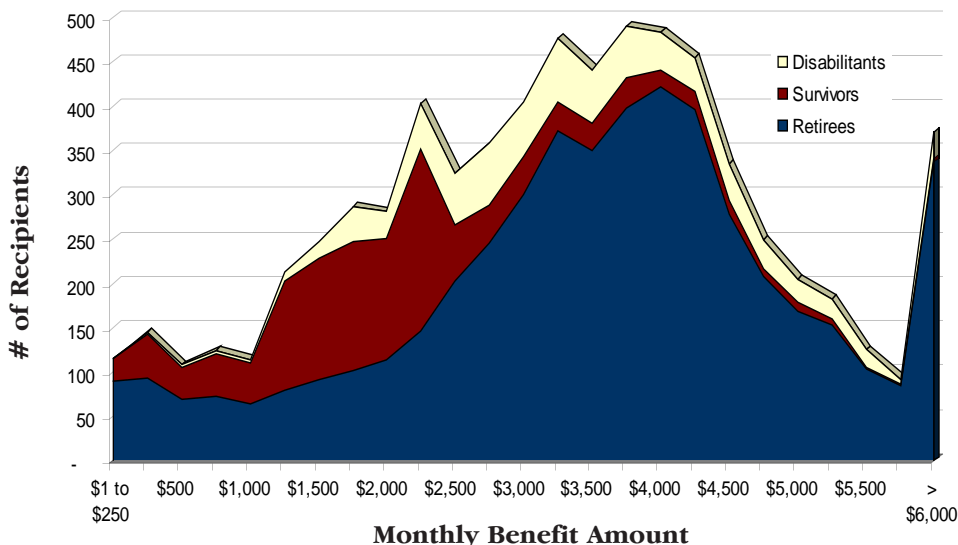
Schedule of Benefit Recipients by Type

As of June 30, 2007

PUBLIC EMPLOYEES POLICE AND FIRE FUND

Amount of Monthly Benefit	Number of Benefit Recipients	Type of Benefit					Option Selected					
		A	B	C	D	E	1	2	3	4	5	6
\$ 1 - \$ 250	115	90	7	18	0	0	42	43	1	13	5	11
251 - 500	145	94	26	23	2	0	45	34	3	19	8	36
501 - 750	108	69	16	21	1	1	29	34	0	22	3	20
751 - 1,000	124	73	10	38	2	1	36	35	3	28	4	18
1,001 - 1,250	114	64	16	31	3	0	38	30	0	14	4	28
1,251 - 1,500	213	79	41	82	8	3	40	40	4	30	4	95
1,501 - 1,750	248	92	55	82	15	4	51	37	8	39	6	107
1,751 - 2,000	287	101	61	86	25	14	67	50	7	36	8	119
2,001 - 2,250	281	113	62	75	16	15	65	47	6	38	6	119
2,251 - 2,500	403	146	75	130	18	34	85	55	14	47	10	192
2,501 - 2,750	325	202	19	45	13	46	100	76	23	43	14	69
2,751 - 3,000	358	246	14	28	7	63	121	74	31	43	12	77
3,001 - 3,250	405	300	15	28	8	54	119	89	29	58	23	87
3,251 - 3,500	477	372	7	26	14	58	143	95	37	69	24	109
3,501 - 3,750	441	349	14	18	14	46	142	64	41	70	25	99
3,751 - 4,000	490	398	10	24	28	30	154	79	46	74	22	115
4,001 - 4,250	484	422	6	12	13	31	134	69	45	90	28	118
4,251 - 4,500	454	396	10	11	13	24	110	54	42	87	27	134
4,501 - 4,750	335	278	9	6	20	22	98	40	50	60	23	64
4,751 - 5,000	249	208	4	4	15	18	81	48	26	60	15	19
5,001 - 5,250	205	169	3	6	11	16	67	28	27	57	22	4
5,251 - 5,500	183	153	2	5	14	9	60	36	23	51	12	1
5,501 - 5,750	125	103	0	3	8	11	47	13	21	36	7	1
5,751 - 6,000	92	84	0	2	4	2	32	10	11	34	4	1
> \$6,000	<u>371</u>	<u>337</u>	<u>1</u>	<u>4</u>	<u>16</u>	<u>13</u>	<u>132</u>	<u>28</u>	<u>49</u>	<u>119</u>	<u>42</u>	<u>1</u>
Totals	7,032	4,938	483	808	288	515	2,038	1,208	547	1,237	358	1,644

BENEFIT RECIPIENTS BY BENEFIT AMOUNT



Type of Benefit

- A** Retirement
- B** Survivor of Active Member
- C** Survivor of Benefit Recipient
- D** Non-Duty Disability
- E** Line-of-Duty Disability

Option Selected

- 1** Single Life
- 2** 100% J&S
- 3** 75% J&S
- 4** 50% J&S
- 5** 25% J&S
- 6** Other

