

Minnesota Sesquicentennial 1858-2008

Comprehensive Annual Financial Report

For Fiscal Year Ended
June 30, 2008



**Public
Employees
Retirement
Association
of Minnesota**

Pension Trust Funds of
the State of Minnesota

THIS PAGE LEFT
BLANK INTENTIONALLY.



Public
Employees
Retirement
Association
of Minnesota

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2008

77 Years of Service to Minnesota's Public Employees

BOARD OF TRUSTEES

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

EXECUTIVE DIRECTOR

Mary Most Vanek

REPORT PREPARED BY:

Finance and Executive Division Staff

David DeJonge — Assistant Executive Director
David Andrews — Accounting Director
Susan Thomas — Accounting Officer
John Paulson — Information Officer

Retirement Systems of Minnesota Building
60 Empire Drive, Suite 200
St. Paul, Minnesota 55103-2088
(651) 296-7460



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

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 | 34 |
| Schedule of Employer Contributions | 35 |
| Required Supplementary Information Notes | 36 |
| Supporting Schedules | |
| Schedule of Investment Expenses | 37 |
| Schedule of Payments to Consultants | 37 |
| Schedule of Administrative Expenses | 38 |
| INVESTMENT SECTION | |
| Investment Report | 39 |
| Investment Results | 40 |
| Asset Allocation | 41 |
| List of Largest Assets Held | 42 |
| Investment Summary at Cost | 43 |
| Investment Summary at Fair Value | 44 |
| Fair Value of Investments | 45 |
| ACTUARIAL SECTION | |
| Actuary's Certification Letter | 47 |
| Summary of Actuarial Assumptions and Methods | 48 |
| Sample Annual Rates Per 10,000 Employees | 50 |
| Determination of Actuarial Value of Assets | 51 |
| Solvency Test | 52 |
| Schedule of Active Member Valuation Data | 53 |
| Schedule of Retirees and Beneficiaries | 54 |
| Determination of Contribution Sufficiency | 55 |
| Schedule of Changes in Unfunded Actuarial Accrued Liabilities | 56 |
| STATISTICAL SECTION | |
| Introduction | 57 |
| Schedule of Changes in Net Assets | 58 |
| Benefits and Refunds by Type | 60 |
| Revenues and Expenses | 62 |
| Summary of Membership | 63 |
| Active Members by Age and Service | 64 |
| Schedule of New Retirees and Initial Benefit Paid | 65 |
| Schedule of Benefit Recipients by Type | 68 |
| PERA Annuitant Residency | 71 |
| Principal Participating Employers | 73 |
| Participating Employers | 74 |

Introductory Section

Achievement Awards
President's Report
Letter of Transmittal
Administrative
Organization
Board of Trustees
Retirement System
Plan Summary

Minnesota Sesquicentennial 1858-2008



THIS PAGE LEFT
BLANK INTENTIONALLY.

Achievement Awards



PPCC

The Public Pension Coordinating Council recently recognized PERA for meeting administration and plan funding standards for public retirement systems.

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 2007 Comprehensive Annual Financial Report, the 23rd time we have been so honored.



President's Report

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



Dennis C. Hegberg
Board President

December 23, 2008

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

This 77th 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, 2008, PERA's net assets available for benefits at fair value exceeded \$18 billion, a decrease of \$1.4 billion from a year ago due to negative investment returns. A drop in the price of homes during the past two years was the impetus for a financial crisis that began near the end of the fiscal year and continues to this day.

The total rate of return for the assets of our active members was a negative 4.8 percent, net of fees, for the 12 months ended June 30, 2008. For the past 10 years, PERA's investments underperformed the composite market return benchmark by one-tenth of one percent, with an annualized return of 5.8 percent. Over the past 20 years, PERA's investments have achieved an annualized return greater than 9.5 percent.

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 market value of this pool of assets decreased to \$23 billion at fiscal year end. PERA's share of that pool was \$8.2 billion. The composite funding ratio of the MPRIF fell below 80 percent as of June 30, 2008 triggering the merger of the MPRIF with the active funds from which assets were originally transferred. That merger will take place June 30, 2009, marking the end of a separate fund supporting annuities payable to retirees and their joint annuitants. Future retiree cost of living increases will be locked in at 2.5 percent, even in years when inflation falls below 2.5 percent.

Legislation was passed in 2008 allowing PERA to be the trust administrator of a trust established to pay postemployment benefits. Local units of government can now take advantage of this opportunity by setting up either a revocable or irrevocable trust, using the State Board of Investment to invest the assets.

As always, our commitment as trustees of the association is the preservation and safety 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.

Dennis C. Hegberg
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 22, 2008

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, 2008—our 77th 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, 2008, PERA's membership included 159,909 current, active employees and 71,392 benefit recipients in the three defined benefit plans, and another 6,882 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. Transactions are reported on the accrual basis of accounting. Contributions from employers and members are

Letter of Transmittal

(Continued)

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 decided to eliminate its previous committee structure and has restructured its process for evaluating asset allocation, stock and bond managers, and alternative investments. All proposed investment policies recommended to the Board are reviewed and discussed in detail by 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 61 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, 2008, the Basic Retirement Funds produced a negative 4.8 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, 2008 was 5.8 percent, and its' twenty-year annualized rate of return was 9.7 percent, well above our assumed rate of 8.5 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 also managed externally, sharing the same domestic stock, domestic bond, and international stock managers as the Basic Funds.

Fair Value of Investments, June 30, 2008 (in thousands)

| Fund | Active Members | Retired Members |
|---------------|--------------------|--------------------|
| PERF | \$ 6,745,257 | \$6,015,383 |
| PEPFF | 2,956,602 | 2,146,850 |
| PECF | 174,946 | 8,400 |
| Totals | \$9,876,805 | \$8,170,633 |

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, 2008, approximately 62 percent of the assets were invested in domestic and international stocks. During the year, the SBI decreased their allocation to stocks and cash, and increased their allocation to bonds and alternative assets.

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. For the five-year and ten-year periods ending June 30, 2008, the MPRIF had annualized returns of 10.0 percent and 5.6 percent respectively.

ECONOMIC CONDITIONS AND OUTLOOK

The national economy was in rough shape during the fiscal year, and had a financial meltdown subsequent to the end of the fiscal year. Low interest rates and large capital inflows from outside the U.S. led to a surplus of loanable bank funds and easy credit for homeowners during the first half of this decade. As housing prices soared, the number of high risk sub-prime loans soared as well. In the summer of 2006 home prices began to fall, and by March 2008, millions of homeowners owed more than their homes were worth and began defaulting on their loans as home prices plummeted. This precipitous slide in housing prices triggered a financial market crisis and a credit crunch, making it difficult for businesses to borrow the funds needed to stay afloat day to day. At the same time, the price of oil reached all-time highs around \$145 a barrel in 2008 due to increased worldwide demand, which helped increase the price of food, goods and commodities.

As the economy lay on the brink of a recession, firms began laying off workers in an attempt to reduce skyrocketing expenses. Large firms like Bear Stearns, Lehman Brothers, Merrill Lynch, Circuit City, AIG, Fannie Mae and Freddie Mac declared bankruptcy, were bought out, or were taken over. The unemploy-

ment rate rose from 4.7 percent in June 2007 to over 6 percent in June 2008. Another 700,000 jobs were lost from July through October 2008 while the unemployment rate rose to 6.5 percent. Consumer confidence fell to an all-time low. The Federal government stepped in with a large stimulus package during FY08 and passed the Emergency Economic Stabilization Act of 2008 in October, in an attempt to bailout the U.S. financial system.

The markets reacted to the financial crisis accordingly. The S&P 500 lost 13.1 percent in FY08, and then dropped another 35 percent from August through October 2008. This financial crisis reached worldwide proportions. The stock markets in China, Germany, France and Brazil were all down more than 50 percent in 2008 through the end of October.

Fortunately, the State Board of Investment had no exposure to hedge funds or Lehman Brothers commercial paper and is protected from securities lending losses, unlike many other public pension plans. During FY08 our investments dropped about 5 percent, and during the first four months of FY09 our portfolio dropped another 19 percent.

Minnesota's economy was not immune from the financial crisis. Minnesota's jobless rate hit a 17-year high in FY08, ending at 5.3 percent. Throughout the year Minnesota's unemployment rate topped the national rate for the first time in over 30 years. Home prices dropped over 7 percent in the Twin Cities in FY08. The poor housing market translated to depressions in the construction, lumber and wood products industries, large industries in Minnesota.

On a positive note, Minnesota's economy performed better than the nation in 7 of 11 major industry sectors. During the year, Minnesota added a total of 7,600 jobs, many of which were in the government sector. Minnesota's median household income rose to \$55,802, the tenth best in the country. More people own their own homes in Minnesota than in any other state. At 81 percent, more people age 16-64 are in the work force than in any other state. 91 percent of adults have a high school diploma, the highest rate in the nation.

The first four months of FY09 have been bleak. It now appears we are in the midst of a national recession that may be the deepest since the Great Depression. Until housing prices turn around, banks will remain reluctant to make loans. A global recession will make it difficult to sell goods and services. Firms continue to lay off workers. The price of oil has fallen considerably

Letter of Transmittal

(Continued)

since June, however, and the government continues to flood the markets with money. The Fed Funds rate was decreased 325 basis points in FY08 and another 100 basis points in October 2008. Our hope is that markets will turn around by Spring 2009 and will have begun to recover by the end of FY09.

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 34. This report shows the funding levels using the entry age normal actuarial cost method, and reflect various changes in actuarial assumptions. At the end of fiscal year 2008, the ratio of assets to liabilities of the PERF was 73.60 percent. For the PEPFF and the PECF, the ratios were 88.42 percent and 100.19 percent, respectively.

MAJOR INITIATIVES

The years pass so quickly that we seem to slip from one major initiative to another without taking time to acknowledge the outstanding work done by the staff and the Board to keep moving PERA forward. Throughout the 2008 fiscal year, we moved efficiently from one project to another, continually keeping our focus customer-service centric.

We hired several new staff members in the Pension Services Divisions to fill vacancies and add critical skill

sets that we believe will enhance our ability to deliver service to our members. Acquainting new staff to the administration of the organization and training them in their new positions takes time, but these additional resources quickly provided relief to an increasing demand for retirement information from our members.

Another enhancement to delivery of service to our members was the development of a new on-line appointment scheduler. Members wishing to attend a one-on-one retirement information session with a PERA staff member can go to our web site and select the date, location and available time slots that meet their needs. The system automatically registers the individual and sends out a confirmation of the appointment the next business day. The new system also allows a member to sign up to attend one of PERA's group educational programs. The Preretirement Planning programs, offered since 1986, help take members within five to ten years from retirement through various subject matter and decision items that they will need to carefully consider as they choose when to retire. Signing up for the mid-career Dollars and Sense programs, offered to younger PERA members, can also be accessed through the web.

The three statewide retirement systems, Minnesota State Retirement System (MSRS), Teachers Retirement Association (TRA) and PERA joined together to advance -- and successfully gained passage of -- legislation addressing the future of the Minnesota Post Retirement Investment Fund (MPRIF). The bill presented to the Legislative Commission on Pensions and Retirement offered a two-pronged approach. If the MPRIF once again reached full funding and had assets in excess of those needed to meet benefit obligations, it would remain under its current structure. However, if the MPRIF deteriorated in value as a result of less than satisfactory investment returns, there was put in place an arrangement to dissolve the fund as a stand-alone fund and merge the assets and liabilities of each of the retirement systems' retirees with each respective system's active member asset pools. After studying various approaches to ensure the continued security of retiree pensions and providing some level of annual post-retirement adjustments, passage of this legislation was the successful culmination of several years of discussion on this issue by the PERA Board of Trustees. Because assets in the MPRIF deteriorated during FY08, the composite funding ratio of the MPRIF fell below 80 percent, triggering a merger of the MPRIF with active member pools. The merger will take place 6/30/2009. Future annual increases will be set at 2.5 percent, regardless of the inflation rate each year.

We will continue to enhance the on-line tools available to members and employers so that everyone has their important retirement information at their fingertips at any time. Our focus is continuous improvement to our systems and services so that we can accommodate the needs of all stakeholders and constituencies of PERA.

PROFESSIONAL SERVICES

Actuarial consulting services during the fiscal year were provided by Mercer and by The Segal Company. Benefacts, Inc. handled 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

PERA has an outstanding staff and they are very dedicated to the utmost professionalism in administering the plans entrusted to the governance of the PERA Board of Trustees. This year, PERA received the Public Pension Coordinating Council's *Public Pension Standards Award for Funding and Administration*. This award is given in recognition of meeting professional standards that have been developed by three national organizations created to provide support and advocacy of the nation's public employee pension systems.

PERA also 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, 2007. This is the 23rd 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.

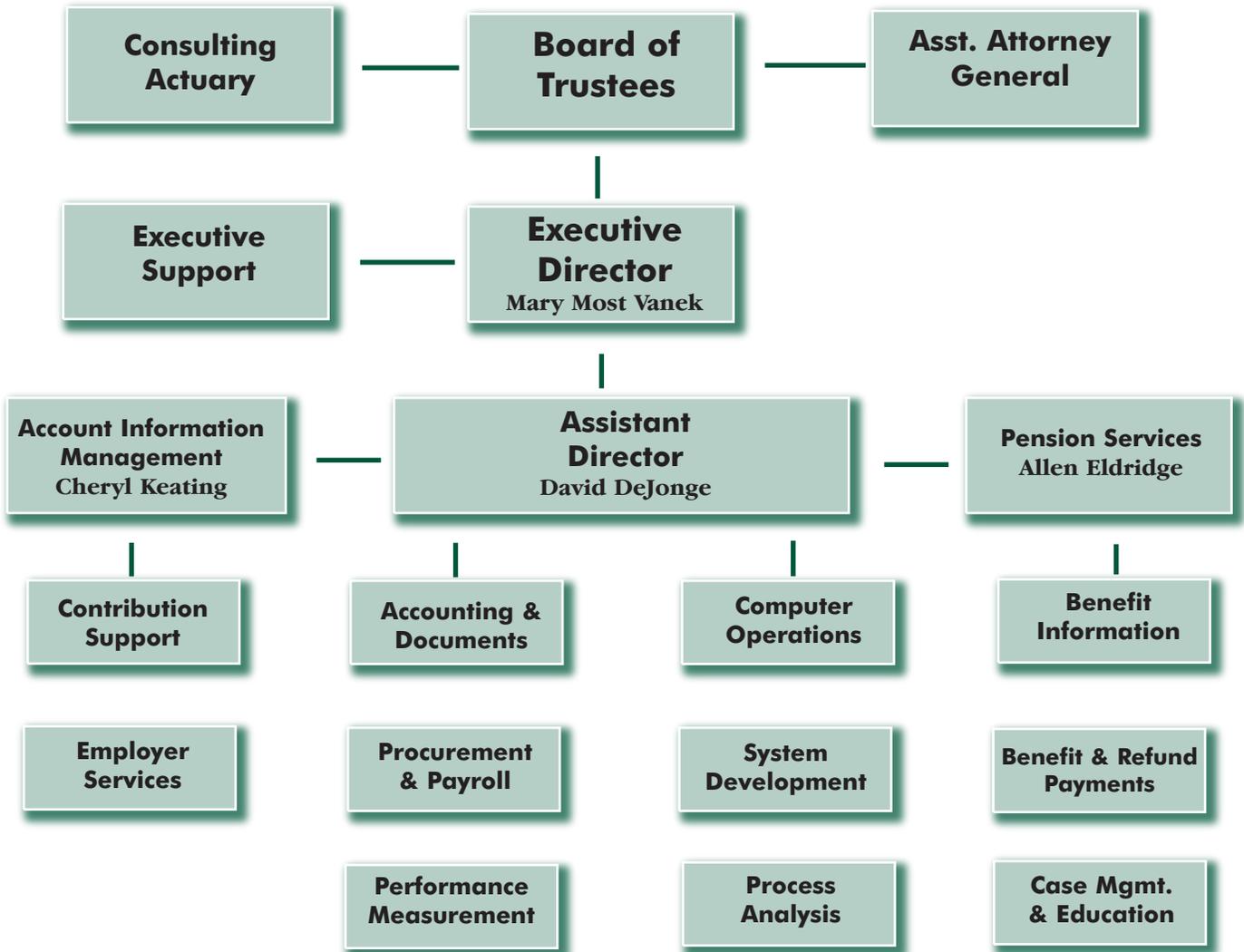
Respectfully submitted,



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



Dennis C. Hegberg
Counties Representative
Frandsen Bank & Trust
2001 West Broadway
Forest Lake, Minnesota 55025

BOARD VICE PRESIDENT



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



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



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



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



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, 2008**. Rates are applied to total salary and are set by statute.

| Fund | Employee Contribution | Employer Contribution |
|--|-----------------------|-----------------------|
| Public Employees Retirement Fund | | |
| Coordinated | 6.00% | 6.50% |
| Basic | 9.10% | 11.78% |
| Public Employees Police & Fire Fund | 8.60% | 12.90% |
| 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. Employee contribution levels will be 9.4 percent for the Police and Fire Plan next year. Employer rates for the Police and Fire Plan will increase to 14.1 percent in 2009, while the Coordinated Plan will rise to 6.75 percent in 2009 and 7 percent the following year.

*** 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. The retiree may request repayment of these funds one year after leaving the position.

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.

** Automatic lifetime Survivor Benefits are also available to the spouse of Police and Fire members who suffer total and permanent duty disability, as well as disabled Basic members. Survivor benefits for other disabled members are only available if the member chooses a Survivor Option to their disability benefit.

**THIS PAGE LEFT
BLANK INTENTIONALLY.**

Financial Section

Legislative Auditor's Report

Management Discussion
and Analysis

Basic Financial Statements

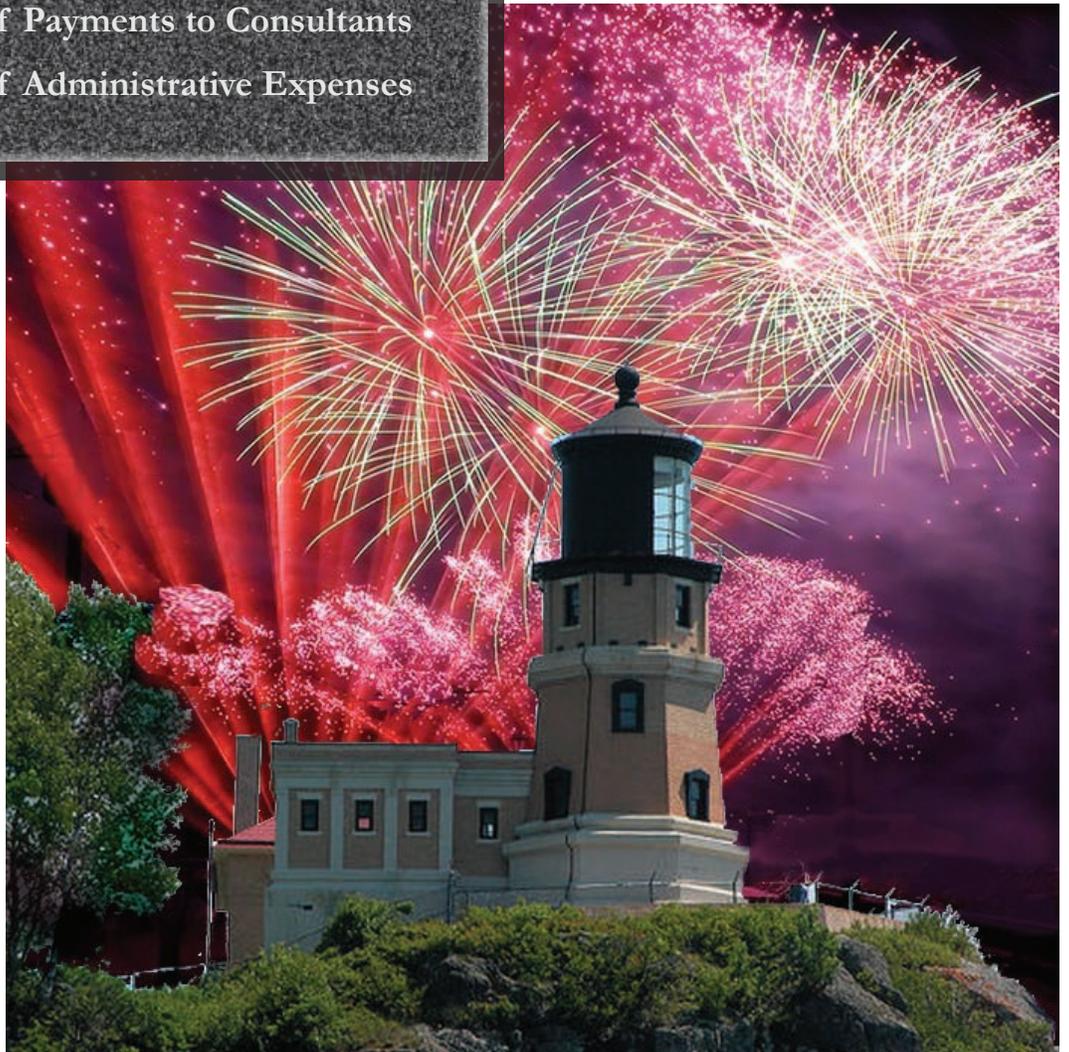
Required Supplementary Information

Schedule of Investment Expenses

Schedule of Payments to Consultants

Schedule of Administrative Expenses

Minnesota Sesquicentennial 1858-2008



THIS PAGE LEFT
BLANK INTENTIONALLY.

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 as of and for the year ended June 30, 2008, as listed in the Table of Contents. These financial statements are the responsibility of the Public Employees Retirement Association'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.

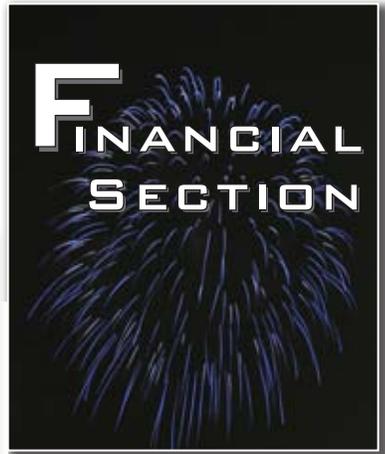
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Public Employees Retirement Association as of June 30, 2008, and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Public Employees Retirement Association has implemented Governmental Accounting Standards Board Statement No. 50 on *Pension Disclosures*. This statement requires certain pension disclosures as of the most recent actuarial valuation date to be presented as part of the notes to the financial statements rather than as required supplementary information, as presented previously.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2008, on our consideration of the Public Employees Retirement Association's internal control over financial reporting; on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements; and on 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 Table of Contents, are not a required part of the Public Employees Retirement Association's basic financial statements but are supplementary information required by accounting principles generally accepted in

Room 140 Centennial Building, 658 Cedar Street, Saint Paul, Minnesota 55155-1603 • Tel: 651/296-
E-mail: auditor@state.mn.us • Web Site: www.auditor.leg.state.mn.us • Through Minnesota



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.

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 18, 2008

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, 2008 (FY08). This narrative is intended to supplement the financial statements which follow this discussion, and should be read in conjunction with the transmittal letter, which begins on page 5 of this annual report.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

These financial statements should be reviewed along with the Schedule of Funding Progress and Schedule of Employer Contributions to determine whether PERA is becoming financially stronger or weaker over time. PERA's funding objective is to meet long-term benefit obligations through contributions received and the income derived by investing those contributions during the working career of our members. These two schedules, created by an actuary, show the ratio of the actuarial value of assets to the actuarial accrued liability, and to what extent contributions needed to fully fund the plan are being received.

FINANCIAL HIGHLIGHTS

- ▶ PERA's Net Assets decreased 7% during the year from \$19.4 billion in fiscal year 2007 (FY07) to \$18.1 billion in FY08.
- ▶ Total additions for FY08 were a negative \$189 million, comprised of contributions of \$753,762,000, investment losses of (\$947,704,000) and other income of \$4,726,000. Total additions for FY07 were \$3,816,945,000.
- ▶ Total deductions for the year increased from \$1,108,442,000 in FY07 to \$1,169,358,000 in FY08 due to an increase in the number of benefit recipients and a 2.5% COLA granted in January 2008.
- ▶ Total administrative expenses totaled \$10,544,000 in FY08, an increase from \$10,041,000 in FY07.
- ▶ As of June 30, 2008 the Public Employees Retirement Fund is actuarially funded at 73.60%. PERA's Police and Fire Fund is actuarially funded at 88.42%, and PERA's Correctional Fund is 100.19% 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 PECF).

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. As of June 30, 2008 the MPRIF was 79.7% funded, triggering a dissolution of the MPRIF and a merger on June 30, 2009 of MPRIF assets back into the Active Funds from whence they originally came in accordance with legislation passed in 2008. As of June 30, 2008, liabilities in the MPRIF exceed assets by approximately \$5.9 billion. PERA's share of that deficit is \$2.1 billion.

Merging the MPRIF and Active Funds will provide a larger asset base from which to pay promised benefits and will also provide an additional source of funding (contributions) should that additional source be needed in the future to pay benefits. Retirees will receive fixed 2.5 percent benefit increases each year, regardless of inflation.

PERF

Total assets as of June 30, 2008 were \$14.1 billion in the PERF, a decrease of \$1.8 billion or 11.5 percent from the prior year. The primary reasons for the decrease were negative investment performance during the year and a lower value of collateral through the securities lending program administered by the State Board of Investment. Our investment portfolio had a negative 5 percent rate of return in FY08.

Total liabilities as of June 30, 2008 were \$1.3 billion, a decrease of \$894 million from the prior year, mostly due to the lower value of securities lending collateral on the books at year end.

Total net assets, the difference between total assets and total liabilities, decreased about \$948 million, or roughly 7 percent from the prior year. Ending net assets were \$12.8 billion on June 30, 2008.

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. Because of negative investment returns, total contributions and net investment income for FY08 totaled a negative \$82 million.

Employer contributions and member contributions increased from the previous year by a total of \$39 million, largely due to contribution rate increases that took effect on January 1, 2008. Member rates in the Coordinated Plan increased from 5.75% to 6% and employer rates increased from 6.25% to 6.5%. Net investment income in FY08 totaled a negative \$669 million as our portfolio returned approximately -5.0 percent.

Deductions from Plan Net Assets

Our largest expense was for retirement benefits to members and beneficiaries. Total benefits increased 5.1 percent to \$824 million in FY08. 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, 2008. The amount of refunds increased \$3 million in FY08 due to more people taking refunds during these difficult economic times. Administrative expenses increased in FY08 to \$9.4 million, largely as a result of having fewer staff vacancies during the year than we had in FY07. As stated earlier, investment losses coupled with larger benefits resulted in a \$948 million decrease in net assets in FY08.

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.

Although investment returns were negative in FY08, those returns are smoothed over 5

Net Assets—Defined Benefit Plans (dollars in thousands)

| | PERF | | PEPFF | | PECF | |
|-------------------------------|---------------------|---------------------|--------------------|--------------------|------------------|------------------|
| | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| ASSETS | | | | | | |
| Cash & Receivables | \$ 15,581 | \$ 20,740 | \$ 11,445 | \$ 18,147 | \$ 922 | \$ 1,376 |
| Investments | 12,760,640 | 13,727,842 | 5,103,452 | 5,522,528 | 183,346 | 173,137 |
| Securities Lending Collateral | 1,303,825 | 2,172,946 | 520,728 | 873,405 | 18,359 | 27,033 |
| Capital Assets & Other | 10,076 | 10,900 | 0 | 0 | 0 | 0 |
| Total Assets | \$14,090,122 | \$15,932,428 | \$5,635,625 | \$6,414,080 | \$202,627 | \$201,546 |
| LIABILITIES | | | | | | |
| Accounts Payable | \$ 5,672 | \$ 29,931 | \$ 4,073 | \$ 11,012 | \$ 452 | \$ 232 |
| Accrued Compensated Absences | 854 | 714 | 0 | 0 | 0 | 0 |
| Securities Lending Collateral | 1,303,825 | 2,172,946 | 520,728 | 873,405 | 18,359 | 27,033 |
| Bonds Payable | 9,588 | 10,378 | 0 | 0 | 0 | 0 |
| Total Liabilities | \$1,319,939 | \$ 2,213,969 | \$ 524,801 | \$ 884,417 | \$ 18,811 | \$27,265 |
| Total Net Assets | \$12,770,183 | \$13,718,459 | \$5,110,824 | \$5,529,663 | \$183,816 | \$174,281 |

Discussion and Analysis

(Continued)

years, so most of the losses will not be recognized until future years. Investment losses were also offset by changes in actuarial assumptions that decreased our actuarial accrued liability by \$355 million. As a result, our funding ratio improved slightly from 73.34% to 73.60% in FY08, the second increase in three years.

Contribution rates have not been sufficient for us to become fully funded by our target date of 2031, however. In 2005, legislation was passed to increase contribution rates by 2.37 percent of pay over a five-year period. Member rates were gradually increased from 5.1% to 6% while employer rates were gradually increased from 5.53% to 6.5%. Employer rates will continue to increase 0.25% per year in each of the next two years. Contributions are still more than 1% deficient to get us fully funded by 2031. We may need to increase contribution rates in the future to make up that difference if investment returns do not exceed 8.5% over time.

PEPFF

Total assets as of June 30, 2008 were \$5.6 billion in the Public Employees Police and Fire Fund, a decrease of \$778 million, or 12.1 percent from the prior year. The decrease is due to negative investment earnings and a smaller amount of securities lending collateral on the books at year end. Total liabilities as of June 30, 2008 were \$525 million, a decrease of \$360 million due to the smaller securities lending collateral.

Total net assets, the difference between total assets and total liabilities, decreased \$419 million or roughly 7.5 percent from the prior year to an ending balance of \$5.1 billion.

Additions to Plan Net Assets

Contributions and net investment income for FY08 totaled a negative \$120 million. Employer contribu-

tions increased \$13 million and member contributions increased \$7.5 million in FY08, largely due to an increase in contribution rates. Effective January 1, 2008 member rates increased from 7.8% to 8.6% and employer rates increased from 11.7% to 12.9%. Net investment income in FY08 totaled a negative \$266 million, due to a negative 5.0% investment return.

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 5.6 percent in FY08 to \$296 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, 2008. The amount of refunds increased substantially in FY08 due to more members taking refunds during these difficult economic times. Administrative expenses increased \$67,000 largely because we were more fully staffed in FY08.

Overall Financial Position

The Police and Fire Plan was 88.42% funded as of July 1, 2008, indicating that for every dollar of benefits we expect to pay out, we already have about 88 cents in our reserves to cover it. This is the eighth year in a row, however, that the funding ratio has declined. During the first years of this decade, the plan was overfunded and contribution rates were 6.5% of pay below our normal costs. When negative investment returns wiped out the surplus assets, contribution rates were not increased quickly enough to offset the investment losses. At the end of FY07, contributions were deficient by 8% of pay for the plan to become fully funded by 2020. During FY08 actuarial assumptions and plan provisions were changed, which decreased the actuarial accrued liability by \$19 million. Contributions are now 5.91% defi-

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

| | PERF | | PEPFF | | PECF | |
|-------------------------------|---------------------|---------------------|--------------------|--------------------|------------------|------------------|
| | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| ADDITIONS | | | | | | |
| Employer Contributions | \$303,304 | \$ 283,419 | \$ 87,023 | \$ 74,707 | \$13,388 | \$12,499 |
| Member Contributions | 280,007 | 260,907 | 58,259 | 50,689 | 8,922 | 8,335 |
| Investment Income (Loss) | (669,406) | 2,206,085 | (266,573) | 882,408 | (9,552) | 25,081 |
| Other | 3,681 | 4,229 | 1,029 | 1,671 | 16 | 22 |
| Total Additions | \$(82,414) | \$2,754,640 | \$(120,262) | \$1,009,475 | \$12,774 | \$45,937 |
| DEDUCTIONS | | | | | | |
| Retirement Benefits | \$ 824,372 | \$ 784,013 | \$ 295,994 | \$ 280,267 | \$ 2,268 | \$ 1,836 |
| Refunds of Contributions | 28,772 | 25,745 | 1,496 | 874 | 724 | 474 |
| Administrative Expenses | 9,473 | 9,061 | 745 | 678 | 213 | 185 |
| Other | 3,245 | 2,918 | 342 | 248 | 34 | 12 |
| Total Deductions | \$865,862 | \$ 821,737 | \$ 298,577 | \$ 282,067 | \$ 3,239 | \$ 2,507 |
| Increase in Net Assets | \$(948,276) | \$1,932,903 | \$(418,839) | \$727,408 | \$9,535 | \$43,430 |
| Ending Net Assets | \$12,770,183 | \$13,718,459 | \$5,110,824 | \$5,529,663 | \$183,816 | \$174,281 |

cient, even though the amortization period has been extended to 2038. Contribution rates are scheduled to increase 2% in January 2009.

PECF

In the Public Employees Correctional Fund, total assets as of June 30, 2008 equaled \$202 million, a slight increase of \$1 million from the prior year. The PECF is a very new fund with a small asset base, and brings in more cash through contributions than it spends paying benefits and refunds. In FY08, contributions also exceeded investment losses, so investments increased \$10 million during the year. Securities lending collateral decreased \$9 million from FY07 levels. Total liabilities as of June 30, 2008 were \$19 million, a decrease of \$8 million from the prior year, due to fewer securities being loaned out at year end. Total net assets, the difference between total assets and total liabilities, increased \$9.5 million in fiscal year 2008, resulting in an ending net asset value of \$184 million.

Additions to Plan Net Assets

Contributions and net investment income for FY08 totaled \$12.8 million, a decrease of \$33 million from FY07. Employer and member contributions increased roughly 7 percent to \$13.4 million and \$8.9 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 losses in FY08 totaled \$9.5 million compared to tremendous gains of \$25 million in FY07.

Deductions from Plan Net Assets

Expenses for this plan are still quite small. Retirement benefits increased 24% from \$1.8 million in FY07 to \$2.2 million in FY08 as more members became eligible to retire. Refunds increased 52% to \$724,000 as a result of difficult economic times. Administrative expenses increased \$28,000 from FY07 to \$213,000 and represent about one-tenth of one percent of total net assets.

Overall Financial Position

In only its tenth year of existence, the Public Employees Correctional Fund is 100.12% funded, an increase from last year's 98.38%. Since there are very few assets in the plan, the negative investment returns had little effect on the plan. With only nine years of experience it is difficult to know if our long-term assumptions are accurate, but we believe contribution levels are sufficient to keep this plan fully funded.

AGENCY SUMMARY

Despite negative investment returns which caused our net assets to decline, the funding ratio in two of our three funds improved in FY08. While the Correctional Plan is in excellent shape, contribution rates in the other two plans are not sufficient to fully fund those plans. Both of those plans have investment losses that have not been recognized in the actuarial value of assets yet, but they also have scheduled contribution rate increases that have not been fully recognized. The Board of Trustees will continue to monitor 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, 2008 (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 | Agency Fund (Duluth) | |
| ASSETS | | | | | | |
| Cash | \$ 2,016 | \$ 1,766 | \$ 435 | \$ 37 | \$ 53 | \$ 4,307 |
| Receivables | | | | | | |
| Accounts Receivable | \$ 12,466 | \$ 9,556 | \$ 475 | \$ 83 | \$ 0 | \$ 22,580 |
| Due from Other Funds | 1,099 | 123 | 12 | 0 | 0 | 1,234 |
| Total Receivables | \$ 13,565 | \$ 9,679 | \$ 487 | \$ 83 | \$ 0 | \$ 23,814 |
| Investments at fair value | | | | | | |
| Equity in Minnesota Post Retirement Investment Fund | \$ 6,015,383 | \$ 2,146,850 | \$ 8,400 | \$ 0 | \$ 0 | \$ 8,170,633 |
| External Domestic Equity | 2,063,247 | 904,602 | 53,024 | 0 | 0 | 3,020,873 |
| Fixed Income | 1,598,410 | 700,779 | 41,076 | 0 | 8,130 | 2,348,395 |
| Global Equity | 1,040,200 | 455,945 | 26,719 | 0 | 0 | 1,522,864 |
| Passive Domestic Equity | 1,030,010 | 451,415 | 26,450 | 0 | 0 | 1,507,875 |
| SBI Alternative | 962,257 | 421,505 | 24,683 | 0 | 0 | 1,408,445 |
| Short-Term Cash Equivalent | 51,133 | 22,356 | 2,994 | 400 | 0 | 76,883 |
| Investments for Defined Contrib. | 0 | 0 | 0 | 30,516 | 0 | 30,516 |
| SBI Equities | 0 | 0 | 0 | 0 | 6,888 | 6,888 |
| Total Investments | \$12,760,640 | \$5,103,452 | \$183,346 | \$30,916 | \$15,018 | \$18,093,372 |
| Securities Lending Collateral | \$ 1,303,825 | \$ 520,728 | \$ 18,359 | \$ 2,569 | \$ 1,087 | \$ 1,846,568 |
| Capital Assets | | | | | | |
| Equipment Net of Accumulated Depreciation | \$ 549 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 549 |
| Property Net of Accumulated Depreciation | 9,417 | 0 | 0 | 0 | 0 | 9,417 |
| Total Capital Assets | \$ 9,966 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 9,966 |
| Deferred Bond Charges | \$ 110 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 110 |
| Total Assets | \$14,090,122 | \$5,635,625 | \$202,627 | \$33,605 | \$16,158 | \$19,978,137 |
| LIABILITIES | | | | | | |
| Accounts Payable | \$ 5,539 | \$ 3,302 | \$ 236 | \$ 117 | \$15,071 | \$ 24,265 |
| Payable to Other Funds | 133 | 771 | 216 | 114 | 0 | 1,234 |
| Securities Lending Collateral | 1,303,825 | 520,728 | 18,359 | 2,569 | 1,087 | 1,846,568 |
| Accrued Compensated Absences | 854 | 0 | 0 | 0 | 0 | 854 |
| Bonds Payable | 9,588 | 0 | 0 | 0 | 0 | 9,588 |
| Total Liabilities | \$ 1,319,939 | \$ 524,801 | \$ 18,811 | \$ 2,800 | \$16,158 | \$ 1,882,509 |
| Net Assets held in trust for Pension Benefits | \$12,770,183 | \$5,110,824 | \$183,816 | \$30,805 | \$ 0 | \$18,095,628 |

(A schedule of funding progress for each plan is presented on page 34.)

Statement of Changes in Plan Net Assets

For the Fiscal Year Ended June 30, 2008 (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 | \$ 303,304 | \$ 87,023 | \$ 13,388 | \$ 1,503 | \$ 405,218 |
| Plan member | 280,007 | 58,259 | 8,922 | 1,356 | 348,544 |
| Total Contributions | \$ 583,311 | \$ 145,282 | \$22,310 | \$ 2,859 | \$ 753,762 |
| Investments | | | | | |
| Net appreciation (depreciation) in fair value | \$(1,474,648) | \$ (571,328) | \$(15,408) | \$ (2,384) | \$(2,063,768) |
| Interest | 100,389 | 44,142 | 2,501 | 186 | 147,218 |
| Dividends | 110,178 | 48,644 | 2,698 | 0 | 161,520 |
| Distributed income of the Minnesota Post Retirement Investment Fund | 600,274 | 214,242 | 722 | 0 | 815,238 |
| Total investment activity Income | \$ (663,807) | \$(264,300) | \$ (9,487) | \$ (2,198) | \$ (939,792) |
| Less investment expense | (19,104) | (7,667) | (255) | 0 | (27,026) |
| Net income from investment activity | \$ (682,911) | \$ (271,967) | \$ (9,742) | \$ (2,198) | \$ (966,818) |
| <i>From securities lending activities:</i> | | | | | |
| Securities lending income | \$ 82,852 | \$ 33,088 | \$ 1,166 | \$ 156 | \$ 117,262 |
| Securities lending expenses: | | | | | |
| Borrower rebates | (65,912) | (26,322) | (928) | (124) | (93,286) |
| Management fees | (3,435) | (1,372) | (48) | (7) | (4,862) |
| Net income from securities lending | \$ 13,505 | \$ 5,394 | \$ 190 | \$ 25 | \$ 19,114 |
| Total Net Investment Income | \$ (669,406) | \$(266,573) | \$ (9,552) | \$ (2,173) | \$ (947,704) |
| Other additions | \$ 3,681 | \$ 1,029 | \$ 16 | \$ 0 | \$ 4,726 |
| Total Additions | \$ (82,414) | \$(120,262) | \$12,774 | \$ 686 | \$ (189,216) |
| DEDUCTIONS | | | | | |
| Benefits | \$ 824,372 | \$ 295,994 | \$ 2,268 | \$ 0 | \$ 1,122,634 |
| Refunds of contributions | 28,772 | 1,496 | 724 | 1,567 | 32,559 |
| Administrative expenses | 9,473 | 745 | 213 | 113 | 10,544 |
| Other deductions | 3,245 | 342 | 34 | 0 | 3,621 |
| Total Deductions | \$ 865,862 | \$ 298,577 | \$ 3,239 | \$ 1,680 | \$ 1,169,358 |
| Net Increase (Decrease) | \$ (948,276) | \$(418,839) | \$ 9,535 | \$ (994) | \$(1,358,574) |
| NET ASSETS HELD IN TRUST FOR PENSION BENEFITS | | | | | |
| Beginning of year | \$13,718,459 | \$5,529,663 | \$174,281 | \$31,799 | \$19,454,202 |
| End of year | \$12,770,183 | \$5,110,824 | \$183,816 | \$30,805 | \$18,095,628 |

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

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2008

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). PERA added an agency fund this year to track the investments placed in a trust by the City of Duluth with the State Board of Investment to cover future other postemployment benefit costs. 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, 2008, there were 6,882 members in the PEDCP.

Shown in **Figure 1** below are the membership totals in the PERA defined benefit plans as of June 30, 2008.

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 belong to either the Basic or Coordinated Plan. Coordinated

Plan Participation

(Total Membership)

366,555



Fig.1 PERA Membership — Defined Benefit Plans

| | <u>PERF</u> | <u>PEPFF</u> | <u>PECF</u> | <u>Total</u> |
|---|----------------|---------------|--------------|----------------|
| Retirees and beneficiaries receiving benefits | 63,880 | 7,194 | 318 | 71,392 |
| Terminated employees entitled to benefits/refunds but not yet receiving them: | | | | |
| Vested | 43,984 | 1,242 | 1,520 | 46,746 |
| Non-Vested | 116,805 | 879 | 1,473 | 119,157 |
| Current, active employees: | | | | |
| Vested | 105,442 | 9,063 | 2,348 | 116,853 |
| Non-Vested | 38,120 | 1,898 | 1,362 | 41,380 |
| Total | <u>368,231</u> | <u>20,276</u> | <u>7,021</u> | <u>395,528</u> |

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.

In FY08, PEPFF duty disability benefits were increased from 60 percent of the high-five average salary to 60 percent of the high-five salary plus an additional 3 percent of the high-five for each year of service in excess of 20 years, retroactive to July 1, 2007. This plan provision change increased the actuarial accrued liability by \$28 million and the required contribution by 0.45 percent of payroll.

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.

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 the time of withdrawal.

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

Notes

(Continued)

Active Funds Pooled Accounts

(Portfolio Allocation)



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

6. Agency Fund

Minnesota Statutes 353.95 allow the City of Duluth to invest money with the State Board of Investment (SBI) in a separate trust that will be used to pay future OPEB costs. Since PERA already had a reporting relationship with Duluth, the Association was asked to collect Duluth's voluntary contributions and send them on to SBI. The City of Duluth is responsible for making sure any withdrawals are done in accordance with GAAP and Minnesota Statutes. They are also responsible for setting and paying benefits, for determining contribution amounts, and for handling any OPEB reporting requirements. As of June 30, 2008 the City of Duluth had contributed \$15,800,000 to the trust.

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, 2008, the participation shares in the external pools at fair value, excluding the Minnesota Post Retirement Investment Fund (MPRIF), totaled approximately 28.91 percent for the PERF, 12.68 percent for the PEPFF and 0.74 percent for the PECF. The funds' shares of net assets of the Minnesota Post Retirement Investment Fund, at fair value, totaled 26.20 percent, 9.35 percent and 0.04 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 and the agency fund, are reported at fair value. Fair value is the proportionate share of the combined market value of the investment portfolio of the SBI investment pool in which the funds participate. All securities within the pools are valued at market value except for U.S. Government short-term securities and commercial paper, which are valued at market less accrued interest. Accrued interest is recognized as short-term income. SBI values long-term fixed income securities by using the Financial Times Interactive Data Services valuation system. This service provides prices for both actively traded and privately placed bonds. For equity securities, SBI uses a valuation service provided by Reuters and market value is the last reported sales price for securities traded on national or international exchanges. If a security is not actively traded, then the fair value

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.

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.

is based on the analysis of financial statements, analysis of future cash flows and independent appraisals.

Assumptions made in valuing securities are as follows:

1. Values of actively traded securities determined by recognized exchanges are objectively negotiated purchase prices between willing buyers and sellers and are not subject to either undue influence or market manipulation.
2. Values of securities not actively traded are determined by objective appraisals by qualified professional analysts whose results would not vary materially from those of other similarly qualified professionals. 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.

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 \$19,103,836 for PERE, \$7,667,078 for PEPFF, and \$255,055 for PECF. 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 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 2008, 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:

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)

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.

- 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 2**.

Fig. 2 Credit Risk Exposure

| <u>Quality Rating</u> | <u>Fair Value (in thousands)</u> |
|-----------------------|--------------------------------------|
| AA or Better | \$4,078,332 |
| BBB to A | 836,259 |
| BB or Lower | 124,086 |
| Not Rated | 163,204 |

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 3**.

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

rates between the 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, 2008 was distributed among the currencies shown in **Figure 4**.

e) In accordance with Minnesota Statutes, SBI has the authority to enter into, and has entered into, derivative transactions includ-

Fig. 3 Interest Rate Risk

| <u>Security</u> | <u>Weighted Average Maturity (in years)</u> |
|----------------------------|---|
| Cash Equivalents | 0.16 |
| Mutual Funds | 0.20 |
| Municipal Bonds | 1.64 |
| U.S. Agencies | 3.90 |
| Corporate Bonds | 7.92 |
| U.S. Treasuries | 9.40 |
| Asset-Backed Securities | 11.12 |
| Mortgage-Backed Securities | 26.33 |

Fig. 4 Foreign Currency Risk (fair value in thousands)

| <u>Currency</u> | <u>Cash</u> | <u>Fixed Income</u> | <u>Equity</u> |
|--------------------|-----------------|---------------------|--------------------|
| Australian Dollar | | | \$132,299 |
| Brazilian Real | | | 34,772 |
| Canadian Dollar | | | 157,768 |
| Danish Krone | | | 24,775 |
| Euro | | | 708,916 |
| Hong Kong Dollar | | | 114,933 |
| Indian Rupee | | | 30,578 |
| Japanese Yen | | | 429,963 |
| New Taiwan Dollar | | | 37,946 |
| Norwegian Krone | | | 22,028 |
| Pound Sterling | | | 421,797 |
| Singapore Dollar | | | 26,156 |
| South African Rand | | | 31,589 |
| South Korean Won | | | 45,045 |
| Swedish Krona | | | 35,928 |
| Swiss Franc | | | 160,234 |
| Other | \$42,381 | \$14,099 | 76,178 |
| Total | \$22,381 | \$14,099 | \$2,490,905 |

ing 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, 2008, PERA's exposure to market risk is minimal.

6. 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, 2008 Statement of Plan Net Assets at historical cost, net of accumulated depreciation, as summarized in **Figure 5**.

7. Building and Land

Legislation was passed in 1999 allowing PERA, the Minnesota Teacher's Retirement Association (TRA) and the Minnesota State Retirement System (MSRS) 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. MSRS took over more space in the building in FY08, so PERA's ownership share decreased from 39.8 percent in FY07 to 37.6

percent as of June 30, 2008. 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 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 \$9,588,000. 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 6**.

8. 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 \$85,948 is considered a short-term liability and \$768,418 is considered a long-term liability. The total, \$854,366, is shown on the Statement of Plan Net Assets.

Legislation was passed in 1999 allowing PERA, the Minnesota Teacher's Retirement Association and the Minnesota State Retirement System to purchase land and construct a 140,000 square foot building to house all three retirement systems. The systems moved into the facility in September 2001.

Fig. 5 Capital Assets (in thousands)

| | Balance July 1, 2007 | Additions | Deductions | Balance June 30, 2008 |
|--|-------------------------|----------------|----------------|--------------------------|
| Capital assets not being depreciated: | | | | |
| Land | \$ 170 | \$ 0 | \$ 0 | \$ 170 |
| Capital assets being depreciated: | | | | |
| Building | \$ 11,758 | \$ 80 | (648) | \$ 11,190 |
| Furniture & Fixtures | 522 | 0 | 0 | 522 |
| Data Processing Equipment | 1,307 | 35 | (61) | 1,281 |
| Office Equipment | 154 | 0 | 0 | 154 |
| Total capital assets being depreciated | \$13,741 | \$ 115 | \$(709) | \$13,147 |
| Less accumulated depreciation for: | | | | |
| Building | \$ (1,762) | \$ (278) | \$ 97 | \$ (1,943) |
| Equipment, Furniture & Fixtures | (1,364) | (102) | 58 | (1,408) |
| Total accumulated depreciation | \$(3,126) | \$(380) | \$ 155 | \$(3,351) |
| Total capital assets, net of accumulated depreciation | \$10,785 | \$(265) | \$554 | \$ 9,966 |

Notes

(Continued)

Actuarial valuations are performed annually using the entry age normal actuarial cost method. Contributions are made as a level percentage of projected payroll, and are specified in statute as fixed percentages.

9. 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, 2008, the investment pool had an average duration of 37 days and an average final maturity of 393 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, 2008

SBI had no 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, 2008 was \$2,535,743,785 and \$2,451,161,170 respectively. Cash collateral of \$1,846,567,923 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.