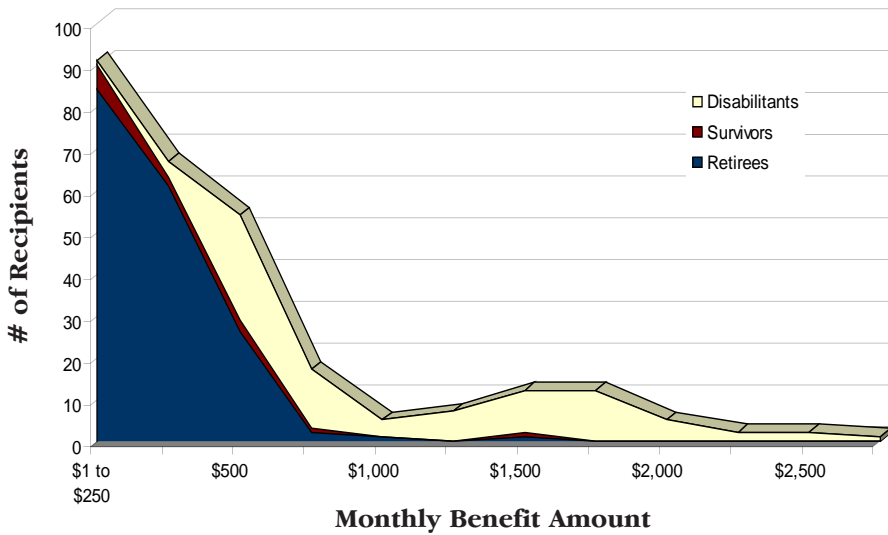
Schedule of Benefit Recipients by Type

As of June 30, 2007

PUBLIC EMPLOYEES CORRECTIONAL FUND (ESTABLISHED 7/1/99)

Amount of Monthly Benefit	Number of Benefit Recipients	Type of Benefit					Option Selected					
		A	B	C	D	E	1	2	3	4	5	6
\$ 1 - \$ 250	91	84	4	2	1	0	62	14	3	9	1	2
251 - 500	67	61	2	0	4	0	40	12	1	9	3	2
501 - 750	54	26	0	3	24	1	30	14	5	3	2	0
751 - 1,000	17	2	1	0	13	1	8	5	0	2	1	1
1,001 - 1,250	5	1	0	0	1	3	2	1	0	1	1	0
1,251 - 1,500	7	0	0	0	0	7	5	1	0	1	0	0
1,501 - 1,750	12	1	0	1	1	9	4	5	1	2	0	0
1,751 - 2,000	12	0	0	0	0	12	8	3	1	0	0	0
2,001 - 2,250	5	0	0	0	0	5	5	0	0	0	0	0
2,251 - 2,500	2	0	0	0	0	2	1	1	0	0	0	0
2,501 - 2,750	2	0	0	0	0	2	0	0	1	0	1	0
2,751 - 3,000	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Totals	275	175	7	6	44	43	166	56	12	27	9	5

BENEFIT RECIPIENTS BY BENEFIT AMOUNT



Type of Benefit

- A** Retirement
- B** Survivor of Active Member
- C** Survivor of Benefit Recipient
- D** Non-Duty Disability
- E** Line-of-Duty Disability

Option Selected

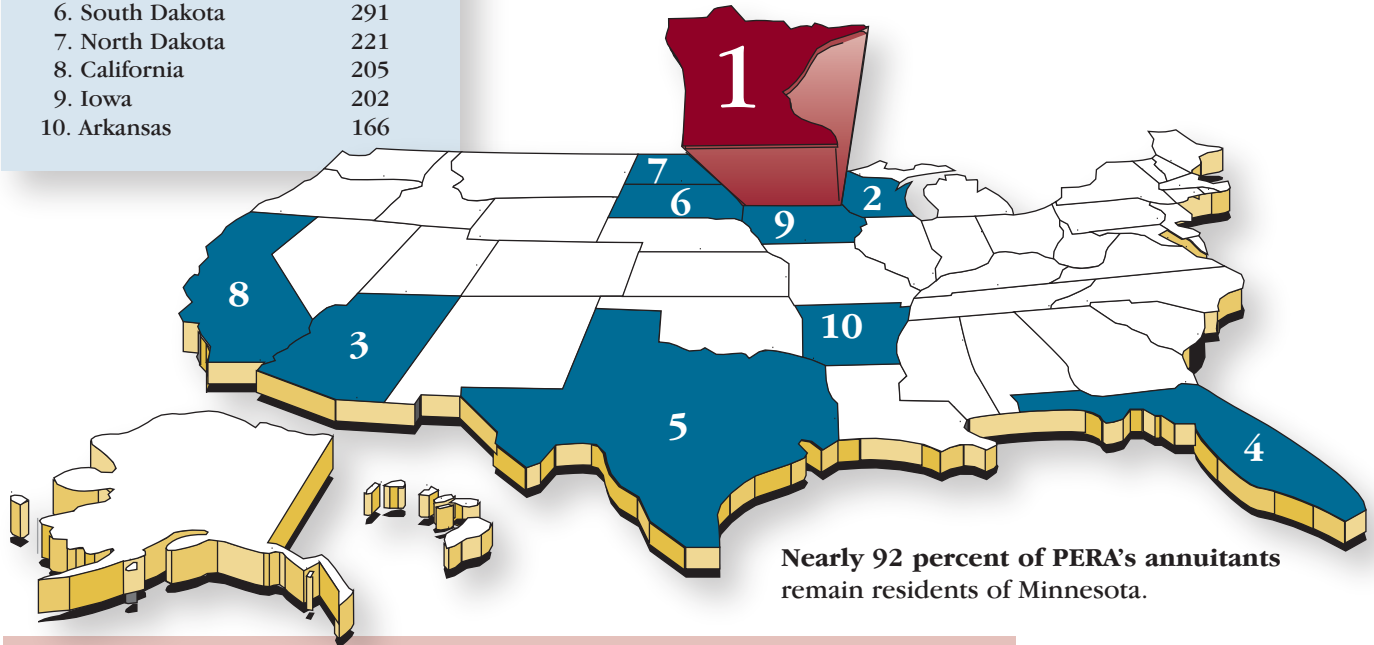
- 1** Single Life
- 2** 100% J&S
- 3** 75% J&S
- 4** 50% J&S
- J** 25% J&S
- K** Other