10. Funded Status

The funded status of each defined benefit plan as of June 30, 2008, the most recent actuarial valuation date, is shown in Figure 7. The Schedule of Funding Progress, presented as required supplementary information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities of promised benefits.

11. Actuarial Methods and Assumptions

Actuarial valuations are performed annually using the entry age normal actuarial cost method. Contributions are made as a level percentage of projected payroll, and are specified in statute as fixed percentages. There are no maximum or minimum salary limits imposed by statute. A closed amortization period is used, with 23 years remaining

Fig 6. Remaining Revenue Bond Repayment Schedule (In dollars)

| Fiscal Year | PERA | | |
|---------------|--------------------|--------------------|---------------------|
| | Principal | Interest | Total P & I |
| 2009 | \$ 225,600 | \$555,890 | \$781,490 |
| 2010 | 235,000 | 543,764 | 778,764 |
| 2011 | 253,800 | 531,133 | 784,933 |
| 2012 | 263,200 | 517,428 | 780,628 |
| 2013 | 282,000 | 503,083 | 785,083 |
| 2014 | 291,400 | 487,573 | 778,973 |
| 2015 | 310,200 | 471,401 | 781,601 |
| 2016 | 329,000 | 454,029 | 783,029 |
| 2017 | 347,800 | 435,441 | 783,241 |
| 2018 | 366,600 | 415,616 | 782,216 |
| 2019 | 394,800 | 394,537 | 789,337 |
| 2020 | 413,600 | 371,836 | 785,436 |
| 2021 | 441,800 | 347,847 | 789,647 |
| 2022 | 470,000 | 321,891 | 791,891 |
| 2023 | 498,200 | 294,279 | 792,479 |
| 2024 | 526,400 | 265,010 | 791,410 |
| 2025 | 564,000 | 234,084 | 798,084 |
| 2026 | 592,200 | 200,949 | 793,149 |
| 2027 | 629,800 | 166,157 | 795,957 |
| 2028 | 676,800 | 129,156 | 805,956 |
| 2029 | 714,400 | 88,548 | 802,948 |
| 2030 | 761,400 | 45,684 | 807,084 |
| Totals | \$9,588,000 | \$7,775,335 | \$17,363,335 |

for the PERF, 30 years remaining for the PEPFF, and 15 years remaining for the PECF. For actuarial purposes, assets in the Minnesota Post Retirement Investment Fund (MPRIF) are valued at fair value at fiscal year end. Assets in the MPRIF are held to pay monthly benefits. All other assets are valued using a 5-year smoothing method. The plans assume an 8.5 percent investment rate of return and a 3 percent inflation rate. Assumed salary growth in the PERF decreases in annual increments from 5.4 percent at age 20 to 4 percent at age 60. In the PEPFF salary growth assumptions decrease from 11 percent at age 20 to 4.75 percent at age 50. In the PECF salary growth assumptions decrease from 7.25 percent at age 20 to 5.25 percent at age 55. We assume postretirement benefits will increase 2.5 percent each year.

In FY08 the annual payroll growth assumption was lowered from 6.0 percent to 4.5 percent for all plans. In the PERF, ultimate salary increase rates were lowered 1.0 percent at all ages, and the select period for salary increases were changed from 10 years to 5 years. Retirement ages were adjusted slightly as well. Assumption changes in the PERF decreased the actuarial accrued liability by \$355 million and decreased required contributions by 0.52 percent of payroll. In the PEPFF ultimate salary increase rates were lowered by 0.5 percent at all ages, and the full funding date was reset from 2020 to July 1, 2038. These changes decreased the actuarial accrued liability by \$47 million and the required contribution rate by 4.75 percent of payroll. The payroll growth assumption change in the PECF did not have a material impact on actuarial valuation results.

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 2038, 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. 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 2008 we received \$6,428,330 in principal and interest payments. Future principal payments of \$6,171,402 are shown on the Statement of Plan Net Assets as a receivable.

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.

FY08 Contribution Rates

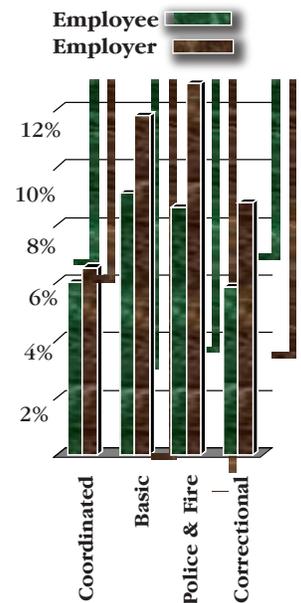


Fig. 7 Schedule of Funding Progress (in thousands)

| Plan | Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL)(b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll [(b-a)/c] |
|-------|--------------------------|-------------------------------|--------------------------------------|---------------------------|--------------------|---------------------|---|
| PERF | 06/30/2008 | \$13,048,970 | \$17,729,847 | \$4,680,877 | 73.6% | \$4,722,432 | 99.1% |
| PEPFF | 06/30/2008 | 5,233,015 | 5,918,061 | 685,046 | 88.4% | 703,701 | 97.3% |
| PECF | 06/30/2008 | 192,937 | 192,572 | (365) | 100.2% | 154,202 | -0.2% |

**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 11A.18, Subd. 9.

The MPRIF is a legally required reserve account, and was, until FY07, by definition fully funded when funding ratios were calculated, in accordance with Minnesota statutes. Effective FY07, 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 investments. Participation in the MPRIF is determined by the actuarially determined required reserves level in accordance with Minnesota Statutes, Section 11A.18, Subd. 7. It includes a 6 percent assumed income distribution and any mortality gains or losses incurred during the year. As of June 30, 2008, the Public Employees Retirement Fund's share of net assets of the MPRIF, at participation, is \$7,178,088,741 and at fair value is \$6,015,383,240. The Public Employees Police and Fire Fund's share of net assets of the MPRIF, at participation, is \$2,561,811,702 and at fair value is \$2,146,849,912. The Public Employees Correctional Fund's share of net assets of the MPRIF, at participation, is \$10,022,870 and at fair value is \$8,399,367.

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 on or before July 1, 2007 are eligible to receive the following January 1, 2009 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 July 1, 2007 but before June 2, 2008 will receive a prorated amount of the January 1, 2009 benefit increase.

Legislation was passed in 2008 that mandates the dissolution of the MPRIF if the composite funding ratio of the MPRIF falls below 80 percent as of the most recent actuarial valuation. As of June 30, 2008 the MPRIF is 79.7 percent funded, triggering the dissolution. PERA's portion of the assets of the MPRIF will be transferred back into the active funds in FY09, based on each plan's share of participation as of June 30, 2009. Mortality gains/losses, which have been shown in previous years as adjustments to the investments in the MPRIF and corresponding adjustments to active fund accounts receivable/payable at year end, will not be shown in FY08 in accordance with Minnesota Statute 11A.181, which states that those adjustments will not be made to the MPRIF once it has been determined that the MPRIF will be dissolved.

Legislation was passed in 2008 that mandates the dissolution of the MPRIF if the composite funding ratio of the MPRIF falls below 80 percent as of the most recent actuarial valuation. As of June 30, 2008 the MPRIF is 79.7 percent funded.

Fig.8 Retirement Plan Contribution Rates

| Effective Date | Contributor | PERF | | PEPFF | PECF* |
|----------------|-------------|--------|-------------|--------|-------|
| | | Basic* | Coordinated | | |
| 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

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 2008, administrative expenses allocated to PERF, PEPFF, PECF, and PEDCP totaled \$9,472,968, \$745,310, \$213,176 and \$112,626 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 2008 was approximately \$4.73 million.

Employer pension contributions for PERA employees for the years ending June 30, 2008, 2007 and 2006 were \$277,879, \$266,635, and \$260,366 respectively, equal to the required contributions for each year as set by state statute.

All employees of the Public Employees Retirement Association are covered by the PERF Coordinated Plan and eligible for the plan provisions.

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] |
|--------------------------|-------------------------------|---|---------------------------|--------------------|---------------------|---|
| 6/30/2003 | \$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% |
| 6/30/2008 | 13,048,970 | 17,729,847 | 4,680,877 | 73.6% | 4,722,432 | 99.1% |

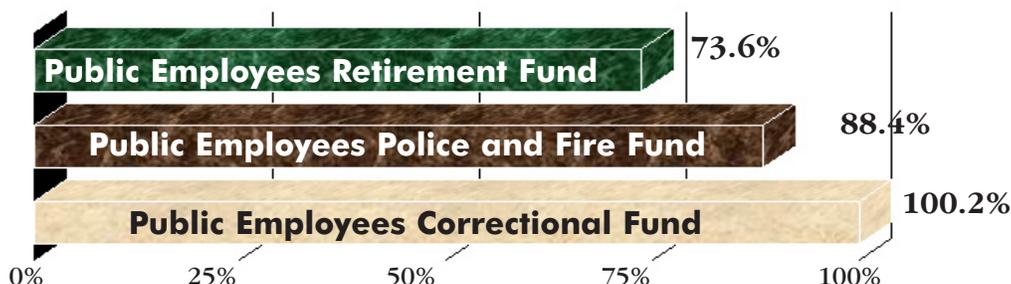
PUBLIC EMPLOYEES POLICE AND FIRE FUND

| 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] |
|--------------------------|-------------------------------|---|---------------------------|--------------------|---------------------|---|
| 6/30/2003 | \$ 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% |
| 6/30/2008 | 5,233,015 | 5,918,061 | 685,046 | 88.4% | 703,701 | 97.4% |

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] |
|--------------------------|-------------------------------|---|---------------------------|--------------------|---------------------|---|
| 6/30/2003 | \$ 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% |
| 6/30/2008 | 192,937 | 192,572 | (365) | 100.2% | 154,202 | -0.2% |

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 |
|-----------------------|--|-------------------------------------|--|---|------------------------------------|---------------------------|
| 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% |
| 2008 | 13.86% | 4,722,432 | 280,007 | 374,522 | 303,304 | 80.98% |

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 |
|-----------------------|--|-------------------------------------|--|---|------------------------------------|---------------------------|
| 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% |
| 2008 | 28.82% | 703,701 | 58,259 | 144,548 | 87,023 | 60.20% |

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 |
|-----------------------|--|-------------------------------------|--|---|------------------------------------|---------------------------|
| 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% |
| 2008 | 12.37% | 154,202 | 8,922 | 10,153 | 13,388 | 131.87% |

* 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)

| | Public Employees Retirement Fund | Public Employees Police & Fire Fund | Public Employees Correctional Fund |
|--------------------------------------|--|---|---|
| Valuation Date | 6/30/2008 | 6/30/2008 | 6/30/2008 |
| Actuarial Cost Method | Entry Age | Entry Age | Entry Age |
| Amortization Method | Level Percent Closed | Level Percent Closed | Level Percent Closed |
| Remaining Amortization Period | 23 years | 30 years | 15 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 | 4.0% - 5.40% | 4.75% - 11.0% | 5.25% - 7.25% |
| Assumed Inflation Rate | 3.0% | 3.0% | 3.0% |
| Payroll Growth Rate | 4.5% | 4.5% | 4.5% |
| 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 | 2.5% | 2.5% | 2.5% |

Schedule of Investment Expenses

For the Fiscal Year Ended June 30, 2008 (in thousands)

| <u>Source of Expenses</u> | Public Employees Retirement Fund | Public Employees Police and Fire Fund | Public Employees Correctional Fund | Total |
|-------------------------------------|---|--|---|-----------------|
| Outside Money Managers–Equities | \$15,505 | \$6,225 | \$207 | \$21,937 |
| Outside Money Managers–Bonds | 2,789 | 1,117 | 37 | 3,943 |
| Minnesota State Board of Investment | 622 | 250 | 8 | 880 |
| Richards & Tierney | 102 | 41 | 1 | 144 |
| Financial Control Systems | 75 | 30 | 1 | 106 |
| Pension Consulting Alliance | 11 | 4 | 1 | 16 |
| Total | <u>\$19,104</u> | <u>\$7,667</u> | <u>\$255</u> | <u>\$27,026</u> |

Schedule of Payments to Consultants

For the Fiscal Year Ended June 30, 2008 (in thousands)

| <u>Individual or Firm Name</u> | <u>Nature of Service</u> | <u>Fee Paid</u> |
|--------------------------------|--------------------------|-----------------|
| Mercer Human Resources | Actuarial | \$155 |
| Benefacts, Inc. | Management | 125 |
| Evalumed | Medical Services | 57 |
| Segal Company | Actuarial | 50 |
| Stubbe & Associates | Medical Services | 25 |
| Krueger International | Management | 13 |
| Independent Medical Services | Medical Services | 11 |
| US Bank - St Paul | Management | 10 |
| Medical Evaluations Inc. | Medical Services | 9 |
| Berwyn Group | Management | 5 |
| Andrea Lubov | Management | 5 |
| US Treasury Department | Management | 4 |
| John Brennan | Legal | 2 |
| Van Wagner | Medical Services | 2 |
| Avenet | System Development | 1 |
| Accurint | Management | 1 |
| State of Minnesota — | | |
| Attorney General | Legal | \$100 |
| Department of Health | Medical Services | 83 |
| Administrative Law Judge | Medical Services | 40 |
| Management Analysis Division | Management | 1 |
| Total | | <u>\$699</u> |

Schedule of Administrative Expenses

For the Fiscal Year Ended June 30, 2008 (in thousands)

PERSONAL SERVICES:

| | | |
|--------------------------------|------------|----------------|
| Staff Salaries | \$6,215 | |
| Part-Time, Seasonal Labor | 235 | |
| Other Benefits | <u>141</u> | |
| Total Personal Services | | \$6,591 |

PROFESSIONAL SERVICES:

| | | |
|------------------------------------|----------|------------|
| Actuarial | \$ 205 | |
| Legal | 102 | |
| Management Consultants | 164 | |
| Medical Evaluations | 227 | |
| System Development | <u>1</u> | |
| Total Professional Services | | 699 |

COMMUNICATIONS:

| | | |
|----------------------------|------------|------------|
| Mail & Telephone Services | \$ 730 | |
| Printing & Publications | <u>197</u> | |
| Total Communication | | 927 |

OFFICE BUILDING & MAINTENANCE:

| | | |
|---------------------------------------|------------|--------------|
| Building | \$ 453 | |
| Depreciation—Building | 278 | |
| Bond Interest | <u>566</u> | |
| Total Building and Maintenance | | 1,297 |

OTHER:

| | | |
|------------------------|-----------|---------------------|
| Depreciation—Equipment | \$ 102 | |
| Employee Development | 48 | |
| Equipment Maintenance | 59 | |
| Indirect Costs | 157 | |
| Operating Costs | 62 | |
| Supplies and Materials | 521 | |
| Travel | <u>81</u> | |
| Total Other | | <u>1,030</u> |

Total Administrative Expense **\$10,544**

ALLOCATION OF ADMINISTRATIVE EXPENSE:

| | | |
|---------------------------------------|--|----------|
| Defined Benefit Plans | | |
| Public Employees Retirement Fund | | \$ 9,473 |
| Public Employees Police and Fire Fund | | 745 |
| Public Employees Correctional Fund | | 213 |

| | | |
|--|--|------------|
| Defined Contribution Plans | | |
| Public Employees Defined Contribution Plan | | <u>113</u> |

Total Administrative Expenses **\$10,544**

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

Minnesota Sesquicentennial 1858-2008



THIS PAGE LEFT
BLANK INTENTIONALLY.

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

60 Empire Drive
Suite 355
St. Paul, MN 55103
(651) 296-3328
FAX (651) 296-9572
E-mail:
minn.sbi@state.mn.us
www.sbi.state.mn.us

An Equal Opportunity
Employer

Investment Authority

The assets of the Public Employees Retirement Association are invested under the direction and authority of the State Board of Investment (SBI) in accordance with Minnesota Statutes, Chapters 11A and 356A. The SBI is made up of the State Governor, State Auditor, 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

Investment Presentation

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

Howard Bicker
Executive Director
State Board of Investment

September 10, 2008

Investment Results

FUND PERFORMANCE

| Fund | Rates of Return (Annualized) | | | |
|----------------------------------|------------------------------|---------------|---------------|----------------|
| | <u>FY 2008</u> | <u>3-Year</u> | <u>5-Year</u> | <u>10-Year</u> |
| Basic Funds (Active Accounts) | -4.8% | 8.3% | 10.5% | 5.8% |
| Basic Composite Market Index | -3.9 | 8.6 | 10.5 | 5.9 |
| MPRIF Fund (Retiree Accounts) | -5.2% | 7.9% | 10.0% | 5.6% |
| MPRIF Composite Market Index | -4.0 | 8.1 | 10.0 | 5.7 |
| Combined Funds (Active/Retiree)* | -5.0% | 8.1% | 10.3% | 5.7% |
| Combined Composite Market Index | -3.9 | 8.3 | 10.3 | 5.8 |

* 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 2008</u> | <u>3-Year</u> | <u>5-Year</u> | <u>10-Year</u> |
| Domestic Stock Pool | -13.1% | 4.3% | 8.2% | 2.8% |
| Russell 3000 | -12.7 | 4.7 | 8.4 | 3.1 |
| Bond Pool | 4.3% | 3.4% | 3.8% | 5.6% |
| Lehman Agg. | 7.1 | 4.1 | 3.9 | 5.7 |
| International Stock Pool | -6.6% | 16.0% | 18.8% | 7.4% |
| MSCI ACWI Free ex US (net) | -6.4 | 15.8 | 19.0 | 7.3 |
| Alternative Investments | 13.4% | 27.0% | 24.9% | 15.1% |
| Real Estate Pool (Equity Emphasis) | 11.8% | 19.1% | 17.6% | 12.8% |
| Private Equity Pool (Equity Emphasis) | 11.1% | 24.7% | 25.1% | 13.8% |
| Resource Pool (Equity Emphasis) | 14.0% | 48.4% | 46.4% | 23.7% |
| Yield Oriented Pool (Debt Emphasis) | 22.1% | 33.5% | 25.8% | 18.6% |

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

Asset Allocation

ASSET ALLOCATION (AT JUNE 30, 2008)*

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 Fund | | MPRIF | |
|----------------------|------------------|-------------------------|------------------|-------------------------|
| | Actual Asset Mix | Long-term Policy Target | Actual Asset Mix | Long-term Policy Target |
| Domestic Stocks | 45.9% | 45.0% | 46.7% | 45.0% |
| International Stocks | 15.4 | 15.0 | 15.5 | 15.0 |
| Bonds | 23.6 | 24.0 | 25.0 | 25.0 |
| Alternative Assets** | 14.5 | 15.0 | 11.3 | 12.0 |
| Cash | 0.6 | 1.0 | 1.5 | 3.0 |
| Total | 100% | 100% | 100% | 100%* |

* Source: Minnesota State Board of Investment (SBI) FY2008 Annual Report.
 ** Alternative assets include real estate, venture capital and resource

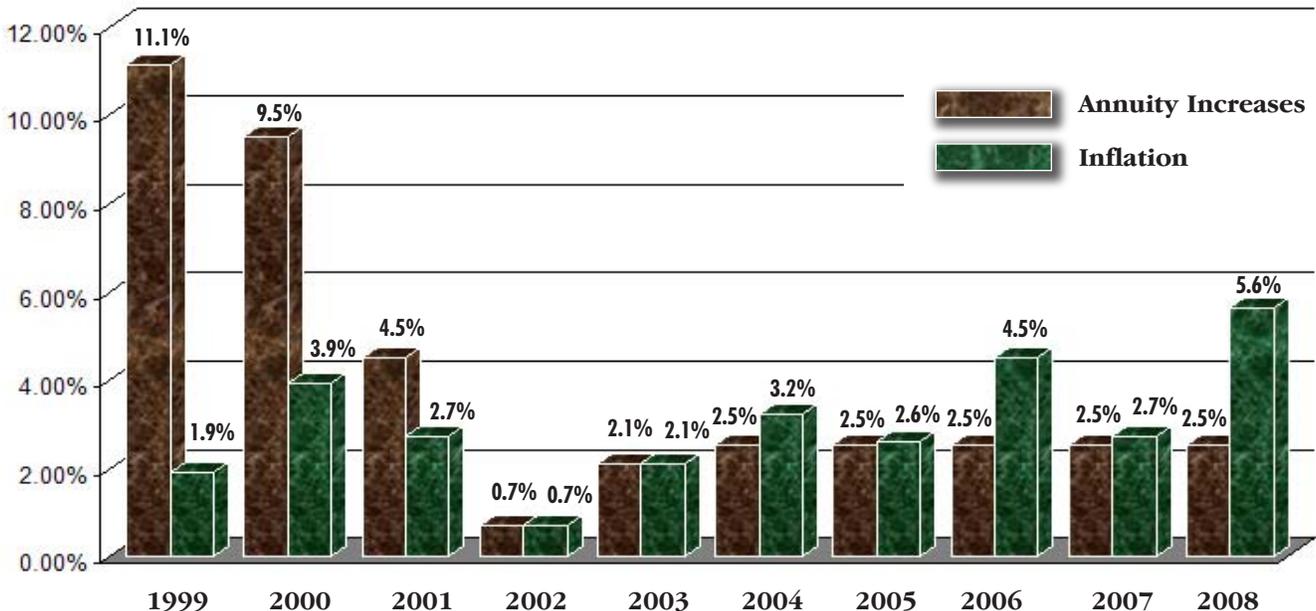
BASIC FUNDS



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 have fallen short over the last five 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, 2008

COMPOSITE OF TOP TEN EQUITY HOLDINGS (BY FAIR VALUE)

| Security | Fair Value (In millions) | % of Portfolio |
|----------------------------|-------------------------------------|---------------------------|
| Exxon Mobil Corp. | \$256.0 | 1.42% |
| Microsoft Corp. | 142.3 | 0.79 |
| General Electric Co. | 136.4 | 0.76 |
| UBS Trumbull Property | 124.0 | 0.69 |
| Prime Property Fund Morgan | 118.7 | 0.66 |
| AT&T Inc. | 116.8 | 0.65 |
| ConocoPhillips | 110.4 | 0.61 |
| Procter & Gamble Co. | 110.4 | 0.61 |
| Chevron Corp. | 104.3 | 0.58 |
| Apple Inc. | 98.8 | 0.55 |

COMPOSITE OF TOP TEN BOND HOLDINGS (BY FAIR VALUE)

| Security | Coupon | Fair Value (In millions) | % of Portfolio |
|--------------------------------|---------------|-------------------------------------|---------------------------|
| FNMA | 5.00% | \$105.6 | 0.59% |
| FNMA | 5.50 | 96.6 | 0.54 |
| Bank of America Tri Party | 2.30 | 58.5 | 0.32 |
| United States Treasury Notes | 3.50 | 45.8 | 0.25 |
| Fed Hm Loan PC Pool | 5.50 | 39.3 | 0.22 |
| Federal Hm Loan Bank | 2.86 | 35.1 | 0.19 |
| Federal Hm Loan Mtg Disc Notes | 1.97 | 35.1 | 0.19 |
| FNMA | 7.00 | 33.6 | 0.19 |
| ING Tri Party | 2.60 | 33.5 | 0.19 |
| FNMA | 5.00 | 31.7 | 0.18 |

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, 2008 (in thousands)

PUBLIC EMPLOYEES RETIREMENT FUND

| Pooled Accounts | Cost June 30, 2007 | Total Acquisitions | Total Dispositions | Cost June 30, 2008 |
|------------------------------|----------------------------|---------------------------|---------------------------|----------------------------|
| Equity in MPRIF | \$ 7,121,507 | \$ 1,118,956 | \$ 790,960 | \$ 7,449,503 |
| External Domestic Equity | 2,330,178 | 267,981 | 196,855 | 2,401,304 |
| Passive Domestic Equity | 908,371 | 90,541 | 8,706 | 990,206 |
| Global Equity | 942,655 | 137,532 | 68,897 | 1,011,290 |
| Fixed Income | 1,634,639 | 284,618 | 225,907 | 1,693,350 |
| SBI Alternative Assets | 672,012 | 261,199 | 69,436 | 863,775 |
| Short-term Cash Equivalents | 87,065 | 868,352 | 904,284 | 51,133 |
| Total Pooled Accounts | <u>\$13,696,427</u> | <u>\$3,029,179</u> | <u>\$2,265,045</u> | <u>\$14,460,561</u> |

PUBLIC EMPLOYEES POLICE AND FIRE FUND

| Pooled Accounts | Cost June 30, 2007 | Total Acquisitions | Total Dispositions | Cost June 30, 2008 |
|------------------------------|----------------------------|---------------------------|--------------------------|----------------------------|
| Equity in MPRIF | \$ 2,542,686 | \$ 363,028 | \$ 247,631 | \$ 2,658,083 |
| External Domestic Equity | 1,048,902 | 117,433 | 100,206 | 1,066,129 |
| Passive Domestic Equity | 417,015 | 35,632 | 6,131 | 446,516 |
| Global Equity | 422,072 | 57,428 | 33,453 | 446,047 |
| Fixed Income | 727,969 | 123,560 | 106,669 | 744,860 |
| SBI Alternative Assets | 298,818 | 109,479 | 30,878 | 377,419 |
| Short-term Cash Equivalents | 39,072 | 270,751 | 287,466 | 22,357 |
| Total Pooled Accounts | <u>\$ 5,496,534</u> | <u>\$1,077,311</u> | <u>\$ 812,434</u> | <u>\$ 5,761,411</u> |

PUBLIC EMPLOYEES CORRECTIONAL FUND

| Pooled Accounts | Cost June 30, 2007 | Total Acquisitions | Total Dispositions | Cost June 30, 2008 |
|------------------------------|--------------------------|-------------------------|-------------------------|--------------------------|
| Equity in MPRIF | \$ 7,738 | \$ 3,797 | \$ 857 | \$ 10,678 |
| External Domestic Equity | 50,897 | 10,183 | 2,435 | 58,645 |
| Passive Domestic Equity | 21,628 | 4,835 | 0 | 26,463 |
| Global Equity | 21,635 | 5,891 | 1,344 | 26,182 |
| Fixed Income | 37,541 | 10,631 | 4,981 | 43,191 |
| SBI Alternative Assets | 15,767 | 8,578 | 1,691 | 22,654 |
| Short-term Cash Equivalents | 3,662 | 44,583 | 45,251 | 2,994 |
| Total Pooled Accounts | <u>\$ 158,868</u> | <u>\$ 88,498</u> | <u>\$ 56,559</u> | <u>\$ 190,807</u> |

Investment Summary at Fair Value

For the Fiscal Year Ended June 30, 2008 (in thousands)

PUBLIC EMPLOYEES RETIREMENT FUND

| Pooled Accounts | Fair Value June 30, 2007 | Fair Value June 30, 2008 | Percent of Portfolio |
|------------------------------|-----------------------------|-----------------------------|-------------------------|
| Equity in MPRIF | \$ 6,606,806 | \$ 6,015,383 | 47% |
| External Domestic Equity | 2,389,525 | 2,063,247 | 16 |
| Passive Domestic Equity | 1,139,485 | 1,030,010 | 8 |
| Global Equity | 1,158,388 | 1,040,200 | 8 |
| Fixed Income | 1,579,947 | 1,598,410 | 13 |
| SBI Alternative Assets | 766,626 | 962,257 | 8 |
| Short-term Cash Equivalent | 87,065 | 51,133 | 0 |
| Total Pooled Accounts | <u>\$13,727,842</u> | <u>\$12,760,640</u> | <u>100%</u> |

PUBLIC EMPLOYEES POLICE AND FIRE FUND

| Pooled Accounts | Fair Value June 30, 2007 | Fair Value June 30, 2008 | Percent of Portfolio |
|------------------------------|-----------------------------|-----------------------------|-------------------------|
| Equity in MPRIF | \$ 2,358,901 | \$ 2,146,850 | 42% |
| External Domestic Equity | 1,061,022 | 904,602 | 18 |
| Passive Domestic Equity | 506,432 | 451,415 | 9 |
| Global Equity | 514,630 | 455,945 | 9 |
| Fixed Income | 701,251 | 700,779 | 14 |
| SBI Alternative Assets | 341,220 | 421,505 | 8 |
| Short-term Cash Equivalents | 39,072 | 22,356 | 0 |
| Total Pooled Accounts | <u>\$5,522,528</u> | <u>\$ 5,103,452</u> | <u>100%</u> |

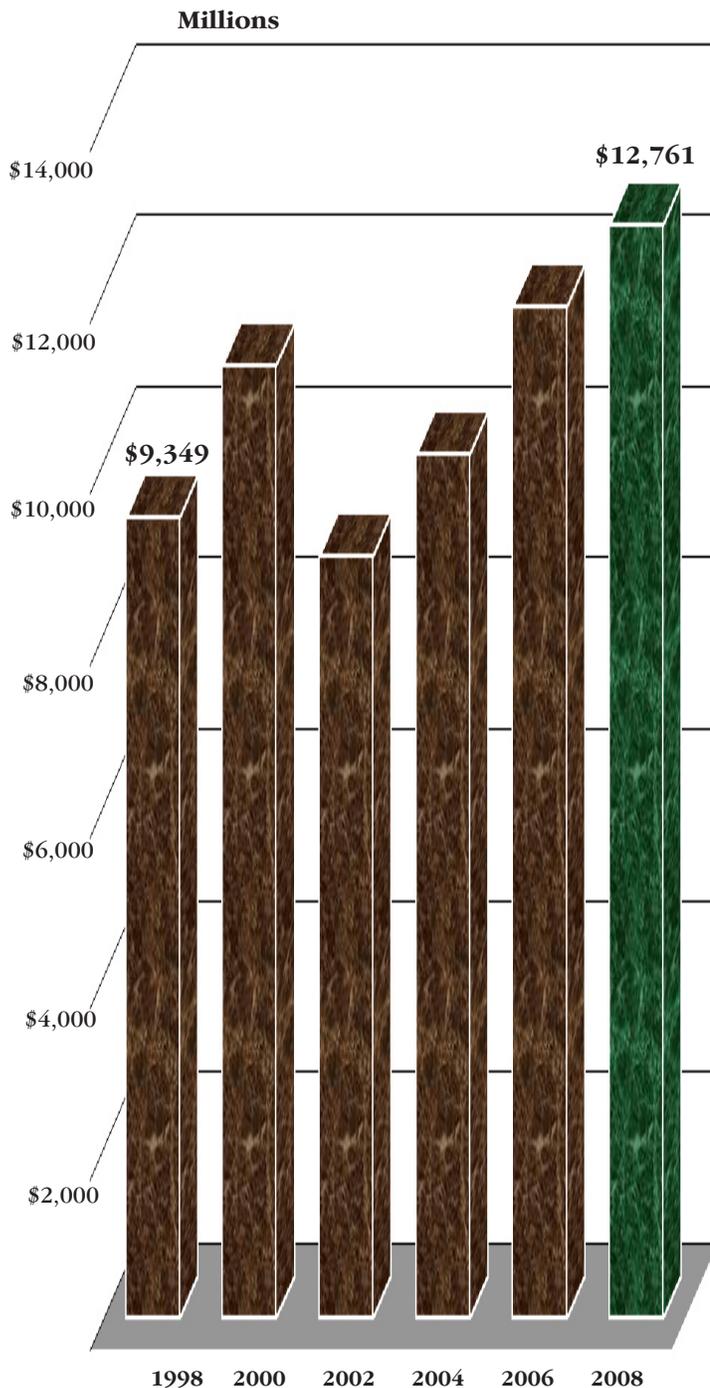
PUBLIC EMPLOYEES CORRECTIONAL FUND

| Pooled Accounts | Fair Value June 30, 2007 | Fair Value June 30, 2008 | Percent of Portfolio |
|------------------------------|-----------------------------|-----------------------------|-------------------------|
| Equity in MPRIF | \$ 7,019 | \$ 8,400 | 5% |
| External Domestic Equity | 55,200 | 53,024 | 29 |
| Passive Domestic Equity | 26,309 | 26,450 | 14 |
| Global Equity | 26,752 | 26,719 | 15 |
| Fixed Income | 36,506 | 41,076 | 22 |
| SBI Alternative Assets | 17,689 | 24,683 | 13 |
| Short-term Cash Equivalents | 3,662 | 2,994 | 2 |
| Total Pooled Accounts | <u>\$ 173,137</u> | <u>\$ 183,346</u> | <u>100%</u> |

Fair Value of Investments

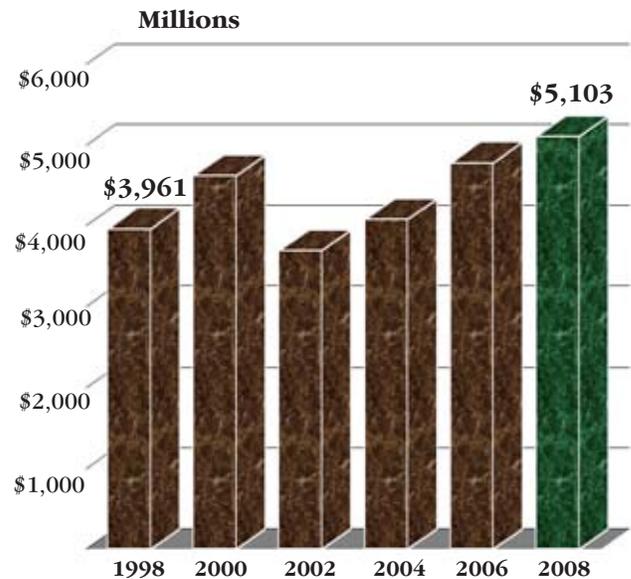
Last 10 Years

PUBLIC EMPLOYEES RETIREMENT FUND*



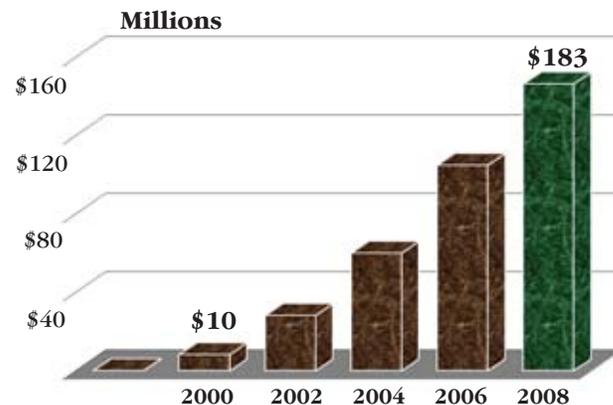
Over the past 10 years, the value of investments of the Public Employees Retirement Fund has grown from \$9.3 billion to \$12.7 billion.

POLICE AND FIRE FUND*



Fair value of Police and Fire Fund investments increased from \$4.0 billion in 1998 to \$5.1 billion in 2008.

PUBLIC EMPLOYEES CORRECTIONAL FUND*



Created in 1999, the Public Employees Correctional Fund now has investments valued at \$183 million.

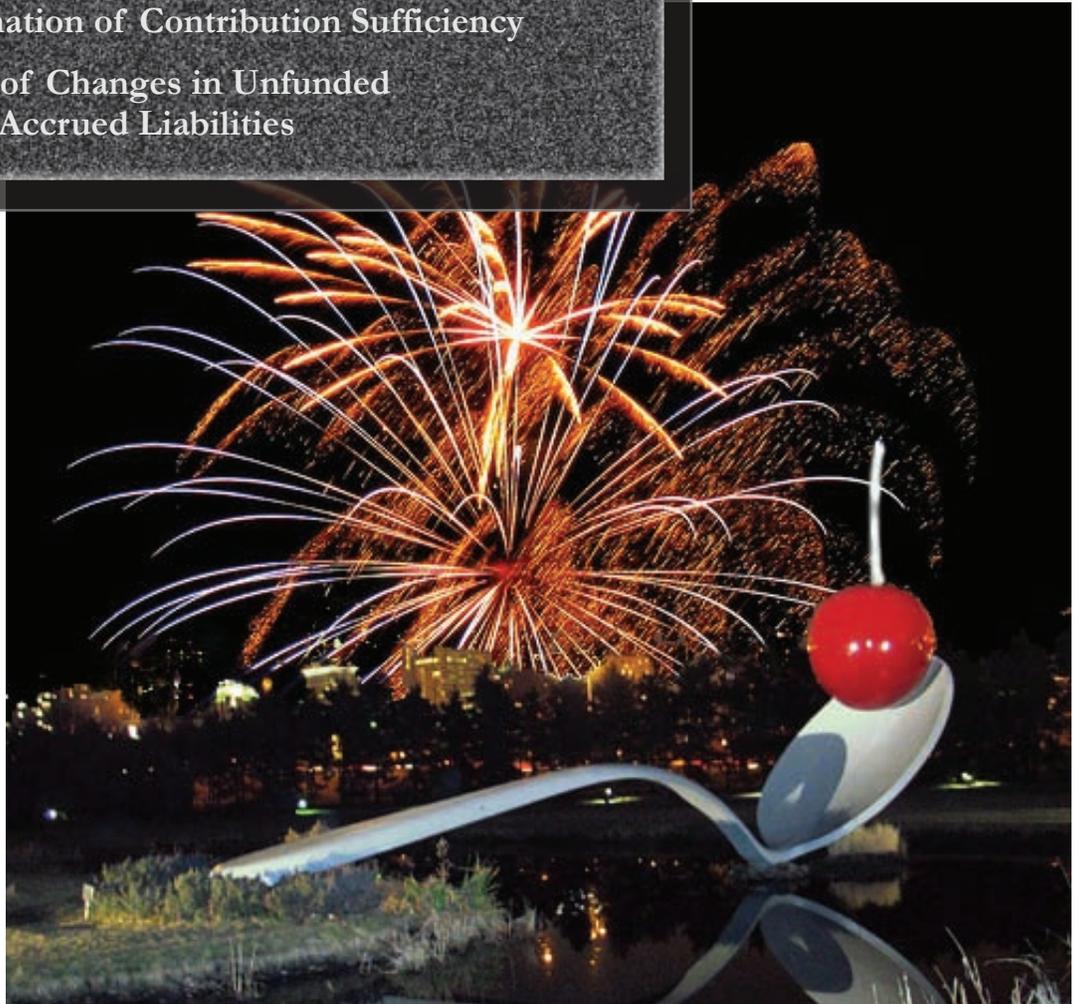
* Charts indicate value of both Active and MPRIF holdings.

THIS PAGE LEFT
BLANK INTENTIONALLY.

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

Minnesota Sesquicentennial 1858-2008



THIS PAGE LEFT
BLANK INTENTIONALLY.

Actuary's Certification Letter



MERCER

 MARSH MERCER KROLL
GUY CARPENTER OLIVER WYMAN

333 South 7th Street, Suite 1600
Minneapolis, MN 55402-2427
612 642 8686 Fax 612 642 8686
www.mercer.com

December 10, 2008

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

Members of the Board:

We have completed our annual actuarial valuation of the Public Employees Retirement Association of Minnesota to test how well the fundamental financing objectives are being achieved and to determine the actuarial status of the Public Employees Retirement Fund (PERF), the Public Employees Police and Fire Fund (PEPFF), and the Public Employees Correctional Fund (PECF) as of June 30, 2008.

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

The results of the valuation indicate that the PERF is 73.60% funded, and the contribution rates are deficient by 1.59% of payroll to meet the target of full funding by 2031. The PEPFF is 88.42% funded, and the contributions are deficient by 5.91% of payroll to meet the 2038 full funding target. The PECF is 100.19% funded, and the contribution rates are 1.08% of payroll higher than what is necessary for that fund to remain fully funded by 2023.

The actuarial valuation was based upon applicable GASB 25 and 50 pronouncements, statutory provisions, and the Standards for Actuarial Work in effect on July 1, 2008. In the aggregate, the basic financial and membership data provided to us as of June 30, 2008 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 Actuarial 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.

Consulting. Outsourcing. Investments.

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

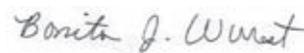
Several actuarial assumptions were changed this year. For all three plans, the payroll growth assumption was lowered from 6.0% to 4.5% per year. Salary increase assumptions were adjusted in the PERF and the PEPFF. Retirement rates were adjusted slightly in the PERF. The full funding date for the PEPFF was moved from 2020 to 2038.

We are not aware of any direct or material indirect financial interest or relationship, including investments or other services that could create a conflict of interest, that would impair the objectivity of our work.

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.



Stephen T. McElhane
FSA, EA, MAAA



Bonita J. Wurst
ASA, EA, MAAA

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 3.0% base inflation assumption.## |
| 7. Active Member Payroll Growth | 4.5% 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 3% base inflation assumption.## |
| 7. Active Member Payroll Growth | 4.5% 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 † 1997 ††† 2000 ‡ 2003 ## 2008
 ** 1989 †† 1999 †††† 2002 # 2007

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 3.0% base inflation assumption.## |
| 7. Active Member Payroll Growth | 4.5% 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 ## 2008

OTHER ASSUMPTIONS

Salary Increases

PERF uses Select Table for first 5 years— $[0.6\% \times (5-T)]$ 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% |

PEPF 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, 2008

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 | 5.40% |
| 25 | 3 | 2 | 1 | 1 | 690 | 690 | 5.40% |
| 30 | 4 | 2 | 2 | 2 | 540 | 540 | 5.20% |
| 35 | 5 | 3 | 5 | 4 | 390 | 420 | 5.00% |
| 40 | 7 | 4 | 9 | 6 | 300 | 350 | 4.80% |
| 45 | 10 | 6 | 14 | 9 | 250 | 300 | 4.60% |
| 50 | 15 | 8 | 23 | 16 | 200 | 250 | 4.40% |
| 55 | 28 | 14 | 49 | 26 | - | - | 4.20% |
| 60 | 48 | 21 | 82 | 46 | - | - | 4.00% |
| 65 | 71 | 35 | - | - | - | - | 4.00% |
| 70 | 111 | 58 | - | - | - | - | 4.00% |

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 | 11.00% |
| 25 | 4 | 2 | 13 | 13 | 324 | 324 | 9.00% |
| 30 | 4 | 2 | 16 | 16 | 190 | 190 | 7.50% |
| 35 | 6 | 3 | 19 | 19 | 146 | 146 | 6.50% |
| 40 | 8 | 4 | 29 | 29 | 126 | 126 | 5.50% |
| 45 | 11 | 6 | 54 | 54 | 91 | 91 | 5.00% |
| 50 | 19 | 9 | 104 | 104 | 50 | 50 | 4.75% |
| 55 | 35 | 15 | 203 | 203 | 11 | 11 | 4.75% |
| 60 | 57 | 23 | - | - | - | - | 4.75% |
| 65 | 84 | 38 | - | - | - | - | 4.75% |
| 70 | 139 | 64 | - | - | - | - | 4.75% |

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 | 7.25% |
| 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, 2008 (in thousands)

PUBLIC EMPLOYEES RETIREMENT FUND

Fair value of assets available for benefits(a) \$ 12,770,183

| Calculation of unrecognized return | <u>Original Amount</u> | <u>% Not Recognized</u> | <u>Unrecognized Return</u> | |
|--|------------------------|-------------------------|----------------------------|----------------------------|
| Year ended June 30, 2008 | \$(941,039) | 80% | \$(752,831) | |
| Year ended June 30, 2007 | 604,970 | 60% | 362,982 | |
| Year ended June 30, 2006 | 211,694 | 40% | 84,678 | |
| Year ended June 30, 2005 | 131,918 | 20% | <u>26,384</u> | |
| Total unrecognized return (b) | | | | \$ (278,787) |
| Actuarial value of assets (a-b) | | | | <u>\$13,048,970</u> |

PUBLIC EMPLOYEES POLICE AND FIRE FUND

Fair value of assets available for benefits(a) \$ 5,110,823

| Calculation of unrecognized return | <u>Original Amount</u> | <u>% Not Recognized</u> | <u>Unrecognized Return</u> | |
|--|------------------------|-------------------------|----------------------------|----------------------------|
| Year ended June 30, 2008 | \$(416,143) | 80% | \$(332,914) | |
| Year ended June 30, 2007 | 270,763 | 60% | 162,458 | |
| Year ended June 30, 2006 | 93,192 | 40% | 37,277 | |
| Year ended June 30, 2005 | 54,937 | 20% | <u>10,987</u> | |
| Total unrecognized return (b) | | | | \$ (122,192) |
| Actuarial value of assets (a-b) | | | | <u>\$ 5,233,015</u> |

PUBLIC EMPLOYEES CORRECTIONAL PLAN

Fair value of assets available for benefits(a) \$ 183,815

| Calculation of unrecognized return | <u>Original Amount</u> | <u>% Not Recognized</u> | <u>Unrecognized Return</u> | |
|--|------------------------|-------------------------|----------------------------|--------------------------|
| Year ended June 30, 2008 | \$(23,619) | 80% | \$(18,895) | |
| Year ended June 30, 2007 | 13,050 | 60% | 7,830 | |
| Year ended June 30, 2006 | 3,875 | 40% | 1,550 | |
| Year ended June 30, 2005 | 1,967 | 20% | <u>393</u> | |
| Total unrecognized return (b) | | | | \$ (9,122) |
| Actuarial value of assets (a-b) | | | | <u>\$ 192,937</u> |

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 |
| 6-30-03 | \$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 |
| 6-30-08 | 2,109,827 | 9,826,846 | 5,793,174 | 13,048,970 | 100 | 100 | 19.2 |

PUBLIC EMPLOYEES POLICE AND FIRE FUND

| Valuation Date | Actuarial Accrued Liability For: | | | Valuation Assets | Portion of Accrued Liabilities Covered by Valuation Assets | | |
|----------------|----------------------------------|---------------------------------------|--|------------------|--|------|--------|
| | Active Member Contribution (1) | Current Retirees and Beneficiaries(2) | Active Members (Employer Financed) Portion (3) | | 1 | 2 | 3 |
| 6-30-03 | \$ 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 |
| 6-30-08 | 440,786 | 3,513,091 | 1,964,184 | 5,233,015 | 100 | 100 | 65.1 |

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 |
| 6-30-03 | \$ 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 |
| 6-30-08 | 44,596 | 55,875 | 92,101 | 192,937 | 100 | 100 | 100.4 |

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> |
|-----------------------|---------------|----------------------------|---------------------------|----------------------------------|
| 6-30-03 | 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 |
| 6-30-08 | 143,562 | 4,952,751,000 | 34,499 | 1.8 |

PUBLIC EMPLOYEES POLICE AND FIRE FUND

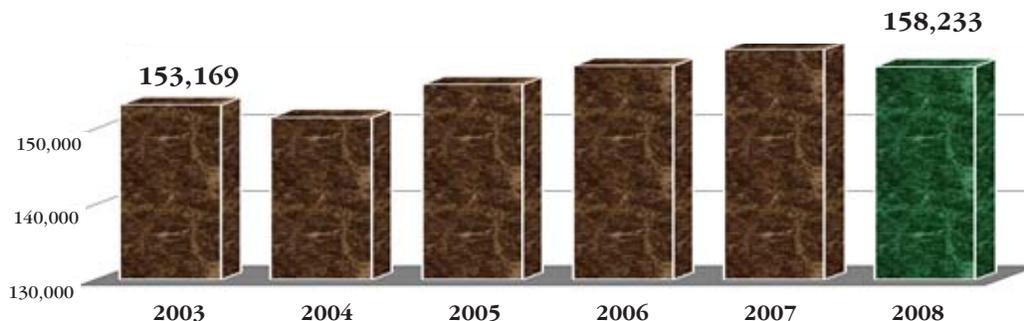
| <u>Valuation Date</u> | <u>Number</u> | <u>Valuation * Payroll</u> | <u>Annual Average Pay</u> | <u>% Increase in Average Pay</u> |
|-----------------------|---------------|----------------------------|---------------------------|----------------------------------|
| 6-30-03 | 9,948 | \$ 546,533,000 | \$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 |
| 6-30-08 | 10,961 | 746,743,000 | 68,127 | 4.4 |

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> |
|-----------------------|---------------|----------------------------|---------------------------|----------------------------------|
| 6-30-03 | 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 |
| 6-30-08 | 3,710 | 163,937,000 | 44,188 | 5.9 |

* Payroll is based on salary at the end of the fiscal year, not on actual payroll during the year as shown in the financial section

RETIREMENT FUND ACTIVE MEMBERS



The number of active employees participating in PERA's three defined benefit plans has increased 3 percent since 2003.

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 | | |
| 6-30-03 | 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 |
| 6-30-08 | 4,552 | 44,106,000 | 2,108 | 2,269,000 | 63,880 | 835,146,000 | 5.3 | 13,074 |

PUBLIC EMPLOYEES POLICE AND FIRE FUND

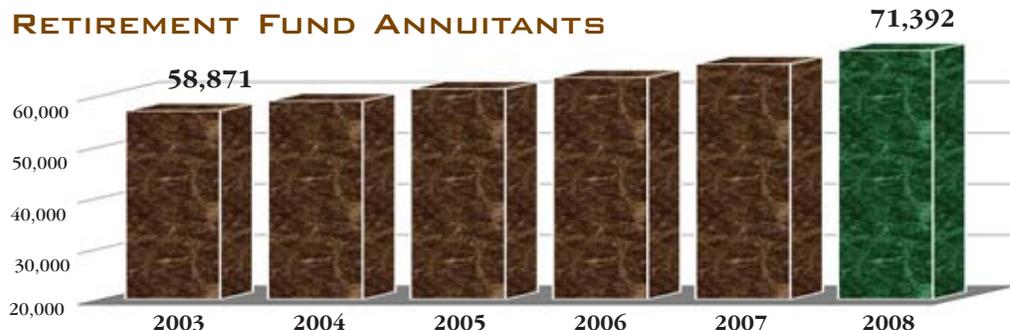
| Year Ended | Added to Rolls | | Removed from Rolls | | Year-End Total | | % Change in Annual Allowances | Average Annual Allowances |
|------------|----------------|--------------------|--------------------|--------------------|----------------|-------------------|-------------------------------|---------------------------|
| | Number Added | Annual Allowances* | Number Removed | Annual Allowances* | Number | Annual Allowances | | |
| 6-30-03 | 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 |
| 6-30-08 | 361 | 18,431,000 | 199 | 631,000 | 7,194 | 300,928,000 | 6.3 | 41,830 |

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 | | |
| 6-30-03 | 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 |
| 6-30-08 | 47 | 427,000 | 4 | 4,000 | 318 | 2,376,000 | 21.6 | 7,471 |

* 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 2003.