PERA Annuitant Residency

by State

Top 10 States by PERA Annuitant Population

State	Population
1. Minnesota	62,396
2. Wisconsin	1,215
3. Arizona	1,125
4. Florida	890
5. Texas	415
6. South Dakota	291
7. North Dakota	221
8. California	205
9. Iowa	202
10. Arkansas	166



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

Annuitants and Payments on June 1, 2007

State	Population	Payments	State	Population	Payments	State	Population	Payments
MN	62,396	\$81,722,023	TN	64	\$79,700	AK	18	\$23,425
WI	1,215	1,755,657	NM	60	86,072	MD	17	11,684
AZ	1,125	1,675,720	MI	55	56,905	KY	15	13,189
FL	890	1,555,756	GA	48	55,969	MA	15	17,862
TX	415	632,833	SC	39	52,072	NY	13	17,856
SD	291	325,545	NE	36	21,159	LA	8	14,110
ND	221	215,673	OK	33	33,786	NJ	7	6,133
CA	205	237,808	VA	31	42,310	ME	5	1,314
IA	202	193,410	AL	30	51,646	NH	5	4,984
AR	166	211,764	WY	30	39,098	CT	4	1,669
NV	147	224,596	OH	28	31,249	WV	4	5,389
CO	145	150,426	HI	27	49,372	VT	2	725
WA	138	149,633	ID	27	26,919	DE	1	414
MO	112	126,720	UT	27	35,721	RI	0	0
IL	89	99,723	IN	26	28,922	District of Columbia	2	346
OR	84	112,889	KS	26	30,306	Foreign Address	26	44,407
MT	70	88,277	MS	20	37,430			
NC	64	69,807	PA	20	17,108			

Principal Participating Employers

PUBLIC EMPLOYEES RETIREMENT FUND

FY2007

<u>Employer</u>	<u>Active Members</u>	<u>% of Total Active Members</u>
Hennepin County	10,245	7.01%
Minneapolis School District	5,757	3.94%
City of Minneapolis	3,755	2.57%
Ramsey County	3,199	2.19%
St. Paul School District	3,144	2.15%
Anoka-Hennepin School District	2,732	1.87%
City of St. Paul	2,104	1.44%
St. Louis County	2,004	1.37%
Osseo School District	1,966	1.34%
Anoka County	1,913	1.31%

FY2002*

<u>Employer</u>	<u>Active Members</u>	<u>% of Total Active Members</u>
Hennepin County	11,549	7.63%
Minneapolis School District	6,282	4.15%
St. Paul School District	4,413	2.92%
City of Minneapolis	4,057	2.68%
Ramsey County	3,333	2.20%
Anoka-Hennepin School District	2,424	1.60%
St. Louis County	2,382	1.57%
City of St. Paul	2,323	1.54%
Anoka County	2,122	1.40%
Rosemount School District	1,726	1.14%

PUBLIC EMPLOYEES POLICE AND FIRE FUND

FY2007

<u>Employer</u>	<u>Active Members</u>	<u>% of Total Active Members</u>
City of Minneapolis	1,211	11.30%
City of St. Paul	832	7.76%
Hennepin County	479	4.47%
Ramsey County	235	2.19%
City of Duluth	219	2.04%
City of Rochester	183	1.71%
City of St. Cloud	167	1.56%
Metropolitan Airports Commission	129	1.20%
Wright County	120	1.12%
Anoka County	115	1.07%

FY2002*

<u>Employer</u>	<u>Active Members</u>	<u>% of Total Active Members</u>
City of Minneapolis	1,140	11.46%
City of St. Paul	841	8.45%
Hennepin County	524	5.27%
Ramsey County	252	2.53%
City of Duluth	237	2.38%
City of Rochester	176	1.77%
City of St. Cloud	133	1.34%
St. Louis County	101	1.02%
Metropolitan Airports Commission	101	1.02%
City of Burnsville	91	0.91%