Determination of Contribution Sufficiency

As of June 30, 2008 (in thousands)

PUBLIC EMPLOYEES RETIREMENT FUND*

| Statutory Contributions—M.S. Chapter 353 | <u>Percent of Payroll</u> | <u>Dollar Amount</u> |
|--|---------------------------|--------------------------|
| Employee Contributions | 6.00% | \$ 297,220 |
| Employer Contributions | <u>6.63%</u> | <u>328,211</u> |
| Total (a) | 12.63% | \$625,431 |
| Actuarially Required Contributions—M.S. Chapter 356 | | |
| Normal Cost | | |
| Retirement | 5.74% | \$ 284,095 |
| Disability | 0.37% | 18,318 |
| Death | 0.12% | 6,002 |
| Withdrawal | <u>1.51%</u> | <u>74,696</u> |
| Total | 7.74% | \$ 383,111 |
| Amortization of Supplemental Contribution (UALL) | 6.29% | 311,528 |
| Allowance for Administrative Expenses | <u>0.19%</u> | <u>9,410</u> |
| Total (b) | 14.22% | \$704,049 |
| Contribution Sufficiency(Deficiency) (a - b) | <u>-1.59%</u> | <u>\$(78,618)</u> |

PUBLIC EMPLOYEES POLICE AND FIRE FUND*

| Statutory Contributions—M.S. Chapter 353 | <u>Percent of Payroll</u> | <u>Dollar Amount</u> |
|--|---------------------------|--------------------------|
| Employee Contributions | 9.00% | \$ 67,207 |
| Employer Contributions | <u>13.50%</u> | <u>100,810</u> |
| Total (a) | 22.50% | \$168,017 |
| Actuarially Required Contributions—M.S. Chapter 356 | | |
| Normal Cost | | |
| Retirement | 16.93% | \$126,430 |
| Disability | 3.75% | 28,027 |
| Death | 0.89% | 6,611 |
| Withdrawal | <u>1.50%</u> | <u>11,205</u> |
| Total | 23.07% | \$172,273 |
| Amortization of Supplemental Contribution (UALL) | 5.23% | 39,055 |
| Allowance for Administrative Expenses | <u>0.11%</u> | <u>821</u> |
| Total (b) | 28.41% | \$212,149 |
| Contribution Sufficiency(Deficiency) (a - b) | <u>-5.91%</u> | <u>\$(44,132)</u> |

PUBLIC EMPLOYEES CORRECTIONAL FUND*

| Statutory Contributions—M.S. Chapter 353 | <u>Percent of Payroll</u> | <u>Dollar Amount</u> |
|--|---------------------------|------------------------|
| Employee Contributions | 5.83% | \$ 9,558 |
| Employer Contributions | <u>8.75%</u> | <u>14,344</u> |
| Total (a) | 14.58% | \$ 23,902 |
| Actuarially Required Contributions—M.S. Chapter 356 | | |
| Normal Cost | | |
| Retirement | 8.69% | \$ 14,249 |
| Disability | 1.92% | 3,145 |
| Death | 0.39% | 642 |
| Withdrawal | <u>2.37%</u> | <u>3,882</u> |
| Total | 13.37% | \$ 21,918 |
| Amortization of Supplemental Contribution (UALL) | -0.01% | (16) |
| Allowance for Administrative Expenses | <u>0.14%</u> | <u>229</u> |
| Total (b) | 13.50% | \$ 22,131 |
| Contribution Sufficiency(Deficiency) (a - b) | <u>1.08%</u> | <u>\$ 1,771</u> |

* Projected annual payroll for fiscal year beginning July 1, 2008:
 PERF — \$4,952,751 PEPFF — \$746,743 PECF — \$163,937

Schedule of Changes in Unfunded Actuarial Accrued Liabilities (UAAL)

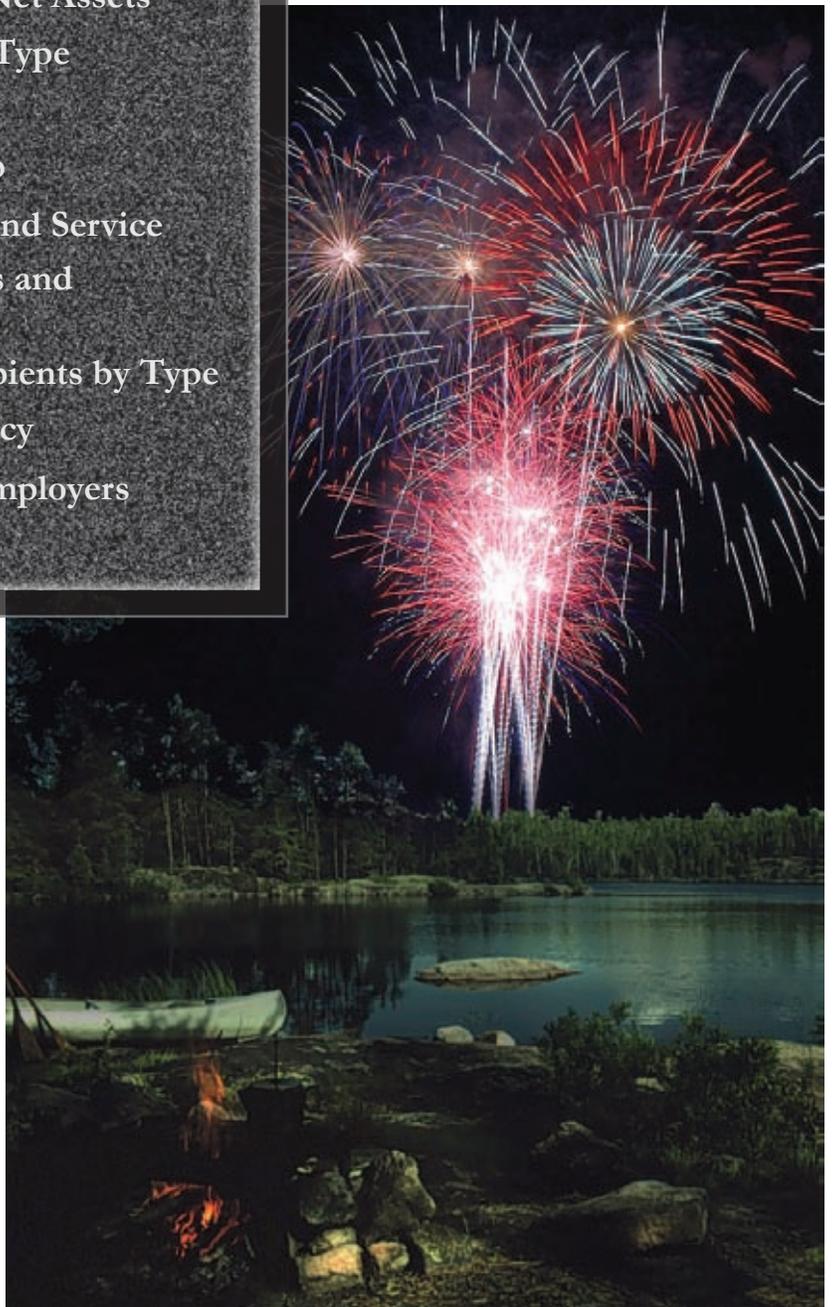
For the Fiscal Year Ended June 30, 2008 (in thousands)

| | PERF | PEPFF | PECF |
|--|---------------------------|-------------------------|------------------------|
| A. UAAL at Beginning of Year (7/1/07) | \$4,720,303 | \$470,425 | \$ 2,621 |
| B. Change Due to Interest Requirements and Current Rate of Funding | | | |
| 1. Normal Cost and Expenses | 394,908 | 156,074 | 18,198 |
| 2. Contributions | (583,311) | (145,282) | (22,310) |
| 3. Interest on A, B1 and B2 | <u>393,219</u> | <u>40,445</u> | <u>48</u> |
| C. Expected UAAL at End of Year (A+B) | \$4,925,119 | \$521,662 | \$(1,443) |
| 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. | (26,366) | (28,253) | (341) |
| 2. Investment Return. If there is greater investment return than assumed, there is a gain; if less, a loss. | 758,806 | 249,139 | 311 |
| 3. MPRIF Mortality. If Post Fund annuitants live longer than assumed, there is a loss; if not as long, a gain. | (41,757) | 39,323 | (399) |
| 4. Mortality of Other Benefit Recipients. If other benefit recipients live longer than assumed, there is a loss; if less, there is a gain | 584 | 1,899 | 18 |
| 5. Other Items. Miscellaneous gains and losses resulting from salary increases, mortality, withdrawal, etc. | <u>(580,869)</u> | <u>(79,796)</u> | <u>1,489</u> |
| E. UAAL at End of Year Before Plan Amendments and changes in Actuarial Assumption (C+D) | \$5,035,517 | \$703,974 | \$ (365) |
| F. Change in UAAL Due to Change in Asset Valuation Method | 0 | 28,204 | 0 |
| G. Change in UAAL Due to Change in Plan Provisions | <u>(354,640)</u> | <u>(47,132)</u> | <u>0</u> |
| H. UAAL at End of Year 6/30/07 (E+F+G) | <u>\$4,680,877</u> | <u>\$685,046</u> | <u>\$ (365)</u> |

Statistical Section

Introduction
Schedule of Changes in Net Assets
Benefits and Refunds by Type
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

Minnesota Sesquicentennial 1858-2008



THIS PAGE LEFT
BLANK INTENTIONALLY.

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



December 1, 2008

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. Benefits and refunds are then broken down by type. The Revenues and Expenses graph on page 62 shows that two thirds 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 63. Active membership has increased 7 percent during that time period, while the number of benefit recipients has increased 41 percent and the number of terminated vested members has increased 212 percent. The graphs on page 64 show the distribution of our active membership as of 6/30/08.

Information about our benefit recipients is provided on pages 65 through 71, 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 Besongge".

Assistant Executive Director,
Finance and IS

Schedule of Changes in Net Assets

Last 10 Fiscal Years (in thousands)

PUBLIC EMPLOYEES RETIREMENT FUND

| | 1999 | 2000 | 2001 | 2002 |
|--|--------------------|--------------------|----------------------|----------------------|
| ADDITIONS | | | | |
| Employer Contributions | \$ 173,370 | \$ 186,637 | \$ 188,208 | \$ 206,982 |
| Member Contributions | 158,475 | 171,073 | 173,380 | 191,422 |
| Investment Income (net of expense) | 1,052,303 | 914,574 | (754,349) | (765,319) |
| Other | 2,405 | 1,299 | 1,907 | 3,692 |
| Total Additions to Plan Net Assets | \$1,386,553 | \$1,273,583 | \$ (390,854) | \$ (363,223) |
| DEDUCTIONS | | | | |
| Benefits | \$ 467,601 | \$ 527,119 | \$ 592,210 | \$ 642,088 |
| Refunds | 17,219 | 19,366 | 18,768 | 16,267 |
| Administrative Expenses | 9,631 | 8,329 | 8,344 | 8,680 |
| Other | 1,618 | 1,527 | 2,441 | 2,356 |
| Total Deductions From Plan Net Assets | \$ 496,069 | \$ 556,341 | \$ 621,763 | \$ 669,391 |
| Change in Plan Net Assets | \$ 890,484 | \$ 717,242 | \$(1,012,617) | \$(1,032,614) |

PUBLIC EMPLOYEES POLICE AND FIRE FUND

| | 1999* | 2000 | 2001 | 2002 |
|--|------------------|------------------|--------------------|--------------------|
| ADDITIONS | | | | |
| Employer Contributions | \$ 57,849 | \$ 53,178 | \$ 52,960 | \$ 90,664 |
| Member Contributions | 34,326 | 31,213 | 31,341 | 33,801 |
| Investment Income (net of expense) | 459,801 | 439,566 | (334,406) | (328,160) |
| Other | 2,387 | 503 | 2,744 | 1,937 |
| Total Additions to Plan Net Assets | \$554,363 | \$524,460 | \$(247,361) | \$(201,758) |
| DEDUCTIONS | | | | |
| Benefits | \$139,452 | \$165,719 | \$192,246 | \$212,405 |
| Refunds | 1,106 | 94,754 | 3,358 | 711 |
| Administrative Expenses | 1,015 | 679 | 639 | 647 |
| Other | 410 | 1,549 | 447 | 255 |
| Total Deductions From Plan Net Assets | \$141,983 | \$262,701 | \$ 196,690 | \$214,018 |
| Change in Plan Net Assets | \$412,380 | \$261,759 | \$(444,051) | \$(415,776) |

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

| | 1999** | 2000 | 2001 | 2002 |
|--|--------|-----------------|-----------------|-----------------|
| ADDITIONS | | | | |
| Employer Contributions | | \$ 6,487 | \$ 8,054 | \$ 8,830 |
| Member Contributions | | 4,382 | 5,308 | 5,882 |
| Investment Income (net of expense) | | 253 | (750) | (2,290) |
| Other | | 32 | 20 | 12 |
| Total Additions to Plan Net Assets | | \$11,154 | \$12,632 | \$12,434 |
| DEDUCTIONS | | | | |
| Benefits | | \$ 20 | \$ 173 | \$ 338 |
| Refunds | | 30 | 160 | 272 |
| Administrative Expenses | | 111 | 130 | 137 |
| Other | | 0 | 1 | 1 |
| Total Deductions From Plan Net Assets | | \$ 161 | \$ 464 | \$ 748 |
| Change in Plan Net Assets | | \$10,993 | \$12,168 | \$11,686 |

* Includes Police & Fire Consolidation Fund
 ** Fund not established until July 1999

| 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| \$221,689 | \$ 225,744 | \$ 232,963 | \$ 255,531 | \$ 283,419 | \$ 303,304 |
| 205,963 | 215,697 | 216,701 | 235,901 | 260,907 | 280,007 |
| 199,769 | 1,434,654 | 1,047,792 | 1,331,296 | 2,206,085 | (669,406) |
| 3,609 | 4,437 | 4,310 | 4,094 | 4,229 | 3,681 |
| <u>\$631,030</u> | <u>\$1,880,532</u> | <u>\$1,501,766</u> | <u>\$1,826,822</u> | <u>\$2,754,640</u> | <u>\$ (82,414)</u> |

| | | | | | |
|--------------------|--------------------|------------------|--------------------|--------------------|--------------------|
| \$664,459 | \$ 687,124 | \$715,043 | \$ 748,391 | \$ 784,013 | \$ 824,372 |
| 18,242 | 22,556 | 24,952 | 26,452 | 25,745 | 28,772 |
| 8,628 | 8,830 | 9,118 | 9,029 | 9,061 | 9,473 |
| 1,374 | 2,725 | 2,040 | 3,093 | 2,918 | 3,245 |
| <u>\$692,703</u> | <u>\$ 721,235</u> | <u>\$751,153</u> | <u>\$ 786,965</u> | <u>\$ 821,737</u> | <u>\$ 865,862</u> |
| <u>\$ (61,673)</u> | <u>\$1,159,297</u> | <u>\$750,613</u> | <u>\$1,039,857</u> | <u>\$1,932,903</u> | <u>\$(948,276)</u> |

| 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|------------------|------------------|------------------|------------------|--------------------|--------------------|
| \$ 50,917 | \$52,769 | \$ 55,802 | \$ 63,603 | \$ 74,707 | \$ 87,023 |
| 34,751 | 36,313 | 37,873 | 42,970 | 50,689 | 58,259 |
| 76,117 | 578,008 | 435,327 | 543,959 | 882,408 | (266,573) |
| 3,281 | 2,733 | 2,113 | 1,917 | 1,671 | 1,029 |
| <u>\$165,066</u> | <u>\$669,823</u> | <u>\$531,115</u> | <u>\$652,449</u> | <u>\$1,009,475</u> | <u>\$(120,262)</u> |

| | | | | | |
|--------------------|------------------|------------------|------------------|-------------------|--------------------|
| \$225,434 | \$237,442 | \$251,429 | \$264,601 | \$ 280,267 | \$ 295,994 |
| 643 | 644 | 734 | 867 | 874 | 1,496 |
| 675 | 712 | 703 | 707 | 678 | 745 |
| 301 | 541 | 477 | 295 | 248 | 342 |
| <u>\$227,053</u> | <u>\$239,339</u> | <u>\$253,343</u> | <u>\$266,470</u> | <u>\$ 282,067</u> | <u>\$ 298,577</u> |
| <u>\$ (61,987)</u> | <u>\$430,484</u> | <u>\$277,772</u> | <u>\$385,979</u> | <u>\$ 727,408</u> | <u>\$(418,839)</u> |

| 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| \$ 9,645 | \$10,029 | \$10,814 | \$11,826 | \$12,499 | \$13,388 |
| 6,430 | 6,672 | 7,192 | 7,881 | 8,335 | 8,922 |
| 1,386 | 9,131 | 8,714 | 12,995 | 25,081 | (9,552) |
| 11 | 4 | 9 | 11 | 22 | 16 |
| <u>\$17,472</u> | <u>\$25,836</u> | <u>\$26,729</u> | <u>\$32,713</u> | <u>\$45,937</u> | <u>\$12,774</u> |

| | | | | | |
|-----------------|-----------------|-----------------|-----------------|-----------------|----------------|
| \$ 559 | \$ 805 | \$ 1,041 | \$ 1,341 | \$ 1,836 | \$2,268 |
| 409 | 588 | 691 | 619 | 474 | 724 |
| 149 | 162 | 176 | 186 | 185 | 213 |
| 2 | 5 | 9 | 4 | 12 | 34 |
| <u>\$ 1,119</u> | <u>\$ 1,560</u> | <u>\$ 1,917</u> | <u>\$ 2,150</u> | <u>\$ 2,507</u> | <u>\$3,239</u> |
| <u>\$16,353</u> | <u>\$24,276</u> | <u>\$24,812</u> | <u>\$30,563</u> | <u>\$43,430</u> | <u>\$9,535</u> |

Benefits and Refunds by Type

Last 10 Fiscal Years (in thousands)

PUBLIC EMPLOYEES RETIREMENT FUND

| | 1999 | 2000 | 2001 | 2002 |
|--------------------------|------------------|------------------|------------------|------------------|
| BENEFITS BY TYPE: | | | | |
| Retirement | \$439,892 | \$497,357 | \$559,482 | \$609,850 |
| Survivor | 16,603 | 17,282 | 18,650 | 16,718 |
| Disability | <u>11,106</u> | <u>12,480</u> | <u>14,078</u> | <u>15,520</u> |
| Total | \$467,601 | \$527,119 | \$592,210 | \$642,088 |
| REFUNDS BY TYPE: | | | | |
| Separation | \$ 12,165 | \$ 13,667 | \$ 12,977 | \$ 11,933 |
| Death | 798 | 903 | 975 | 202 |
| Interest/Employer | <u>4,256</u> | <u>4,796</u> | <u>4,816</u> | <u>4,132</u> |
| Total | \$ 17,219 | \$ 19,366 | \$ 18,768 | \$ 16,267 |

PUBLIC EMPLOYEES POLICE AND FIRE FUND

| | 1999* | 2000 | 2001 | 2002 |
|--------------------------|----------|------------------|------------------|------------------|
| BENEFITS BY TYPE: | | | | |
| Retirement | | \$140,927 | \$162,863 | \$178,965 |
| Survivor | | 9,858 | 11,149 | 11,691 |
| Disability | | <u>14,934</u> | <u>18,234</u> | <u>21,749</u> |
| Total | — | \$165,719 | \$192,246 | \$212,405 |
| REFUNDS BY TYPE: | | | | |
| Separation | | \$ 649 | \$ 666 | \$ 407 |
| Death | | 68 | 20 | 0 |
| Interest/Employer | | <u>94,037</u> | <u>2,672</u> | <u>304</u> |
| Total | — | \$ 94,754 | \$ 3,358 | \$ 711 |

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

| | 1999 | 2000 | 2001 | 2002 |
|--------------------------|----------|-------------|--------------|--------------|
| BENEFITS BY TYPE: | | | | |
| Retirement | | \$ 2 | \$ 12 | \$ 32 |
| Survivor | | 0 | 0 | 0 |
| Disability | | <u>18</u> | <u>161</u> | <u>306</u> |
| Total | — | \$20 | \$173 | \$338 |
| REFUNDS BY TYPE: | | | | |
| Separation | | \$29 | \$160 | \$251 |
| Death | | 0 | 0 | 0 |
| Interest/Employer | | <u>1</u> | <u>0</u> | <u>21</u> |
| Total | — | \$30 | \$160 | \$272 |

* Information not available.

| 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---------------|---------------|---------------|---------------|---------------|---------------|
| \$633,640 | \$656,072 | \$683,439 | \$715,858 | \$751,396 | \$791,449 |
| 14,438 | 13,625 | 13,026 | 12,544 | 12,100 | 11,424 |
| <u>16,381</u> | <u>17,427</u> | <u>18,578</u> | <u>19,989</u> | <u>20,517</u> | <u>21,499</u> |
| \$664,459 | \$687,124 | \$715,043 | \$748,391 | \$784,013 | \$824,372 |

| | | | | | |
|--------------|--------------|--------------|--------------|--------------|--------------|
| \$ 13,255 | \$ 16,174 | \$ 17,901 | \$ 18,110 | \$ 17,494 | \$ 19,970 |
| 136 | 115 | 224 | 286 | 379 | 393 |
| <u>4,851</u> | <u>6,267</u> | <u>6,827</u> | <u>8,056</u> | <u>7,872</u> | <u>8,409</u> |
| \$ 18,242 | \$ 22,556 | \$ 24,952 | \$ 26,452 | \$ 25,745 | \$ 28,772 |

| 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---------------|---------------|---------------|---------------|---------------|---------------|
| \$189,640 | \$199,721 | \$211,389 | \$221,418 | \$233,941 | \$247,667 |
| 11,698 | 11,815 | 12,134 | 12,957 | 13,079 | 13,237 |
| <u>24,096</u> | <u>25,906</u> | <u>27,906</u> | <u>30,226</u> | <u>33,247</u> | <u>35,090</u> |
| \$225,434 | \$237,442 | \$251,429 | \$264,601 | \$280,267 | \$295,994 |

| | | | | | |
|------------|------------|------------|------------|------------|------------|
| \$ 469 | \$ 458 | \$ 534 | \$ 512 | \$ 538 | \$ 890 |
| 0 | 2 | 0 | 0 | 0 | 39 |
| <u>174</u> | <u>184</u> | <u>200</u> | <u>355</u> | <u>336</u> | <u>567</u> |
| \$ 643 | \$ 644 | \$ 734 | \$ 867 | \$ 874 | \$ 1,496 |

| 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|------------|------------|------------|------------|--------------|--------------|
| \$ 74 | \$160 | \$ 260 | \$ 400 | \$ 624 | \$ 863 |
| 1 | 1 | 1 | 1 | 9 | 12 |
| <u>484</u> | <u>644</u> | <u>780</u> | <u>940</u> | <u>1,203</u> | <u>1,393</u> |
| \$559 | \$805 | \$1,041 | \$1,341 | \$1,836 | \$2,268 |

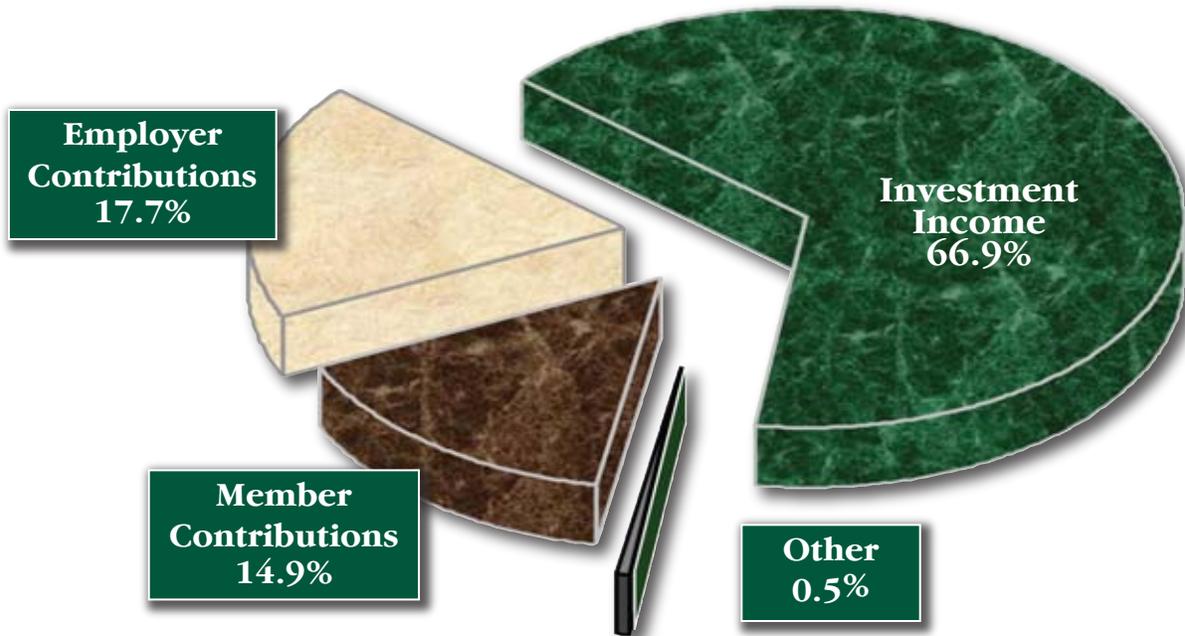
| | | | | | |
|-----------|------------|-----------|-----------|-----------|------------|
| \$358 | \$451 | \$ 601 | \$ 530 | \$ 395 | \$ 606 |
| 4 | 0 | 0 | 0 | 5 | 0 |
| <u>47</u> | <u>137</u> | <u>90</u> | <u>89</u> | <u>73</u> | <u>118</u> |
| \$409 | \$588 | \$ 691 | \$ 619 | \$ 473 | \$ 724 |

Revenues and Expenses

Average over last 20 years

REVENUES BY SOURCE (FY1989 - FY2008)

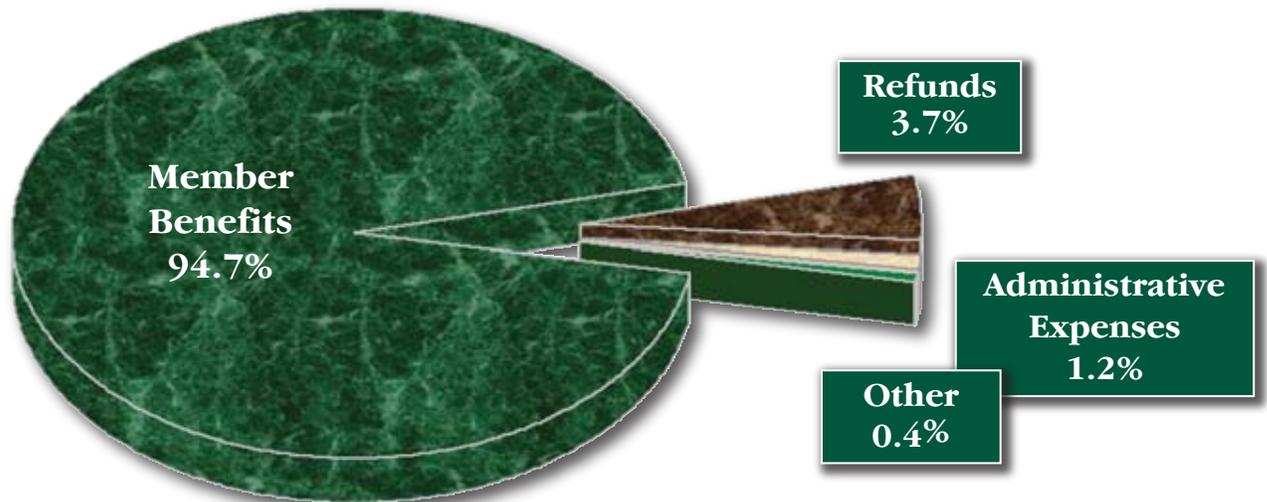
All Funds



Over the past 20 years, investment earnings have been responsible for two thirds of PERA's revenues.

EXPENSE BY TYPE (FY1989 - FY2008)

All Funds



Since FY1989, benefits for its members has represented nearly 95 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> |
|--------------------|---------------|---------------------------|--------------------------|------------------------------|--------------|
| 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 |
| 2008 | 143,562 | 63,880 | 43,984 | 116,805 | 368,231 |

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> |
|--------------------|---------------|---------------------------|--------------------------|------------------------------|--------------|
| 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 |
| 2008 | 10,961 | 7,194 | 1,242 | 879 | 20,276 |

*includes Police & Fire Consolidation Fund

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

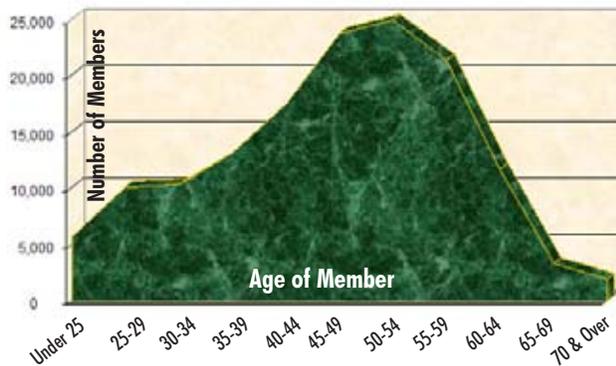
| <u>Fiscal Year</u> | <u>Active</u> | <u>Benefit Recipients</u> | <u>Terminated Vested</u> | <u>Terminated Non-Vested</u> | <u>Total</u> |
|--------------------|---------------|---------------------------|--------------------------|------------------------------|--------------|
| 2000 | 2,781 | 12 | 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 |
| 2008 | 3,710 | 318 | 1,520 | 1,473 | 7,021 |

Active Members

By Age and Service as of June 30, 2008

PUBLIC EMPLOYEES RETIREMENT FUND

Active Members by Age

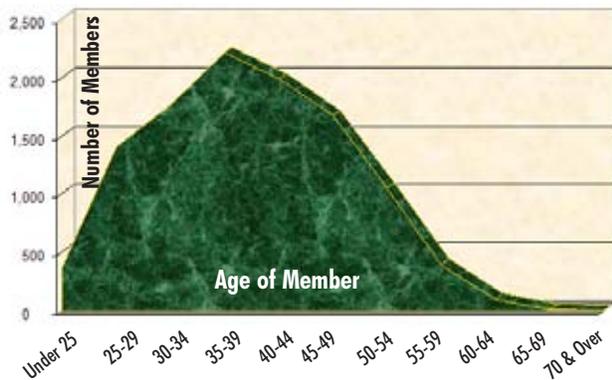


Active Members by Years of Service



PUBLIC EMPLOYEES POLICE AND FIRE FUND

Active Members by Age

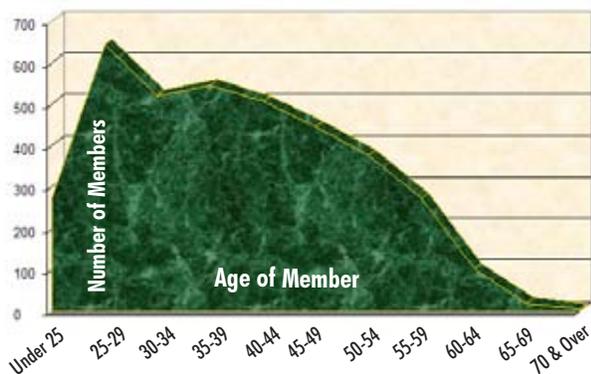


Active Members by Years of Service

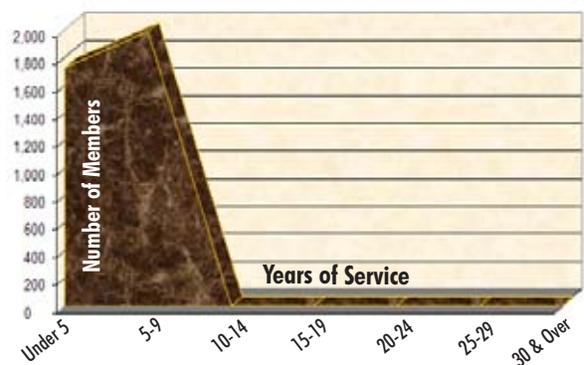


PUBLIC EMPLOYEES CORRECTIONAL FUND (ESTABLISHED 7/1/99)

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+ |
| 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 |
| 2008 | | | | | | | |
| Average monthly benefit | \$ 109 | \$ 246 | \$ 412 | \$ 713 | \$1,010 | \$1,448 | \$2,287 |
| Average high five salary | \$3,147 | \$2,218 | \$2,266 | \$2,796 | \$3,094 | \$3,441 | \$4,271 |
| Number of retirants | 416 | 585 | 544 | 513 | 554 | 466 | 715 |

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+ |
| 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 retirants | 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 retirants | 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 retirants | 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 retirants | 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 retirants | 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 retirants | 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 retirants | 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 retirants | 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 retirants | 5 | 15 | 13 | 22 | 47 | 119 | 66 |
| 2008 | | | | | | | |
| Average monthly benefit | \$ 452 | \$1,035 | \$1,657 | \$2,852 | \$3,638 | \$4,675 | \$5,542 |
| Average high five salary | \$4,660 | \$5,078 | \$4,384 | \$5,409 | \$5,455 | \$5,813 | \$5,978 |
| Number of retirants | 14 | 15 | 20 | 13 | 39 | 87 | 56 |

Schedule of New Retirees and Initial Benefit Paid

Last 9 Years*

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

| | Years of Credited Service | | | | | | |
|--------------------------|---------------------------|------------|--------------|--------------|--------------|--------------|------------|
| | <u>0-4</u> | <u>5-9</u> | <u>10-14</u> | <u>15-19</u> | <u>20-24</u> | <u>25-29</u> | <u>30+</u> |
| 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 | \$ 243 | \$ 559 | | | | | |
| Average high five salary | \$3,484 | \$4,706 | | | | | |
| Number of retirants | 23 | 1 | | | | | |
| 2005 | | | | | | | |
| Average monthly benefit | \$ 181 | \$ 450 | | | | | |
| Average high five salary | \$2,902 | \$4,223 | | | | | |
| Number of retirants | 14 | 17 | | | | | |
| 2006 | | | | | | | |
| Average monthly benefit | \$ 454 | \$ 464 | | | | | |
| Average high five salary | \$4,262 | \$3,761 | | | | | |
| Number of retirants | 8 | 23 | | | | | |
| 2007 | | | | | | | |
| Average monthly benefit | \$ 183 | \$ 553 | | | | | |
| Average high five salary | \$2,671 | \$3,993 | | | | | |
| Number of retirants | 8 | 25 | | | | | |
| 2008 | | | | | | | |
| Average monthly benefit | \$ 422 | \$ 625 | | | | | |
| Average high five salary | \$2,633 | \$4,127 | | | | | |
| Number of retirants | 9 | 27 | | | | | |

*Fund not established until July 1999.

Schedule of Benefit Recipients by Type

As of June 30, 2008

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 | 14,661 | 13,168 | 335 | 807 | 351 | 10,362 | 3,060 | 159 | 606 | 226 | 248 |
| 251 - 500 | 11,585 | 9,907 | 403 | 882 | 393 | 7,824 | 2,108 | 154 | 844 | 280 | 375 |
| 501 - 750 | 8,441 | 7,155 | 226 | 749 | 311 | 5,434 | 1,606 | 146 | 810 | 244 | 201 |
| 751 - 1,000 | 6,243 | 5,294 | 125 | 544 | 280 | 3,915 | 1,178 | 132 | 634 | 275 | 109 |
| 1,001 - 1,250 | 4,790 | 4,036 | 100 | 420 | 234 | 2,760 | 943 | 140 | 616 | 241 | 90 |
| 1,251 - 1,500 | 3,571 | 2,999 | 108 | 298 | 166 | 1,909 | 712 | 141 | 519 | 190 | 100 |
| 1,501 - 1,750 | 2,577 | 2,141 | 78 | 240 | 118 | 1,336 | 483 | 110 | 438 | 137 | 73 |
| 1,751 - 2,000 | 1,984 | 1,621 | 60 | 222 | 81 | 1,007 | 349 | 108 | 335 | 126 | 59 |
| 2,001 - 2,250 | 1,636 | 1,310 | 70 | 215 | 41 | 705 | 355 | 80 | 316 | 113 | 67 |
| 2,251 - 2,500 | 1,329 | 1,095 | 54 | 154 | 26 | 591 | 266 | 67 | 275 | 79 | 51 |
| 2,501 - 2,750 | 1,080 | 915 | 23 | 125 | 17 | 465 | 236 | 60 | 223 | 75 | 21 |
| 2,751 - 3,000 | 909 | 761 | 27 | 110 | 11 | 380 | 181 | 52 | 211 | 58 | 27 |
| 3,001 - 3,250 | 790 | 691 | 21 | 73 | 5 | 306 | 183 | 46 | 187 | 50 | 18 |
| 3,251 - 3,500 | 637 | 546 | 14 | 75 | 2 | 233 | 164 | 39 | 154 | 35 | 12 |
| 3,501 - 3,750 | 577 | 484 | 15 | 78 | 0 | 189 | 137 | 42 | 152 | 42 | 15 |
| 3,751 - 4,000 | 436 | 385 | 7 | 42 | 2 | 150 | 112 | 23 | 116 | 29 | 6 |
| 4,001 - 4,250 | 436 | 390 | 2 | 44 | 0 | 149 | 107 | 38 | 115 | 25 | 2 |
| 4,251 - 4,500 | 353 | 308 | 5 | 36 | 4 | 116 | 94 | 22 | 90 | 26 | 5 |
| 4,501 - 4,750 | 304 | 269 | 0 | 34 | 1 | 105 | 75 | 19 | 91 | 14 | 0 |
| 4,751 - 5,000 | 239 | 210 | 1 | 27 | 1 | 88 | 58 | 17 | 58 | 17 | 1 |
| 5,001 - 5,250 | 214 | 193 | 3 | 17 | 1 | 84 | 42 | 15 | 58 | 12 | 3 |
| 5,251 - 5,500 | 162 | 143 | 2 | 16 | 1 | 58 | 45 | 7 | 41 | 9 | 2 |
| 5,501 - 5,750 | 146 | 131 | 0 | 15 | 0 | 45 | 38 | 7 | 43 | 13 | 0 |
| 5,751 - 6,000 | 121 | 109 | 0 | 12 | 0 | 45 | 35 | 6 | 30 | 5 | 0 |
| Over \$6,000 | 659 | 594 | 5 | 60 | 0 | 185 | 176 | 47 | 206 | 40 | 5 |
| Totals | 63,880 | 54,855 | 1,684 | 5,295 | 2,046 | 38,441 | 12,743 | 1,677 | 7,168 | 2,361 | 1,490 |

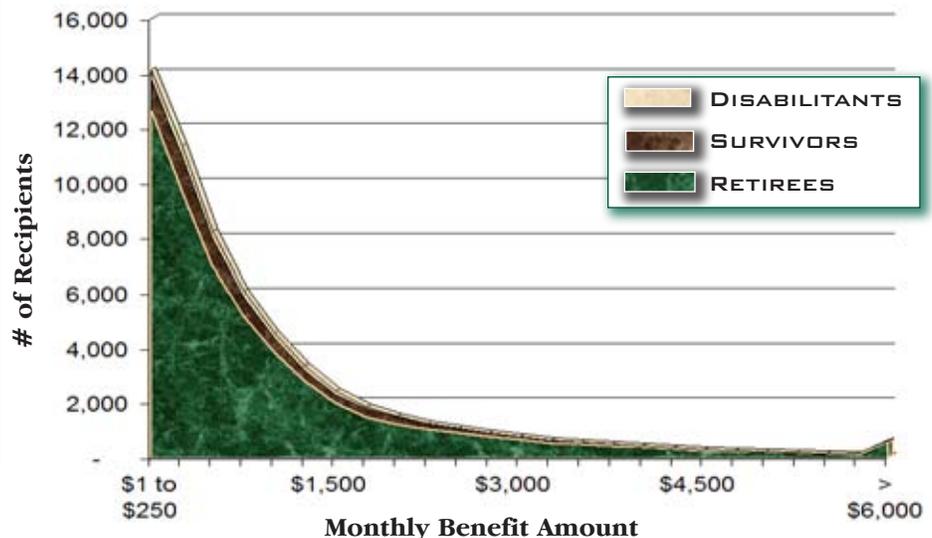
Type of Benefit

- 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



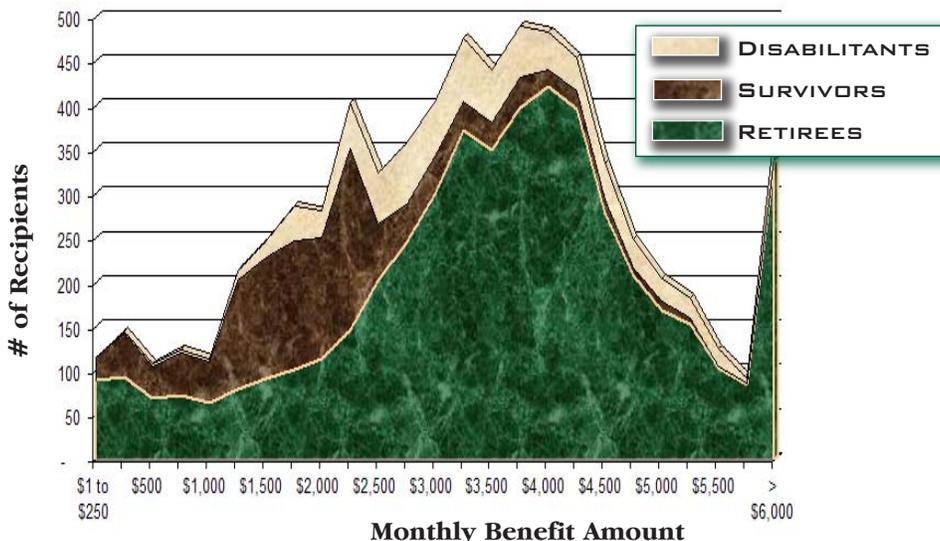
Schedule of Benefit Recipients by Type

As of June 30, 2008

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 | 116 | 91 | 7 | 17 | 1 | 0 | 44 | 45 | 1 | 11 | 5 | 10 |
| 251 - 500 | 151 | 102 | 23 | 24 | 2 | 0 | 51 | 36 | 3 | 21 | 8 | 32 |
| 501 - 750 | 104 | 69 | 14 | 19 | 1 | 1 | 27 | 36 | 1 | 22 | 3 | 15 |
| 751 - 1,000 | 125 | 79 | 7 | 33 | 5 | 1 | 43 | 29 | 4 | 27 | 5 | 17 |
| 1,001 - 1,250 | 124 | 66 | 18 | 37 | 3 | 0 | 39 | 33 | 1 | 15 | 5 | 31 |
| 1,251 - 1,500 | 206 | 80 | 39 | 77 | 8 | 2 | 40 | 42 | 4 | 29 | 3 | 88 |
| 1,501 - 1,750 | 235 | 87 | 43 | 88 | 13 | 4 | 46 | 39 | 6 | 43 | 6 | 95 |
| 1,751 - 2,000 | 262 | 105 | 45 | 76 | 23 | 13 | 71 | 40 | 10 | 34 | 7 | 100 |
| 2,001 - 2,250 | 292 | 112 | 67 | 83 | 13 | 17 | 59 | 56 | 9 | 39 | 8 | 121 |
| 2,251 - 2,500 | 400 | 141 | 72 | 132 | 22 | 33 | 92 | 56 | 12 | 46 | 10 | 184 |
| 2,501 - 2,750 | 322 | 185 | 29 | 51 | 14 | 43 | 89 | 74 | 17 | 45 | 12 | 85 |
| 2,751 - 3,000 | 330 | 231 | 12 | 25 | 7 | 55 | 109 | 71 | 38 | 36 | 14 | 62 |
| 3,001 - 3,250 | 409 | 284 | 18 | 30 | 10 | 67 | 135 | 86 | 31 | 63 | 15 | 79 |
| 3,251 - 3,500 | 448 | 332 | 11 | 34 | 14 | 57 | 130 | 104 | 30 | 54 | 28 | 102 |
| 3,501 - 3,750 | 454 | 372 | 9 | 15 | 14 | 44 | 145 | 65 | 40 | 82 | 26 | 96 |
| 3,751 - 4,000 | 461 | 371 | 10 | 22 | 20 | 38 | 148 | 83 | 40 | 70 | 24 | 96 |
| 4,001 - 4,250 | 480 | 410 | 7 | 21 | 15 | 27 | 143 | 71 | 55 | 76 | 26 | 109 |
| 4,251 - 4,500 | 470 | 402 | 12 | 12 | 14 | 30 | 124 | 59 | 43 | 94 | 30 | 120 |
| 4,501 - 4,750 | 392 | 336 | 6 | 9 | 20 | 21 | 108 | 55 | 50 | 75 | 15 | 89 |
| 4,751 - 5,000 | 291 | 245 | 5 | 4 | 13 | 24 | 85 | 42 | 37 | 60 | 29 | 38 |
| 5,001 - 5,250 | 220 | 183 | 5 | 5 | 13 | 14 | 70 | 42 | 25 | 57 | 18 | 8 |
| 5,251 - 5,500 | 199 | 171 | 4 | 3 | 12 | 9 | 63 | 29 | 29 | 58 | 18 | 2 |
| 5,501 - 5,750 | 145 | 119 | 0 | 2 | 10 | 14 | 52 | 22 | 22 | 38 | 10 | 1 |
| 5,751 - 6,000 | 126 | 109 | 0 | 4 | 5 | 8 | 46 | 19 | 17 | 37 | 6 | 1 |
| Over \$6,000 | <u>432</u> | <u>397</u> | <u>0</u> | <u>5</u> | <u>17</u> | <u>13</u> | <u>151</u> | <u>33</u> | <u>58</u> | <u>145</u> | <u>45</u> | <u>0</u> |
| Totals | 7,194 | 5,079 | 463 | 828 | 289 | 535 | 2,110 | 1,267 | 583 | 1,277 | 376 | 1,581 |

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

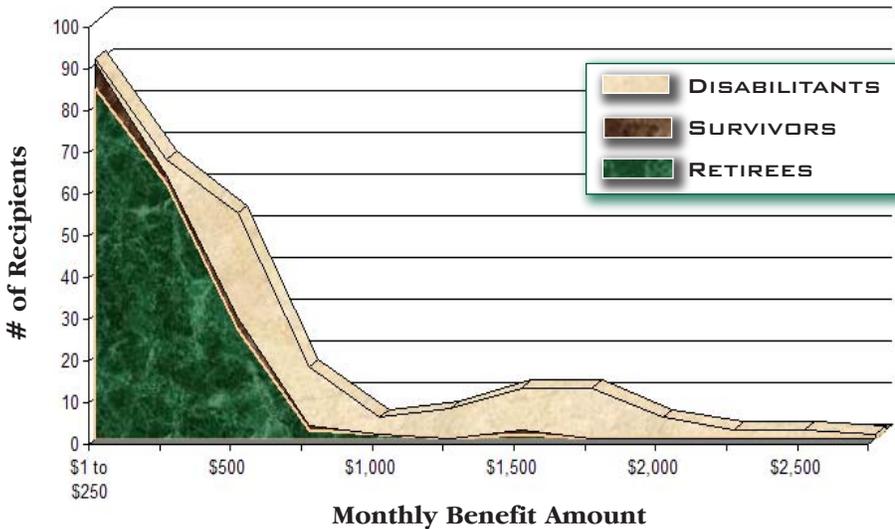
Schedule of Benefit Recipients by Type

As of June 30, 2008

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 | 95 | 89 | 4 | 2 | 0 | 0 | 65 | 14 | 3 | 9 | 2 | 2 |
| 251 - 500 | 76 | 69 | 2 | 1 | 4 | 0 | 44 | 14 | 2 | 11 | 3 | 2 |
| 501 - 750 | 74 | 44 | 0 | 4 | 25 | 1 | 41 | 19 | 5 | 5 | 4 | 0 |
| 751 - 1,000 | 18 | 5 | 1 | 0 | 11 | 1 | 8 | 5 | 1 | 3 | 0 | 1 |
| 1,001 - 1,250 | 7 | 1 | 0 | 0 | 1 | 5 | 3 | 2 | 0 | 1 | 1 | 0 |
| 1,251 - 1,500 | 5 | 1 | 0 | 0 | 0 | 4 | 5 | 0 | 0 | 0 | 0 | 0 |
| 1,501 - 1,750 | 13 | 1 | 0 | 1 | 1 | 10 | 3 | 6 | 1 | 3 | 0 | 0 |
| 1,751 - 2,000 | 15 | 1 | 0 | 0 | 0 | 14 | 9 | 5 | 1 | 0 | 0 | 0 |
| 2,001 - 2,250 | 9 | 0 | 0 | 0 | 0 | 9 | 8 | 0 | 0 | 0 | 1 | 0 |
| 2,251 - 2,500 | 3 | 0 | 0 | 0 | 0 | 3 | 2 | 1 | 0 | 0 | 0 | 0 |
| 2,501 - 2,750 | 1 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 1 | 0 |
| 2,751 - 3,000 | 1 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 1 | 0 | 0 | 0 |
| 3,001 - 3,250 | 1 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Totals | 318 | 211 | 7 | 8 | 42 | 50 | 189 | 66 | 14 | 32 | 12 | 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