PUBLIC EMPLOYEES CORRECTIONAL FUND*

FY2007

<u>Employer</u>	<u>Active Members</u>	<u>% of Total Active Members</u>
Hennepin County	641	17.98%
Ramsey County	419	11.75%
Anoka County	236	6.62%
Olmsted County	160	4.49%
Sherburne County	117	3.28%
St. Louis County	100	2.80%
Dakota County	88	2.47%
Stearns County	78	2.19%
Beltrami County	77	2.16%
Washington County	72	2.02%

FY2002*

<u>Employer</u>	<u>Active Members</u>	<u>% of Total Active Members</u>
Hennepin County	666	20.37%
Ramsey County	354	10.83%
Anoka County	250	7.65%
Olmsted County	149	4.56%
St. Louis County	119	3.64%
Beltrami County	108	3.30%
Dakota County	99	3.03%
Washington County	76	2.32%
Sherburne County	71	2.17%
Goodhue County	62	1.90%

* Note: Information is not available before FY2002

Participating Employers

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

CITIES

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

LAKE BENTON	MAYER	NORTH MANKATO	RICHMOND	STEWART	WILMONT
LAKE BRONSON	MAYNARD	NORTH OAKS	ROBBINSDALE	STEWARTVILLE	WINDOM
LAKE CITY	MAZEPPA	NORTH ST PAUL	ROCHESTER	STILLWATER	WINGER
LAKE CRYSTAL	MC GRATH	NORTHFIELD	ROCK CREEK	STOCKTON	WINNEBAGO
LAKE ELMO	MC GREGOR	NORTHOME	ROCKFORD	STORDEN	WINONA
LAKE LILLIAN	MC INTOSH	NORTHROP	ROCKVILLE	STURGEON LAKE	WINSTED
LAKE PARK	MC KINLEY	NORWOOD	ROGERS	SWANVILLE	WINTHROP
LAKE SHORE	MEADOWLANDS	YOUNG AMERICA	ROLLINGSTONE	TACONITE	WINTON
LAKE ST CROIX BEACH	MEDFORD	OAK GROVE	ROSE CREEK	TAYLORS FALLS	WOLF LAKE
LAKE WILSON	MEDINA	OAK PARK HEIGHTS	ROSEAU	THIEF RIVER FALLS	WOLVERTON
LAKEFIELD	MELROSE	OAKDALE	ROSEMOUNT	THOMSON	WOOD LAKE
LAKELAND	MENAHGA	ODESSA	ROSEVILLE	TINTAH	WOODBURY
LAKEVILLE	MENDOTA HEIGHTS	OGEMA	ROTHSAY	TONKA BAY	WOODLAND
LAMBERTON	MENTOR	OGILVIE	ROUND LAKE	TOWER	WORTHINGTON
LANCASTER	MIDDLE RIVER	OKABENA	ROYALTON	TRACY	WRENSHALL
LANDFALL	MILACA	OKLEE	RUSH	TRIMONT	WYKOFF
LANESBORO	MILAN	OLIVIA	RUSHFORD	TRUMAN	WYOMING
LAPRAIRIE	MILLERVILLE	ONAMIA	RUSHMORE	TWIN LAKES	ZIMMERMAN
LAUDERDALE	MILLVILLE	ORONO	RUSSELL	TWIN VALLEY	ZUMBRO FALLS
LE CENTER	MILROY	ORONOCO	RUTHTON	TWO HARBORS	ZUMBROTA
LE SUEUR	MILTON	ORR	SACRED HEART	TYLER	
LENGBY	MILTONA	ORTONVILLE	SANBORN	ULEN	
LEROY	MINNEAPOLIS	OSAKIS	SANDSTONE	UNDERWOOD	
LESTER PRAIRIE	MINNEOTA	OSLO	SARTELL	UPSALA	
LEWISTON	MINNESOTA LAKE	OSSEO	SAUK CENTRE	VADNAIS HEIGHTS	ACOMA