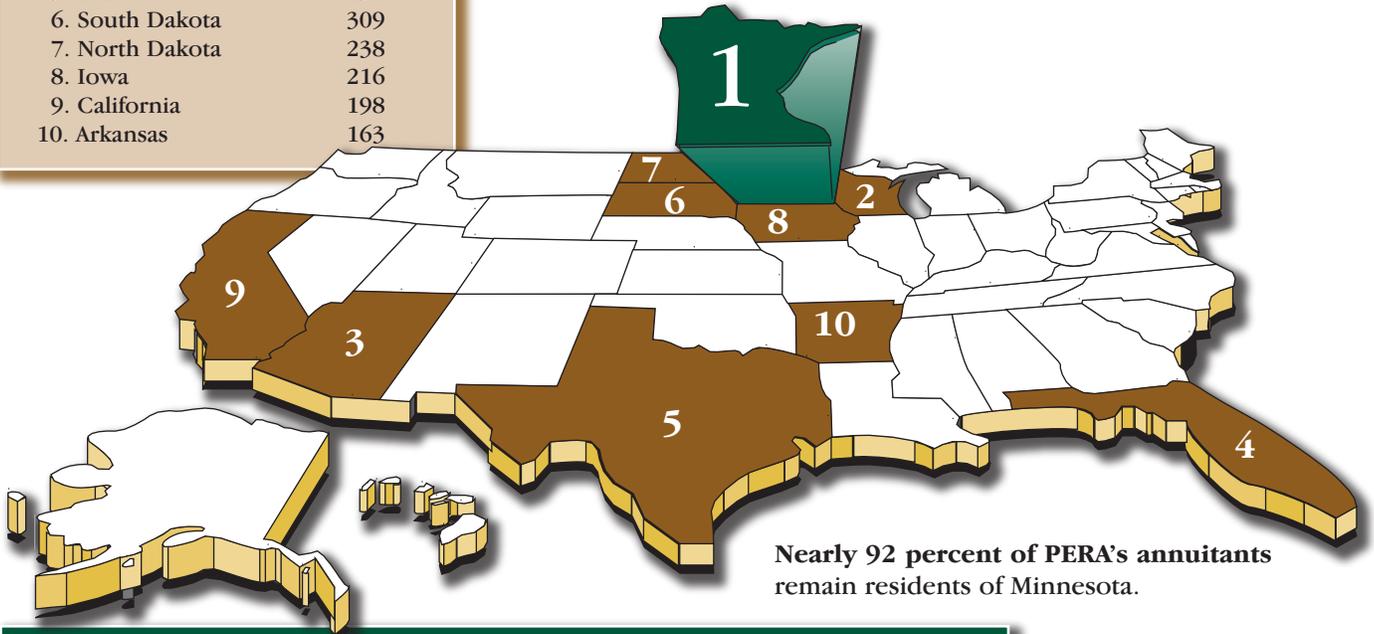
- 1 Single Life
- 2 100% J&S
- 3 75% J&S
- 4 50% J&S
- J 25% J&S
- K Other

PERA Annuitant Residency

by State

Top 10 States by PERA Annuitant Population

| State | Population |
|-----------------|------------|
| 1. Minnesota | 64,734 |
| 2. Wisconsin | 1,306 |
| 3. Arizona | 1,156 |
| 4. Florida | 898 |
| 5. Texas | 457 |
| 6. South Dakota | 309 |
| 7. North Dakota | 238 |
| 8. Iowa | 216 |
| 9. California | 198 |
| 10. Arkansas | 163 |



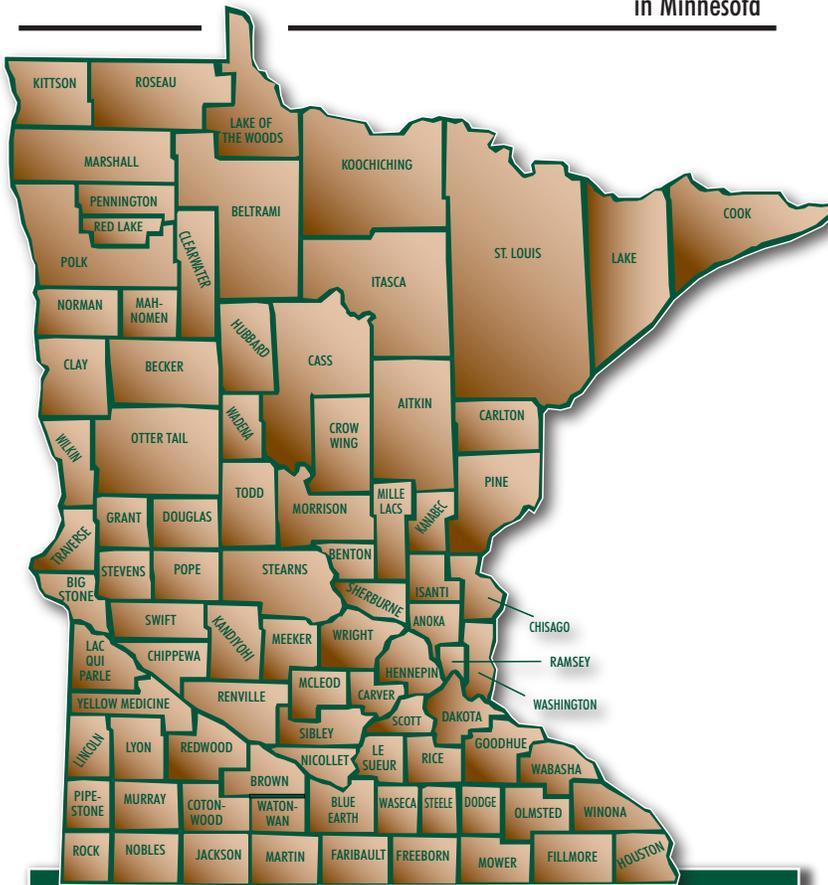
Nearly 92 percent of PERA's annuitants remain residents of Minnesota.

Annuitants and Payments on June 1, 2008

| State | Population | Payments | State | Population | Payments | State | Population | Payments |
|-------|------------|--------------|-------|------------|----------|----------------------|------------|----------|
| MN | 64,734 | \$85,841,194 | NC | 67 | \$77,492 | PA | 19 | \$15,995 |
| WI | 1,306 | 1,886,816 | NM | 60 | 90,822 | KY | 19 | 18,973 |
| AZ | 1,156 | 1,715,035 | MI | 55 | 54,207 | NY | 18 | 21,204 |
| FL | 898 | 1,574,043 | GA | 51 | 50,951 | MD | 18 | 12,099 |
| TX | 457 | 723,432 | SC | 44 | 61,514 | MA | 14 | 14,914 |
| SD | 309 | 359,829 | NE | 39 | 20,799 | LA | 13 | 16,032 |
| ND | 238 | 241,156 | VA | 32 | 53,838 | NJ | 8 | 7,591 |
| IA | 216 | 211,452 | OK | 32 | 28,155 | NH | 6 | 5,365 |
| CA | 198 | 225,357 | KS | 31 | 30,691 | WV | 5 | 5,908 |
| AR | 163 | 216,024 | HI | 31 | 51,775 | ME | 4 | 849 |
| CO | 161 | 168,207 | WY | 30 | 36,599 | CT | 4 | 1,409 |
| NV | 151 | 237,275 | OH | 30 | 35,134 | VT | 3 | 1,310 |
| WA | 138 | 149,362 | IN | 29 | 31,909 | DE | 2 | 1,755 |
| MO | 120 | 129,434 | AL | 29 | 47,916 | District of Columbia | 2 | 355 |
| IL | 94 | 103,160 | UT | 28 | 40,316 | Foreign Address | 25 | 32,074 |
| OR | 87 | 114,207 | ID | 28 | 25,864 | | | |
| MT | 74 | 92,965 | MS | 26 | 49,317 | | | |
| TN | 67 | 88,726 | AK | 23 | 28,924 | | | |

PERA Annuitant Residency

in Minnesota



Annuitants and Payments on June 1, 2008

| County | Population | Payments |
|-------------------|------------|--------------|
| GOODHUE | 692 | \$ 836,159 |
| GRANT | 144 | 137,986 |
| HENNEPIN | 8,812 | \$12,105,804 |
| HOUSTON | 221 | 202,300 |
| HUBBARD | 401 | 374,115 |
| ISANTI | 448 | 450,001 |
| ITASCA | 1,159 | 1,347,554 |
| JACKSON | 253 | 218,840 |
| KANABEC | 294 | 286,159 |
| KANDIYOHI | 812 | 927,144 |
| KITTSON | 147 | 131,866 |
| KOOCHICHING | 326 | 445,088 |
| LAC QUI PARLE | 166 | 142,845 |
| LAKE | 313 | 456,899 |
| LAKE OF THE WOODS | 103 | 90,026 |
| LE SUEUR | 354 | 375,129 |
| LINCOLN | 123 | 122,278 |
| LYON | 444 | 398,815 |
| MAHNOMEN | 97 | 101,352 |
| MARSHALL | 216 | 191,666 |
| MARTIN | 364 | 460,160 |
| MCLEOD | 648 | 671,211 |
| MEEKER | 407 | 413,385 |
| MILLE LACS | 453 | 447,660 |
| MORRISON | 523 | 521,788 |
| MOWER | 750 | 1,020,760 |
| MURRAY | 184 | 152,377 |
| NICOLLET | 419 | 472,919 |
| NOBLES | 436 | 459,349 |
| NORMAN | 175 | 161,612 |
| OLMSTED | 1,449 | 2,351,852 |
| OTTER TAIL | 933 | 1,011,308 |
| PENNINGTON | 258 | 277,220 |
| PINE | 558 | 649,107 |
| PIPESTONE | 200 | 178,144 |
| POLK | 548 | 600,960 |
| POPE | 208 | 255,132 |
| RAMSEY | 5,743 | 10,009,585 |
| RED LAKE | 116 | 100,139 |
| REDWOOD | 363 | 311,725 |
| RENVILLE | 359 | 337,756 |
| RICE | 662 | 790,420 |
| ROCK | 234 | 199,679 |
| ROSEAU | 186 | 202,395 |
| SAINT LOUIS | 4,619 | 7,524,358 |
| SCOTT | 832 | 1,112,006 |
| SHERBURNE | 674 | 901,599 |
| SIBLEY | 288 | 237,393 |
| STEARNS | 1,703 | 1,893,897 |
| STEELE | 462 | 607,953 |
| STEVENS | 164 | 171,572 |
| SWIFT | 278 | 243,117 |
| TODD | 388 | 370,598 |
| TRAVERSE | 128 | 116,664 |
| WABASHA | 417 | 451,290 |
| WADENA | 353 | 308,529 |
| WASECA | 310 | 312,686 |
| WASHINGTON | 2,954 | 4,909,114 |
| WATONWAN | 174 | 206,327 |
| WILKIN | 102 | 110,942 |
| WINONA | 518 | 722,557 |
| WRIGHT | 1,087 | 1,295,178 |
| YELLOW MEDICINE | 311 | 291,759 |

| County | Population | Payments |
|------------|------------|------------|
| AITKIN | 433 | \$ 499,159 |
| ANOKA | 2,916 | 4,044,810 |
| BECKER | 521 | 559,058 |
| BELTRAMI | 601 | 64,9293 |
| BENTON | 446 | 513,219 |
| BIG STONE | 176 | 156,498 |
| BLUE EARTH | 641 | 832,446 |
| BROWN | 439 | 561,867 |
| CARLTON | 748 | 1,060,919 |
| CARVER | 761 | 929,278 |
| CASS | 611 | 666,520 |
| CHIPPEWA | 308 | 303,633 |
| CHISAGO | 809 | 1,142,210 |
| CLAY | 579 | 710,216 |
| CLEARWATER | 249 | 248,751 |
| COOK | 175 | 213,577 |
| COTTONWOOD | 37 | 216,589 |
| CROW WING | 1,163 | 1,484,631 |
| DAKOTA | 3,572 | 5,369,012 |
| DODGE | 303 | 259,354 |
| DOUGLAS | 864 | 858,688 |
| FARIBAULT | 286 | 300,171 |
| FILLMORE | 437 | 372,401 |
| FREEBORN | 525 | 658,183 |

Principal Participating Employers

PUBLIC EMPLOYEES RETIREMENT FUND

FY2008

| <u>Employer</u> | <u>Active Members</u> | <u>% of Total Active Members</u> |
|--------------------------------|-----------------------|----------------------------------|
| Hennepin County | 7,544 | 5.25% |
| Minneapolis School District | 4,690 | 3.27% |
| Hennepin Healthcare System | 4,085 | 2.85% |
| Ramsey County | 3,465 | 2.41% |
| City of Minneapolis | 3,436 | 2.39% |
| St. Paul School District | 2,820 | 1.96% |
| Anoka-Hennepin School District | 2,773 | 1.93% |
| City of St. Paul | 2,256 | 1.57% |
| Rosemount School District | 1,896 | 1.32% |
| Osseo School District | 1,885 | 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

FY2008

| <u>Employer</u> | <u>Active Members</u> | <u>% of Total Active Members</u> |
|----------------------------------|-----------------------|----------------------------------|
| City of Minneapolis | 1,302 | 11.88% |
| City of St. Paul | 1,006 | 9.18% |
| Hennepin County | 328 | 2.99% |
| City of Duluth | 279 | 2.55% |
| Ramsey County | 235 | 2.14% |
| City of Rochester | 225 | 2.05% |
| City of St. Cloud | 170 | 1.55% |
| Wright County | 142 | 1.30% |
| Hennepin Healthcare System | 133 | 1.21% |
| Metropolitan Airports Commission | 132 | 1.20% |

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

FY2008

| <u>Employer</u> | <u>Active Members</u> | <u>% of Total Active Members</u> |
|--------------------------------|-----------------------|----------------------------------|
| Hennepin County | 611 | 16.47% |
| Ramsey County | 461 | 12.43% |
| Anoka County | 235 | 6.33% |
| Olmsted County | 153 | 4.12% |
| Sherburne County | 134 | 3.61% |
| Dakota County | 100 | 2.70% |
| Stearns County | 90 | 2.43% |
| Washington County | 84 | 2.26% |
| Northwestern Juvenile Center | 82 | 2.21% |
| Prairie Lakes Detention Center | 80 | 2.16% |

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
ADAMS
ADRIAN
AFTON
AITKIN
AKELEY
ALBANY
ALBERT LEA
ALBERTA
ALBERTVILLE
ALDEN
ALEXANDRIA
ALPHA
ALTURA
ALVARADO
AMBOY
ANDOVER
ANNANDALE
ANOKA
APPLE VALLEY
APPLETON
ARCO
ARDEN HILLS
ARGYLE
ARLINGTON
ASHBY
ASKOV
ATWATER
AUDUBON
AURORA
AUSTIN
AVOCA
AVON
BABBITT
BACKUS
BADGER
BAGLEY
BALATON
BARNESVILLE
BARNUM
BARRETT
BASS BROOK
BATTLE LAKE
BAUDETTE
BAXTER
BAYPORT
BEARDSLEY
BEAVER BAY
BEAVER CREEK
BECKER
BEJOU
BELGRADE
BELLE PLAINE
BELLECHESTER
BELLINGHAM
BELVIEW
BEMIDJI

BENA
BENSON
BERTHA
BETHEL
BIG FALLS
BIG FORK
BIG LAKE
BIGELOW
BINGHAM LAKE
BIRCHWOOD
BIRD ISLAND
BISCAY
BIWABIK
BLACKDUCK
BLAINE
BLOOMING PRAIRIE
BLOOMINGTON
BLUE EARTH
BOVEY
BOYD
BRAHAM
BRAINERD
BRANCH
BRANDON
BRECKENRIDGE
BREEZY POINT
BREWSTER
BRICELYN
BROOK PARK
BROOKLYN CENTER
BROOKLYN PARK
BROOTEN
BROWERVILLE
BROWNS VALLEY
BROWNSDALE
BROWNSVILLE
BROWNTON
BUFFALO
BUFFALO LAKE
BUHL
BURNSVILLE
BUTTERFIELD
BYRON
CALEDONIA
CALLAWAY
CALUMET
CAMBRIDGE
CAMPBELL
CANBY
CANNON FALLS
CANTON
CARLOS
CARLTON
CARVER
CASS LAKE
CEDAR MILLS
CENTER
CENTERVILLE
CEYLON

CHAMPLIN
CHANDLER
CHANHASSEN
CHASKA
CHATFIELD
CHISAGO
CHISHOLM
CHOKIO
CIRCLE PINES
CLARA CITY
CLAREMONT
CLARISSA
CLARKFIELD
CLARKS GROVE
CLEAR LAKE
CLEARBROOK
CLEARWATER
CLEMENTS
CLEVELAND
CLIMAX
CLINTON
CLITHERALL
CLONTARF
CLOQUET
COATES
COHASSET
COKATO
COLD SPRING
COLERAINE
COLOGNE
COLUMBIA HEIGHTS
COMFREY
CONGER
COOK
COON RAPIDS
CORCORAN
CORRELL
COSMOS
COTTAGE GROVE
COTTONWOOD
COURTLAND
CROMWELL
CROOKSTON
CROSBY
CROSSLAKE
CRYSTAL
CURRIE
CUYUNA
CYRUS
DALTON
DANUBE
DANVERS
DARFUR
DARWIN
DASSEL
DAWSON
DAYTON
DE GRAFF
DEEHPAVEN
DEER CREEK
DEER RIVER

DEERWOOD
DELANO
DELAVAN
DELLWOOD
DENT
DETROIT LAKES
DEXTER
DILWORTH
DODGE CENTER
DONNELLY
DOVER
DULUTH
DUMONT
DUNDAS
DUNDEE
DUNNELL
EAGAN
EAGLE BEND
EAGLE LAKE
EAST BETHEL
EAST GRAND FORKS
EAST GULL LAKE
EASTON
ECHO
EDEN PRAIRIE
EDEN VALLEY
EDGERTON
EDINA
EITZEN
ELBOW LAKE
ELGIN
ELIZABETH
ELK RIVER
ELKO
ELKTON
ELLEDALE
ELLSWORTH
ELMORE
ELY
ELYSIAN
EMILY
EMMONS
ERHARD
ERSKINE
EVANSVILLE
EVELETH
EXCELSIOR
EYOTA
FAIRFAX
FAIRMONT
FALCON HEIGHTS
FARIBAULT
FARMINGTON
FEDERAL DAM
FELTON
FERGUS FALLS
FERTILE
FIFTY LAKES
FINLAYSON
FISHER
FLENSBURG

FLOODWOOD
FOLEY
FOREST LAKE
FORESTON
FOSSTON
FOUNTAIN
FRANKLIN
FRAZEE
FREEBORN
FREEPORT
FRIDLEY
FROST
FULDA
GARFIELD
GARRISON
GARVIN
GARY
GAYLORD
GENEVA
GEORGETOWN
GHENT
GIBBON
GILBERT
GILMAN
GLENCOE
GLENVILLE
GLENWOOD
GLYNDON
GOLDEN VALLEY
GONVICK
GOOD THUNDER
GOODHUE
GOODRIDGE
GOODVIEW
GRACEVILLE
GRANADA
GRAND MARAIS
GRAND MEADOW
GRAND RAPIDS
GRANITE FALLS
GRANT
GRASSTON
GREEN ISLE
GREENBUSH
GREENFIELD
GREENWOOD
GREY EAGLE
GROVE
GRYGLA
GULLY
HACKENSACK
HADLEY
HALLOCK
HALSTAD
HAM LAKE
HAMBURG
HAMPTON
HANCOCK
HANLEY FALLS
HANOVER
HANSKA

HARDWICK
HARMONY
HARRIS
HARTLAND
HASTINGS
HAWLEY
HAYFIELD
HAYWARD
HECTOR
HENDERSON
HENDRICKS
HENDRUM
HENNING
HERMAN
HERMANTOWN
HERON LAKE
HEWITT
HIBBING
HILL CITY
HILLS
HILLTOP
HINCKLEY
HITTERDAL
HFMAN
HOKAH
HOLDINGFORD
HOLLAND
HOLLANDALE
HOLLOWAY
HOPKINS
HOUSTON
HOWARD LAKE
HOYT LAKES
HUGO
HUTCHINSON
INDEPENDENCE
INTERNATIONAL FALLS
INVER GROVE HEIGHTS
IONA
IRONTON
ISANTI
ISLE
IVANHOE
JACKSON
JANESVILLE
JASPER
JEFFERS
JENKINS
JORDAN
KANDIYOHI
KARLSTAD
KASOTA
KASSON
KEEWATIN
KELLIHER
KELLOGG
KENNEDY
KENSINGTON
KENT

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

TOWNSHIPS

ACOMA
ADAMS
ADRIAN
AETNA
AITKIN
ALBA
ALBERT LEA
ALBION
ALDRICH
ALEXANDRIA
ALTON
AMHERST
ANDOVER
ANN LAKE
ANTRIM
ARAGO
ARBO
ARDENHURST

| | | | | | |
|----------------|----------------|------------------|---------------|---------------|----------------|
| ARENDAHL | BRIDGEWATER | CORINNA | EUREKA | GRAND RAPIDS | INDUSTRIAL |
| ARLINGTON | BRIGHTON | CORMORANT | EVANSVILLE | GRANITE FALLS | INGUADONA |
| ARNA | BRISTOL | CORRINA | EVERGREEN | GRANT | INMAN |
| ARTHUR | BROCKWAY | COSMOS | FAIR HAVEN | GRANT VALLEY | IONA |
| ASHLAND | BROWNS VALLEY | COTTON | FAIRBANKS | GREAT SCOTT | IRON RANGE |
| ATHENS | BROWNSVILLE | COTTONWOOD | FAIRFIELD | GREEN VALLEY | IRONDALE |
| ATKINSON | BRUNSWICK | COURTLAND | FAIRMONT | GREENBUSH | IRVING |
| AVON | BUFFALO | CRATE | FAIRVIEW | GREENLEAF | ISANTI |
| BADOURA | BUH | CREDIT RIVER | FALL LAKE | GREENVALE | ISLAND LAKE |
| BAKER | BURNHAMVILLE | CROMWELL | FALUN | GREENWAY | JANESVILLE |
| BALDWIN | BURNS | CROOKED LAKE | FARDEN | GREENWOOD | JAY |
| BALKAN | BURTON | CROW RIVER | FARM ISLAND | GREY CLOUD | JOHNSONVILLE |
| BALL BLUFF | BUTTERFIELD | CROW WING | FARMINGTON | ISLAND | KABETOGRAMA |
| BALSAM | BUTTERNUT | CROW WING LAKES | FAYAL | GREY EAGLE | KANABEC |
| BANDON | VALLEY | CRYSTAL BAY | FAYAL | GULLY | KANARANZI |
| BARCLAY | BUZZLE | CULDRUM | FENTON | GUTHRIE | KANDIYOHI |
| BARRY | BYRON | CULVER | FILLMORE | HALDEN | KASOTA |
| BARTLETT | CAIRO | DAGGETT BROOK | FINLAYSON | HALSTAD | KATHIO |
| BASHAW | CALEDONIA | DAHLGREN | FISH LAKE | HAMMER | KEGO |
| BASS BROOK | CAMBRIA | DALBO | FLEMING | HAMPTON | KENYON |
| BASSETT | CAMBRIDGE | DARLING | FLOODWOOD | HARMONY | KETTLE RIVER |
| BAY LAKE | CAMDEN | DARWIN | FLORENCE | HARRIS | KIESTER |
| BEAR PARK | CAMP | DEAD LAKE | FLORIDA | HARRISON | KILKENNY |
| BEARVILLE | CANISTEO | DECORIA | FOLDAHL | HART | KIMBERLY |
| BEATTY | CANNON FALLS | DEERWOOD | FOLDEN | HASSAN | KING |
| BEAULIEU | CANOSIA | DELAVAN | FORD | HAUGEN | KINGSTON |
| BEAVER BAY | CANTON | DELL GROVE | FOREST | HAVANA | KNIFE LAKE |
| BEAVER CREEK | CARIMONA | DENMARK | FOREST CITY | HAVEN | KNUTE |
| BEAVER FALLS | CARLOS | DENVER | FOREST LAKE | HAVERHILL | KRAGERO |
| BECKER | CARPENTER | DERRYNEANE | FORESTVILLE | HAWLEY | KRAIN |
| BELGRADE | CARROLTON | DES MOINES RIVER | FOSTER | HAY CREEK | KROSCHER |
| BELLE CREEK | CARSON | DEWALD | FOX LAKE | HAYLAND | LA CRESCENT |
| BELLE PLAINE | CASCADE | DEXTER | FRAMNAS | HAYWARD | LA CROSSE |
| BELLE PRAIRIE | CASTLE ROCK | DORA | FRANCONIA | HAZELTON | LA GARDE |
| BELLE RIVER | CEDAR | DOUGLAS | FRANKFORT | HEGBERT | LA GRAND |
| BELLEVUE | CEDAR MILLS | DOVER | FRANKLIN | HEIGHT LAND | LAC QUI PARLE |
| BELMONT | CENTER | DOVRE | FRASER | HELEN | LAFAYETTE |
| BELVIDERE | CERRO GORDO | DOVRE | FREDENBERG | HELENA | LAKE ANDREW |
| BEMIDJI | CHANARAMBIE | DRESBACH | FREEDOM | HELGA | LAKE EDWARD |
| BENTON | CHARLESTOWN | DRYDEN | FREEMAN | HENDERSON | LAKE ELIZABETH |
| BERGEN | CHASKA | DULUTH | FRENCH | HENNING | LAKE EMMA |
| BERNADOTTE | CHATHAM | DUNN | FRENCH LAKE | HENRIETTA | LAKE FREMONT |
| BIG LAKE | CHENGWATANA | EAGLE LAKE | FRIBERG | HERON LAKE | LAKE GEORGE |
| BIG STONE | CHERRY | EAGLE VIEW | FROHN | HIGDEM | LAKE HANSKA |
| BIRCH CREEK | CHERRY GROVE | EAGLES NEST | GARDEN CITY | HIGH FOREST | LAKE HENRY |
| BISMARCK | CHESTER | EAST SIDE | GARFIELD | HIGHWATER | LAKE MARSHALL |
| BIWABIK | CHIPPEWA FALLS | EASTERN | GARNES | HINES | LAKE MARY |
| BLACKBERRY | CHISAGO LAKE | EDEN LAKE | GARRISON | HIRAM | LAKE PLEASANT |
| BLACKHO | CLAYTON | EDNA | GENNESSEE | HOBART | LAKE PRAIRIE |
| BLAKELEY | CLEAR LAKE | EFFINGTON | GERMANIA | HOKAH | LAKE SARAH |
| BLIND LAKE | CLEARWATER | ELDORADO | GETTY | HOLDEN | LAKE VIEW |
| BLOOMFIELD | CLIFTON | ELIZABETH | GILMANTON | HOLDING | LAKESIDE |
| BLOOMING GROVE | CLINTON | ELK LAKE | GIRARD | HOLLAND | LAKETOWN |
| BLUE HILL | CLITHERALL | ELLINGTON | GLEN | HOLLY | LAKESIDE |
| BOGUS BROOK | CLOVER | ELLSBURG | GLENDORADO | HOLLYWOOD | LAKESIDE |
| BONDIN | COKATO | ELM CREEK | GLENWOOD | HOLMES | LAKIN |
| BORGHOLM | COLLEGEVILLE | ELM DALE | GNESEN | HOLT | LAND |
| BOWSTRING | COLUMBIA | ELMER | GOOD HOPE | HOLYOKE | LANESBURGH |
| BOY LAKE | COLUMBUS | ELMIRA | GOOSE PRAIRIE | HOME | LANGOLA |
| BRADFORD | COLUMBUS | ELMORE | GRACEVILLE | HOMEBROOK | LANSING |
| BRANDON | COLVIN | EMBARRASS | GRAHAM | HOMESTEAD | LAWRENCE |
| BREITUNG | COMPTON | EMPIRE | GRAHAM LAKES | HONNER | LE SAUK |
| BREMEN | CONCORD | ENTERPRISE | GRANBY | HOUSTON | LEAF LAKE |
| BREVATOR | COON CREEK | ERIE | GRAND LAKE | IDA | LEAF RIVER |
| | | ERIN | GRAND MEADOW | IDEAL | LEECH LAKE |
| | | ESPELIE | GRAND PRAIRIE | IDUN | LEEDS |
| | | | | | LENT |