LEWISVILLE	MINNETONKA	OSTRANDER	SAUK RAPIDS	VENTURA	ADAMS
LEXINGTON	MINNETONKA BEACH	OTSEGO	SAVAGE	VERGAS	ADRIAN
LILYDALE	MINNETRISTA	OWATONNA	SCANLON	VERMILLION	AETNA
LINDSTROM	MONTEVIDEO	PALISADE	SEBEKA	VERNDALE	AITKIN
LINO LAKES	MONTGOMERY	PARK RAPIDS	SHAFER	VERNON CENTER	ALBA
LISMORE	MONTICELLO	PARKERS PRAIRIE	SHAKOPEE	VESTA	ALBERT LEA
LITCHFIELD	MONTROSE	PAYNESVILLE	SHELLY	VICTORIA	ALBION
LITTLE CANADA	MOORHEAD	PELICAN RAPIDS	SHERBURN	VIKING	ALDRICH
LITTLE FALLS	MOOSE LAKE	PENBERTON	SHOREVIEW	VILLARD	ALTON
LITTLEFORK	MORA	PENNOCK	SHOREWOOD	VIRGINIA	ALYWOOD
LONG BEACH	MORGAN	PEQUOT LAKES	SILVER BAY	WABASHA	AMHERST
LONG LAKE	MORRIS	PERHAM	SILVER LAKE	WABASSO	ANDOVER
LONG PRAIRIE	MORRISTOWN	PETERSON	SLAYTON	WACONIA	ANN LAKE
LONGVILLE	MORTON	PIERZ	SLEEPY EYE	WADENA	ANTRIM
LONSDALE	MOTLEY	PILLAGER	SOUTH HAVEN	WAHCON	ARBO
LORETTO	MOUND	PINE CITY	SOUTH ST PAUL	WAITE PARK	ARDENHURST
LUCAN	MOUNDS VIEW	PINE ISLAND	SPICER	WALDORF	ARENDAHL
LUVERNE	MOUNTAIN IRON	PINE RIVER	SPRING GROVE	WALKER	ARLINGTON
LYLE	MOUNTAIN LAKE	PIPESTONE	SPRING LAKE PARK	WALNUT GROVE	ARNA
LYND	MURDOCK	PLAINVIEW	SPRING PARK	WANAMINGO	ARTHUR
MABEL	NASHWAUK	PLATO	SPRING VALLEY	WANDA	ASHLAND
MADELIA	NERSTRAND	PLYMOUTH	SPRINGFIELD	WARREN	ATHENS
MADISON	NEVIS	PLYMOUTH	ST ANTHONY	WARROAD	ATKINSON
MADISON LAKE	NEW AUBURN	PRESTON	ST BONIFACIUS	WASECA	AVON
MAHNOMEN	NEW BRIGHTON	PRINCETON	ST CHARLES	WATERTOWN	BADOURA
MAHTOMEDI	NEW GERMANY	PRINSBURG	ST CLAIR	WATERVILLE	BAKER
MANKATO	NEW HOPE	PRIOR LAKE	ST CLOUD	WATKINS	BALDWIN
MANTORVILLE	NEW LONDON	PROCTOR	ST FRANCIS	WATSON	BALKAN
MAPLE GROVE	NEW MUNICH	RACINE	ST HILAIRE	WAUBUN	BALL BLUFF
MAPLE LAKE	NEW PRAGUE	RAMSEY	ST JAMES	WAVERLY	BALSAM
MAPLE PLAIN	NEW RICHLAND	RANDALL	ST JOSEPH	WAYZATA	BANDON
MAPLETON	NEW ULM	RANDOLPH	ST LEO	WELCOME	BARCLAY
MAPLEVIEW	NEW YORK MILLS	RANIER	ST LOUIS PARK	WELLS	BARY
MAPLEWOOD	NEWFOLDEN	RAYMOND	ST MICHAEL	WENDELL	BARTLETT
MARBLE	NEWPORT	RED LAKE FALLS	ST PAUL	WEST CONCORD	BASHAW
MARIETTA	NICOLLET	RED WING	ST PAUL PARK	WEST ST PAUL	BASS BROOK
MARINE ON ST CROIX	NIELSVILLE	REDWOOD FALLS	ST PETER	WESTBROOK	BASSETT
MARSHALL	NISSWA	REMER	ST STEPHEN	WHEATON	BAY LAKE
	NORTH BRANCH	REMSVILLE	STACY	WHITE BEAR LAKE	BEARVILLE
		RENVILLE	STAPLES	WILLERNIE	BEATTY
		RICE	STARBUCK	WILLIAMS	BEAULIEU
		RICHFIELD	STEPHEN	WILLMAR	BEAVER CREEK

TOWNSHIPS

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

MONTGOMERY	PENN	SCANDIA VALLEY	TRANSIT	WOOD LAKE	MEEKER
MONTICELLO	PETERSBURG	SCHROEDER	TRELIPE	WOODLAND	MILLE LACS
MOONSHINE	PIKE BAY	SCOTT	TROUT LAKE	WOODROW	MORRISON
MORAN	PIKE CREEK	SEAVEY	TUMULI	WOODSIDE	MOWER
MORANVILLE	PILOT MOUND	SEVERANCE	TURNER	WOODVILLE	MURRAY
MORKEN	PINE CITY	SHAMROCK	TURTLE CREEK	WORKMAN	NICOLLET
MORRISON	PINE ISLAND	SHELBURNE	TURTLE LAKE	WRENSHALL	NOBLES
MORSE	PINE LAKE	SHELBY	TWIN LAKES	WRIGHT	NORMAN
MOTLEY	PINE RIVER	SHELL LAKE	TWO RIVERS	WUORI	OLMSTED
MOUNT VERNON	PLAINVIEW	SHERIDAN	URNES	WYANETT	OTTERTAIL
MOUNTAIN LAKE	PLEASANT	SHETEK	VAIL	WYOMING	PENNINGTON
MUNSON	PRAIRIE	SHIELDSVILLE	VAN BUREN	YORK	PINE
NASHVILLE	PLINY	SHINGOBBE	VASA	YOUNG AMERICA	PIPESTONE
NASHWAUK	POKEGAMA	SIBLEY	VERDI	YUCATAN	POLK
NELSON	POPPLE GROVE	SILVER BROOK	VERMILLION	ZUMBRO	POPE
NESSSEL	POSEN	SILVER CREEK	VERNON	ZUMBROTA	RAMSEY
NEVADA	POWERS	SILVER LAKE	VESTA		RED LAKE
NEVIS	PRAIRIE VIEW	SINCLAIR	VICTOR		REDWOOD
NEW AUBURN	PREBLE	SIoux AGENCY	VIKING		RENVILLE
NEW HAVEN	PRESTON	SKANDIA	VILLARD		RICE
NEW LONDON	PRINCETON	SKELTON	VINELAND		ROCK
NEW PRAIRIE	PRIOR	SOLEM	VIVIAN		ROSEAU
NEW RICHLAND	PROVIDENCE	SOLWAY	WABEDO		ST LOUIS
NEW SCANDIA	PULASKI	SOUTH BEND	WACONIA		SCOTT
NEW SOLUM	QUEEN	SOUTH BRANCH	WACOUTA		SHERBURNE
NEWBURG	QUINCY	SOUTH HARBOR	WAKEFIELD		SIBLEY
NOKAY LAKE	RABBIT LAKE	SOUTHFORK	WALDEN		STEARNS
NORA	RACINE	SOUTHSIDE	WALTHAM		STEELE
NORDLAND	RANDOLPH	SPARTA	WANAMINGO		STEVENS
NORMAN	RANSOM	SPENCER	WANG		SWIFT
NORTH HERO	RAPIDAN	SPENCER BROOK	WARD		TODD
NORTH STAR	RAVENNA	SPRING GROVE	WARREN		TRAVERSE
NORTHERN	RED LAKE FALLS	SPRING LAKE	WARSAW		WABASHA
NORTHFIELD	RICE LAKE	SPRINGDALE	WASIOJA		WADENA
NORWAY	RICH VALLEY	SPRINGHILL	WATAB		WASECA
NORWEGIAN	RICHARDSON	SPRINGVALE	WATERBURY		WASHINGTON
GROVE	RICHMOND	SPRINGWATER	WATERTOWN		WATONWAN
OAK LAWN	RIVER FALLS	SPRUCE GROVE	WATERVILLE		WILKIN
OAK PARK	RIVERSIDE	ST JAMES	WATOPA		WINONA
OAK VALLEY	ROCHESTER	ST JOSEPH	WAWINA		WRIGHT
OAKLAND	ROCK DELL	ST MARTIN	WEBSTER		YELLOW MEDICINE
ODESSA	ROCKFORD	ST OLAF	WEIMER		
ORION	ROCKSBURY	STANCHFIELD	WELCH		
ORROCK	ROCKWOOD	STANFORD	WELLINGTON		
ORTON	ROGERS	STANTON	WELLS		
OSAGE	ROLLING GREEN	STAPLES	WEST HERON		
OSBORNE	ROLLINGSTONE	STAR LAKE	LAKE		
OSHKOSH	ROOSEVELT	STERLING	WEST NEWTON		
OTENEAGEN	ROSEHILL	STILLWATER	WESTBROOK		
OTISCO	ROSENDALE	STOCKHOLM	WHEATLAND		
OTREY	ROSEVILLE	STONY RUN	WHITE		
OTTERTAIL	ROSS	STORDEN	WHITE BEAR		
PENINSULA	ROSS LAKE	STURGEON	WHITE OAK		
OTTO	ROUND GROVE	STURGEON LAKE	WILKINSON		
OWATONNA	ROUND LAKE	SUMMIT	WILLIAMS		
OXFORD	ROYALTON	SUMNER	WILMINGTON		
PALMYRA	RUSHEBA	SUMTER	WILMONT		
PARKERS PRAIRIE	RUTLAND	SUNDOWN	WILSON		
PAXTON	SALEM	SUNRISE	WINDEMERE		
PAYNESVILLE	SAND LAKE	SVERDRUP	WING RIVER		
PEACE	SANTIAGO	SWAN RIVER	WINNEBAGO		
PELICAN	SARGEANT	SWANVILLE	WINONA		
PELICAN LAKE	SAUK RAPIDS	SWEET	WINSOR		
PEMBINA	SAVANNAH	SYLVAN	WINSTED		
		TANSEM	WISCOY		
		THOMSON	WOLF LAKE		
		THUNDER LAKE	WOLFORD		

COUNTIES

AITKIN	ROCK
ANOKA	ROSEAU
BECKER	ST LOUIS
BELTRAMI	SCOTT
BENTON	SHERBURNE
BIG STONE	SIBLEY
BLUE EARTH	STEARNS
BROWN	STEELE
CARLTON	STEVENS
CARVER	SWIFT
CASS	TODD
CHIPPEWA	TRAVERSE
CHISAGO	WABASHA
CLAY	WADENA
CLEARWATER	WASECA
COOK	WASHINGTON
COTTONWOOD	WATONWAN
CROW WING	WILKIN
DAKOTA	WINONA
DODGE	WRIGHT
DOUGLAS	YELLOW MEDICINE
FARIBAUT	
FILLMORE	
FREEBORN	
GOODHUE	
GRANT	
HENNEPIN	
HOUSTON	
HUBBARD	
ISANTI	
ITASCA	
JACKSON	
KANABEC	
KANDIYOHI	
KITTSO	
KOOCHICHING	
LAC QUI PARLE	
LAKE	
LAKE OF THE WOODS	
LE SUEUR	
LINCOLN	
LYON	
MAHNOMEN	
MARSHALL	
MARTIN	
MCLEOD	

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-STEARN'S 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 CENTER-
 W CONCORD 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 ISD-166
 COON RAPIDS LEARNING CENTER
 COTTONWOOD-WOOD LAKE ISD-2167
 CROMWELL ISD-95
 CROOKSTON ISD-593
 CROSBY-IRONTON ISD-182
 CROSSLAKE COMMUNITY SCHOOL
 CROSSLAKE TELEPHONE
 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
 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-ELLEDALE ISD-2168
 HASTINGS ISD-200
 HAWLEY ISD-150
 HAYFIELD ISD-203
 HEART OF THE EARTH CENTER,
 AM INDIAN EDUCATION
 HENDERSON-LE SUEUR ISD-2397
 HENDRICKS ISD-402
 HENNEPIN ISD-287
 HENNING ISD-545
 HERMAN ISD-264
 HERMANTOWN ISD-700
 HERON LAKE-OKABENA ISD-330
 HIAWATHA VALLEY ISD-6013
 HIBBING ISD-701
 HIGH SCHOOL FOR THE RECORDING ARTS
 HIGHER GROUND ACADEMY
 HILL CITY ISD-2
 HILLS BEAVER CREEK ISD-671
 HINCKLEY-FINLAYSON ISD-2165
 HITTERDAL-ULEN ISD-914
 HOLDINGFORD ISD-738
 HOPKINS ISD-270
 HOUSTON ISD-294
 HOWARD LAKE-WAVERLY-WINSTED ISD-2687
 HUTCHINSON ISD-423
 INTERNATIONAL FALLS ISD-361
 INVER GROVE HEIGHTS ISD-199
 ISLE ISD-473
 IVANHOE ISD-403
 JACKSON CENTRAL ISD-2862
 JANESVILLE-PEMBERTON-WALDORF ISD-2835
 JORDAN ISD-717
 KASSON-MANTORVILLE ISD-204
 KELLIHER ISD-36
 KELLOGG-WABASHA ISD-811
 KENYON-WANAMINGO ISD-2172
 KERKHOVEN-MURDOCK-SUNBURG ISD-775
 KIMBALL ISD-739
 KITTSOON CENTRAL ISD-2171
 LA CRESCENT ISD-300
 LA CRESCENT MONTESSORI ACADEMY
 LAKE ISD-381
 LAKE AGASSIZ SPECICAL EDUCATION COOP
 LAKE BENTON ISD-404
 LAKE CITY ISD-813
 LAKE COUNTRY SERVICE COOP
 LAKE CRYSTAL-WELCOME MEMORIAL ISD-2071
 LAKE OF THE WOODS ISD-390
 LAKE PARK-AUDUBON ISD-2889
 LAKE SUPERIOR ISD-381
 LAKEVILLE ISD-194
 LANCASTER ISD-356
 LANESBORO ISD-229
 LAPORTE ISD-306
 LEAF RIVER EDUCATIONAL DISTRICT ISD-6961
 LEARNING ADVENTURES MIDDLE SCHOOL

- LECENTER ISD-392
 LEROY-OSTRANDER ISD-499
 LESTER PRAIRIE ISD-424
 LEWISTON ISD-857
 LITCHFIELD ISD-465
 LITTLE FALLS ISD-482
 LITTLEFORK-BIG FALLS ISD-362
 LONG PRAIRIE-GREY EAGLE ISD-2753
 LONSDALE-MONTGOMERY ISD-394
 LUVERNE ISD-2184
 LYLE ISD-497
 LYND ISD-415
 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
 MENAHGA 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 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
 NASHWAUK-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
 ROTHSA Y 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
BATTLE LAKE NURSING HOME
BECKER COUNTY SWCD
BELLE CREEK WATERSHED DISTRICT
BELTRAMI COUNTY SWCD
BELVIEW PARKVIEW HOME
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
CENTENNIAL LAKES POLICE DEPT
CENTRAL MINNESOTA COUNTY
SWCD - CLUSTER 5
CENTRAL ST CROIX VALLEY CABLE

CHISAGO COUNTY SWCD
CHISHOLM-HIBBING AIRPORT AUTHORITY
CITY EMPLOYEES' UNION 363
CLARKFIELD CARE CENTER
CLAY COUNTY SWCD
CLEARWATER COUNTY SWCD
CLEARWATER RIVER WATERSHED DISTRICT
COOK COUNTY SWCD
COON CREEK WATERSHED DISTRICT
COTTONWOOD COUNTY SWCD
COTTONWOOD-JACKSON HEALTH SERVICE
CROW RIVER RECREATION DEPARTMENT
CROW WING COUNTY SWCD
DAKOTA COUNTY SWCD
DASSEL NURSING HOME
DELAVIN-EASTON PUBLIC SAFETY
DEPT OF MILITARY AFFAIRS
DODGE COUNTY SWCD
DOUGLAS COUNTY SWCD
DOVER-EYOTA ST CHARLES
SANITARY DISTRICT
DULUTH AIRPORT AUTHORITY
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
ELLSWORTH PARKVIEW MANOR NURSING
FARIBAULT COUNTY SWCD
FERTILE FAIR MEADOW NURSING HOME
FREEBORN COUNTY SWCD
GAYLORD LAKEVIEW HOME
GLENCOE REGIONAL HEALTH CENTER
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
HAYFIELD FIELD CREST CARE CENTER
HEADWATER NUTRITION PROJECT
HEADWATERS REGIONAL
DEVELOPMENT COMM
HERON LAKE WATERSHED DISTRICT
HIGHLAND VOCATIONAL
HUBBARD COUNTY SWCD
HUMAN SERVICE BOARD
MARTIN-FARIBAULT CO
IMPACK 6 JOINT POWERS BOARD
ISANTI COUNTY SWCD
ITASCA COUNTY SWCD
JANESVILLE NURSING HOME
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
LAKEFIELD COLONIAL NURSING HOME
LAKE MINNETONKA
COMMUNICATION COMMISSION
LAKE MINNETONKA
CONSERVATION DISTRICT
LAKE OF THE WOODS COUNTY SWCD
LAKES AREA RECREATION
LAKEVIEW HOME
LAMBERTON VALLEY VIEW MANOR
LEAGUE OF MINNESOTA CITIES
LINCOLN-LYON & MURRAY HUMAN SERVICES
LINCOLN COUNTY SWCD
LOCAL 132
LOCAL GOVERNMENT INFORMATION SYSTEM
LONG LAKE CONSERVATION CENTER
LOWER MINNESOTA RIVER
WATERSHED DISTRICT
LYON COUNTY SWCD
MAHNOMEN COUNTY SWCD
MAHNOMEN HEALTH CENTER JPB
MN ASSOC OF PROFESSIONAL EMPLOYEES
MARSHALL COUNTY SWCD
MARSHALL- POLK RURAL WATER SYSTEM
MARSHALL-BELTRAMI COUNTY SWCD
MARTIN COUNTY SWCD
MARTIN-FARIBAULT CO
PRAIRIELAND WASTE BD
MEEKER COUNTY SWCD
MENAHA NURSING HOME
METRO INTER-COUNTY ASSOCIATION
METRO WASTE CONTROL COMMISSION
METRONET
METROPOLITAN AIRPORTS COMMISSION
METROPOLITAN CABLE NETWORK
METROPOLITAN COUNCIL
METROPOLITAN COUNCIL TRANSIT OPS
METROPOLITAN LIBRARY SERVICE AGENCY
METROPOLITAN MOSQUITO
CONTROL DISTRICT
METROPOLITAN SPORTS
FACILITY COMMISSION
MIDDLE RIVER/SNAKE RIVER WD
MID-MINNESOTA DEVELOPMENT
COMMISSION
MILLE LACS COUNTY SWCD
MILLE LACS TRIBAL POLICE
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 VALLEY REGIONAL LIBRARY
MINNESOTA VALLEY TRANSIT AUTHORITY
MOOSE LAKE-WINDEMERE
MORRISON COUNTY SWCD
MOWER COUNTY SWCD
MULTI COUNTY 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 FAMILIES 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
 RENVILLE NURSING HOME
 RICE COUNTY SWCD
 RICE CREEK WD
 RICE-STEELE CONSOLIDATED DISPATCH
 RICH PRAIRIE SEWER AND WATER DISTRICT
 ROCK COUNTY RWS
 ROSEAU COUNTY SWCD
 ROSEAU RIVER WATERSHED DISTRICT
 RUNESTONE COOPERATIVE CENTER
 RUSHFORD VILLAGE
 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
 TODD COUNTY SWCD
 TOWNSHIP MAINTANCE ASSOCIATION
 TRAILBLAZER JOINT POWERS BOARD
 TRAVERSE COUNTY SWCD
 TRAVERSE DES SIOUX REGIONAL LIBRARY
 TRI-CITY BIOSOLIDS DISPOSAL AUTHORITY
 TRIMONT HEALTH CARE CENTER
 TURTLE CREEK WD
 TWO RIVER WATERSHED DISTRICT
 ULEN VIKING MANOR
 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
 YELLOW MEDICINE COUNTY SWCD
 YELLOW MEDICINE RIVER WD



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