| | | | | | | |
|---------------|------------------|------------------|----------------|--------------|-----------------|-------------------|
| LEON | MONEY CREEK | PAYNESVILLE | SAINT AUGUSTA | SUGAR BUSH | WEIMER | COTTONWOOD |
| LERAY | MONROE | PEACE | SALEM | SUMMIT | WELCH | CROW WING |
| LIBERTY | MONTGOMERY | PELICAN | SAND LAKE | SUMNER | WELLINGTON | DAKOTA |
| LIDA | MONTICELLO | PELICAN LAKE | SANTIAGO | SUMTER | WELLS | DODGE |
| LIME | MOONSHINE | PEMBINA | SARGEANT | SUNDOWN | WEST HERON LAKE | DOUGLAS |
| LIME LAKE | MORAN | PENN | SAUK RAPIDS | SUNRISE | WEST LAKELAND | FARIBAUT |
| LINCOLN | MORANVILLE | PETERSBURG | SAVANNAH | SVERDRUP | WEST NEWTON | FILLMORE |
| LINDEN | MORKEN | PIKE BAY | SCANDIA VALLEY | SWAN RIVER | WESTBROOK | FREEBORN |
| LINWOOD | MORRISON | PIKE CREEK | SCHROEDER | SWANVILLE | WHEATLAND | GOODHUE |
| LITCHFIELD | MORSE | PILOT MOUND | SCOTT | SWEET | WHITE | GRANT |
| LITTLE ELBOW | MORSE | PINE | SEAVEY | SYLVAN | WHITE BEAR | HENNEPIN |
| LITTLE FALLS | MOTLEY | PINE ISLAND | SEVERANCE | TANSEM | WHITE OAK | HOUSTON |
| LITTLE PINE | MOUNT VERNON | PINE LAKE | SHAMROCK | TEN LAKES | WHITED | HUBBARD |
| LIVONIA | MOUNTAIN LAKE | PINE RIVER | SHELburne | TENHASSEN | WILKINSON | ISANTI |
| LONE PINE | MUNSON | PLAINVIEW | SHELBY | THOMASTOWN | WILLIAMS | ITASCA |
| LONE TREE | NASHVILLE | PLEASANT HILL | SHELDON | THOMSON | WILMINGTON | JACKSON |
| LONG LAKE | NASHWAUK | PLEASANT PRAIRIE | SHELL LAKE | THUNDER LAKE | WILMONT | KANABEC |
| LOUISVILLE | NELSON | PLINY | SHERIDAN | TODD | WILSON | KANDIYOHI |
| LUTSEN | NESSER | POKEGAMA | SHETEK | TORDENSKJOLD | WINDEMERE | KITTSOON |
| LUXEMBURG | NEVADA | POPple GROVE | SHIELDSVILLE | TRANSIT | WING RIVER | KOCHICHING |
| LYLE | NEVIS | POSEN | SHINGOBEE | TRELIPE | WINNEBAGO | LAC QUI PARLE |
| LYNDEN | NEW AUBURN | POWERS | SIBLEY | TROUT LAKE | WINONA | LAKE |
| LYNN | NEW HAVEN | PRAIRIE VIEW | SILVER BROOK | TUMULI | WINSOR | LAKE OF THE WOODS |
| MACVILLE | NEW INDEPENDENCE | PREBLE | SILVER CREEK | TUMULI | WINSTED | LE SUEUR |
| MAGNOLIA | NEW LONDON | PRESTON | SILVER LAKE | TURNER | WISCONSIN | LINCOLN |
| MAINE | NEW PRAIRIE | PRINCETON | SINCLAIR | TURTLE CREEK | WISCOY | LYON |
| MAINE PRAIRIE | NEW RICHLAND | PRIOR | SIoux AGENCY | TURTLE LAKE | WOLF LAKE | MAHNOMEN |
| MANANNAH | NEW SCANDIA | PROVIDENCE | SIX MILE GROVE | TURTLE RIVER | WOLFORD | MARSHALL |
| MANFRED | NEW SOLUM | PULASKI | SKANDIA | TWIN LAKES | WOOD LAKE | MARTIN |
| MANKATO | NEWBURG | QUEEN | SKELTON | TWO RIVERS | WOODLAND | MCLEOD |
| MANTORVILLE | NEWKAY LAKE | QUINCY | SOLEM | URNES | WOODROW | MEEKER |
| MANTRAP | NOKAY LAKE | RABBIT LAKE | SOLWAY | VAIL | WOODSIDE | MILLE LACS |
| MAPLE LAKE | NORA | RACINE | SOUTH BEND | VAN BUREN | WOODVILLE | MORRISON |
| MAPLE RIDGE | NORDLAND | RANDOLPH | SOUTH BRANCH | VASA | WORKMAN | MOWER |
| MAPLETON | NORMAN | RANSOM | SOUTH HARBOR | VERDI | WRENSHALL | MURRAY |
| MARBLE | NORTH HERO | RAPIDAN | SOUTHBROOK | VERMILLION | WRIGHT | NICOLLET |
| MARCELL | NORTH STAR | RAVENNA | SOUTHFORK | VERNON | WUORI | NOBLES |
| MARION | NORTHERN | REDAVENNA | SOUTHSIDE | VESTA | WYANETT | NORMAN |
| MARSHALL | NORTHFIELD | RED LAKE FALLS | SPARTA | VICTOR | WYOMING | OLMSTED |
| MARSHAN | NORWAY | REYNOLDS | SPENCER | VIKING | YORK | OLMSTED |
| MARTIN | NORWEGIAN GROVE | RICE LAKE | SPENCER | VILLARD | YOUNG AMERICA | OTTERTAIL |
| MARYSVILLE | OAK | RICH VALLEY | BROOK | VINELAND | YUCATAN | PENNINGTON |
| MASON | OAK LAWN | RICHARDSON | SPRING GROVE | VIVIAN | ZUMBRO | PINE |
| MAXWELL | OAK PARK | RICHMOND | SPRING LAKE | WAASA | ZUMBROTA | PIPESTONE |
| MAY | OAK VALLEY | RIVER FALLS | SPRINGDALE | WABEDO | | POLK |
| MAYHEW LAKE | OAKLAND | RIVERSIDE | SPRINGHILL | WACONIA | | POPE |
| MAYVILLE | OAKPORT | ROCHESTER | SPRINGVALE | WACOUTA | | RAMSEY |
| MAZEPPA | ODESSA | ROCK DELL | SPRINGWATER | WAGNER | | RED LAKE |
| MCDAVITT | OLNEY | ROCK LAKE | SPRUCE GROVE | WAKEFIELD | | REDWOOD |
| MEADOWLANDS | ORION | ROCKFORD | ST. CLOUD | WALDEN | | RENVILLE |
| MEHURIN | ORONOCO | ROCKSBURY | ST. JAMES | WALTHAM | | RICE |
| MERTON | ORROCK | ROCKWOOD | ST. JOSEPH | WANAMINGO | | ROCK |
| MICKINOCK | ORTON | ROGERS | ST. MARTIN | WANG | | ROSEAU |
| MIDDLETOWN | OSAGE | ROLLING GREEN | ST. OLAF | WARD | | SCOTT |
| MIDDLEVILLE | OSBORNE | ROLLINGSTONE | STANCHFIELD | WARREN | | SHERBURNE |
| MIDWAY | OSHKOSH | ROOSEVELT | STANFORD | WASHAW | | SIBLEY |
| MILACA | OTENEAGEN | ROSEHILL | STANTON | WASHINGTON | | ST. LOUIS |
| MILFORD | OTISCO | ROSENDALE | STAPLES | WASIOJA | | STEARNS |
| MILLERVILLE | OTREY | ROSEVILLE | STAR LAKE | WASKISH | | STEELE |
| MILO | OTTERTAIL | ROSLING | STERLING | WATAB | | STEVENS |
| MILTON | PENINSULA | ROSS | STILLWATER | WATERBURY | | SWIFT |
| MINDEN | OTTO | ROSS LAKE | STOCKHOLM | WATERTOWN | | TODD |
| MINNEOTA | OWATONNA | ROUND GROVE | STONY RUN | WATERVILLE | | |
| MINNEWASKA | OXFORD | ROUND LAKE | STORDEN | WATOPA | | |
| MISSION | PALMYRA | ROYALTON | STUNTZ | WAWINA | | |
| MOE | PARKERS PRAIRIE | RUSHSEBA | STURGEON | WEALTHWOOD | | |
| MOLTKE | PAXTON | RUTLAND | STURGEON LAKE | WEBSTER | | |

COUNTIES

| | |
|------------|-------------------|
| AITKIN | COTTONWOOD |
| ANOKA | CROW WING |
| BECKER | DAKOTA |
| BELTRAMI | DODGE |
| BENTON | DOUGLAS |
| BIG STONE | FARIBAUT |
| BLUE EARTH | FILLMORE |
| BROWN | FREEBORN |
| CARLTON | GOODHUE |
| CASS | GRANT |
| CHIPPEWA | HENNEPIN |
| CHISAGO | HOUSTON |
| CLAY | HUBBARD |
| CLEARWATER | ISANTI |
| COOK | ITASCA |
| | JACKSON |
| | KANABEC |
| | KANDIYOHI |
| | KITTSOON |
| | KOCHICHING |
| | LAC QUI PARLE |
| | LAKE |
| | LAKE OF THE WOODS |
| | LE SUEUR |
| | LINCOLN |
| | LYON |
| | MAHNOMEN |
| | MARSHALL |
| | MARTIN |
| | MCLEOD |
| | MEEKER |
| | MILLE LACS |
| | MORRISON |
| | MOWER |
| | MURRAY |
| | NICOLLET |
| | NOBLES |
| | NORMAN |
| | OLMSTED |
| | OLMSTED |
| | OTTERTAIL |
| | PENNINGTON |
| | PINE |
| | PIPESTONE |
| | POLK |
| | POPE |
| | RAMSEY |
| | RED LAKE |
| | REDWOOD |
| | RENVILLE |
| | RICE |
| | ROCK |
| | ROSEAU |
| | SCOTT |
| | SHERBURNE |
| | SIBLEY |
| | ST. LOUIS |
| | STEARNS |
| | STEELE |
| | STEVENS |
| | SWIFT |
| | TODD |

TRAVERSE
 WABASHA
 WADENA
 WASECA
 WASHINGTON
 WATONWAN
 WILKIN
 WINONA
 WRIGHT
 YELLOW MEDICINE

SCHOOL DISTRICTS

ADA-BORUP ISD-2854
 ADRIAN ISD-511
 AITKIN ISD-001
 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-HOYT-BIWABIK ISD-2711
 AUSTIN ISD-492
 B.O.L.D.-2534
 BACKUS-PINE RIVER ISD-2174
 BADGER ISD-676
 BAGLEY ISD-162
 BALATON ISD-411
 BARNESVILLE ISD-146
 BARNUM ISD-91
 BATTLE LAKE ISD-542
 BECKER ISD-726
 BELGRADE/BROOTEN ISD-2364
 BELLE PLAINE ISD-716
 BELLINGHAM ISD-371
 BEMIDJI ISD-31
 BEMIDJI REGIONAL INTERDISTRICT COUNCIL
 BENSON ISD-777
 BENTON STEARNS COUNTY
 SPECIAL EDUCATION
 BERTHA-HEWITT ISD-786
 BIG LAKE ISD-727
 BLACKDUCK ISD-32
 BLOOMING PRAIRIE ISD-756
 BLOOMINGTON ISD - 271
 BLUE EARTH-WINNEBAGO ISD-2860
 BLUE MOUND COOPERATIVE CENTER #943
 BORDER REGION ED DIST ISD-6020
 BOUNDARY WATERS SPECIAL
 EDUCATION 5-842
 BOYD-DAWSON ISD-378
 BRAHAM ISD-314
 BRAINERD ISD-181
 BRANDON ISD-207
 BRECKENRIDGE ISD-846
 BREWSTER ISD-513
 BRICELYN-EASTON-FREEBORN-WELL ISD-2134
 BROOKLYN CENTER ISD-286

BROWERVILLE ISD-787
 BROWNS VALLEY ISD-801
 BUFFALO ISD - 877
 BUFFALO LAKE-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 MOUNTAIN ISD-2754
 CENTENNIAL ISD-12
 CENTRAL MINNESOTA E R D C
 CHASKA ISD-112
 CHIPPEWA RIVER COOPERATIVE CENTER-988
 CHISAGO LAKES ISD-2144
 CHISHOLM ISD-695
 CHOSEN VALLEY ISD-227
 CLAREMONT/DODGE CNTR/
 CONCORD ISD-2125
 CLARKFIELD AREA CHARTER SCHOOL
 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
 COOK COUNTY-ISD166
 CROMWELL ISD-95
 CROOKSTON ISD-593
 CROSBY IRONTON ISD-182
 CYRUS ISD-611
 DAKOTA COUNTY INTERMEDIATE DIST 917
 DEER RIVER ISD-317
 DELANO ISD-879
 DETROIT LAKES ISD-22
 DILWORTH-GLYNDON-FELTON ISD-2164
 DOVER-EYOTA ISD-533
 DULUTH ISD-709
 DUNWOODY ACADEMY
 E CHAIN-GRANADA HUNTLEY ISD-2536
 EAGLE BEND ISD-2759
 EAST CENTRAL ISD 2580
 EAST GRAND FORKS ISD-595
 EAST METRO INTERGRATION DISTRICT 6067
 EDEN PRAIRIE ISD - 272
 EDEN VALLEY-WATKINS ISD 463
 EDGERTON ISD-581
 EDINA ISD - 273
 ELK RIVER ISD-728
 ELLSWORTH ISD-514
 ELY ISD-696
 ESKO ISD-99
 ESV REGION V COMPUTER SERVICE
 EVANSVILLE ISD-208
 EVELETH-GILBERT ISD-2154

FAIRMONT/CEYLON ISD-2752
 FARIBAULT ISD-656
 FARMINGTON ISD-192
 FERGUS FALLS ISD-544
 FERGUS FALLS SPECIAL EDUCATION 935
 FERTILE ISD-599
 FISHER ISD-600
 FLOODWOOD ISD-698
 FOLEY ISD-51
 FOREST LAKE ISD - 831
 FOSSTON ISD-601
 FRAZEE-VERGAS ISD-23
 FRESHWATER EDUC DIST -6004
 FRIDLEY ISD - 14
 FULDA ISD-505
 GARFIELD ISD 215
 GFW ISD-2365
 GLENCOE/SILVER LAKE ISD-2859
 GLENVILLE-EMMONS ISD-2886
 GLOBAL ACADEMY
 GOODHUE COUNTY EDUCATION
 DISTRICT ISD-60
 GOODHUE ISD-253
 GOODRIDGE ISD-561
 GRAND MEADOW ISD-495
 GRAND RAPIDS ISD-318
 GRANITE FALLS-CLARKFIELD-ECHO ISD-2190
 GREENBUSH/MIDDLE RIVER ISD-2683
 GRYGLA ISD-447
 HALSTAD/HENDRUM ISD-2527
 HANCOCK ISD-768
 HARMONY/PRESTON/FOUNTAIN ISD-2198
 HARTLAND-N RICHLAND-ELLENDALE ISD-2168
 HASTINGS ISD - 200
 HAWLEY ISD-150
 HAYFIELD ISD-203
 HENDERSON-LE SUEUR ISD-2397
 HENDRICKS ISD-402
 HENNING ISD-545
 HERMAN ISD-264
 HERMANTOWN ISD-700
 HERON LAKE-OKABENA ISD-330
 HIAWATHA VALLEY ISD-6013
 HIBBING ISD-701
 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
 INTERMEDIATE DISTRICT - 287
 INTERNATIONAL FALLS ISD-361
 INTERNATIONAL SPANISH
 LANGUAGE ACADEMY
 INVER GROVE HEIGHTS ISD - 199
 ISLE ISD-473
 IVANHOE ISD-403
 JACKSON COUNTY CENTRAL ISD-2895
 JANESVILLE/PEMBERTON/WALDORF ISD-2835
 JORDAN ISD-717
 KASSON-MANTORVILLE ISD-204
 KELLIHER ISD-36
 KENYON-WANAMINGO ISD-2172
 KERKHOVEN-MURDOCK-SUNBURG ISD-775

KIMBALL ISD-739
 KINGSLAND PUBLIC SCHOOLS ISD 2137
 KITTSOON CENTRAL ISD-2171
 LA CRESCENT ISD-300
 LAKE AGASSIZ SPECIAL EDUCATION COOP
 LAKE BENTON ISD-404
 LAKE CITY ISD-813
 LAKE COUNTY ISD-381
 LAKE CRYSTAL/WELCOME MEMORIAL ISD-2071
 LAKE OF THE WOODS ISD-390
 LAKE PARK-AUDUBON ISD-2889
 LAKES COUNTRY SERVICE COOP
 LAKEVIEW ISD-2167
 LAKEVILLE ISD - 194
 LANCASTER ISD-356
 LANESBORO ISD-229
 LAPORTE ISD-306
 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 SCHOOLS ISD-2135
 MARSHALL COUNTY CENTRAL ISD-441
 MARSHALL ISD-413
 MARTIN COUNTY WEST ISD 2448
 MAZEPPA-ZUMBROTA ISD-2805
 MC GREGOR ISD-4
 MCLEOD WEST ISD-2887
 MEDFORD ISD-763
 MEEKER-WRIGHT COUNTY
 SPECIAL EDUCATION COOP
 MELROSE ISD-740
 MENAHGA ISD-821
 MID STATE EDUCATION ISD-6979
 MIDWEST SPEC EDUC COOP 398
 MILACA ISD-912
 MILROY ISD-635
 MINNEAPOLIS SPECIAL ISD-1
 MINNEOTA ISD-414
 MINNESOTA RIVER VALLEY ISD-6018
 MINNESOTA RIVERLAND TECH COLLEGE
 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
 MORRIS ISD-769
 MOUNDS VIEW ISD-621
 MOUNTAIN LAKE ISD-173
 NASHWAUK-KEEWATIN ISD-319
 NETT LAKE ISD-707
 NEVIS ISD-308
 NEW LONDON-SPICER ISD-345
 NEW PRAGUE ISD-721
 NEW ULM ISD-88
 NEW YORK MILLS ISD-553
 NICOLLET ISD-507
 NORTH BRANCH ISD-138
 NORTH CENTRAL SERVICE COOPERATIVE 5
 NORTH CENTRAL TECH COLLEGE ISD-6047
 NORTH COUNTRY VOCATIONAL
 COOP CENTER
 NORTH ST PAUL-MAPLEWOOD ISD-622
 NORTHEAST EDUC COOP SERVICE UNIT
 NORTHEAST EDUC DIST-6033
 NORTHEAST METRO INTERMEDIATE ISD-916
 NORTHFIELD ISD-659
 NORTHLAND LEARNING CENTER
 NORTHWEST REGIONAL INTERDISTRICT
 NORTHWEST SERVICE COOPERATIVE
 NORWOOD ISD-108
 OGILVIE ISD-333
 OKLEE ISD-627
 ONAMIA ISD-480
 ORONO ISD - 278
 ORTONVILLE ISD-62
 OSAKIS ISD-213
 OSSEO ISD-279
 OWATONNA ISD-761
 PARK RAPIDS ISD-309
 PARKERS PRAIRIE ISD-547
 PAYNESVILLE ISD-741
 PELICAN RAPID ISD-548
 PEQUOT LAKES ISD-186
 PERHAM 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
 PINE TO PRAIRIE COOP CENTER
 PIPESTONE-JASPER ISD-2689
 PLAINVIEW-ELGIN-MILLVILLE SCHOOLS
 PLUMMER ISD-628
 PRINCETON ISD-477
 PRINSBURG-COMMON ISD-815
 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 RIVER VALLEY VOCATIONAL COOP CTNR
 RED WING ISD - 256
 REDROCK CENTRAL ISD-2884
 REDWOOD FALLS ISD-2897
 REGION I
 REMER ISD-118
 RENVILLE COUNTY WEST DIST. 2890
 RESOURCE TRAINING AND SOLUTIONS
 RICHFIELD ISD - 280
 RIVER BEND ISD-6049
 ROBBINSDALE ISD-281
 ROCHESTER ISD-535
 ROCKFORD ISD-883
 ROOT RIVER EDUC DIST 6042
 ROSEAU ISD-682
 ROSEMOUNT ISD - 196
 ROSEVILLE ISD-623
 ROTHSA Y ISD-850
 ROUND LAKE ISD-516
 ROYALTON ISD-485
 RTR PUBLIC SCHOOLS
 RUNESTONE AREA EDUCATION DIST 6014
 RUSH CITY ISD-139
 SARTELL ISD-748
 SAUK CENTRE ISD-743
 SAUK CENTRE WEST EDUCATION ISD-6026
 SAUK RAPIDS ISD-47
 SEBEKA ISD-820
 SHAKOPEE ISD - 720
 SHETEK COOPERATIVE VOCATIONAL CENTER
 SIBLEY EAST ISD-2310
 SLAYTON-CHANDLER-LAKE WILSON ISD-2169
 SLEEPY EYE ISD-84
 SOUTH CENTRAL SERVICE COOPERATIVE
 SOUTH KOOCHICHING COUNTY ISD-363
 SOUTH ST PAUL SPECIAL ISD -6
 SOUTH WASHINGTON COUNTY ISD-833
 SOUTHEAST SERVICE COOPERATIVE
 SOUTHLAND ISD-500
 SPRING GROVE ISD-297
 SPRING LAKE PARK ISD - 16
 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 COUNTY ISD 2142
 ST. LOUIS PARK ISD-283
 ST. MICHAEL-ALBERTVILLE ISD-885
 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
 SWANVILLE ISD-486
 TEAM ACADEMY
 THIEF RIVER FALLS ISD-564
 TIES
 TRACY ISD-417
 TRI-COUNTY SCHOOLS ISD-2358
 TRUMAN ISD-458
 TWIN VALLEY/GARY ISD-2215
 UNDERWOOD ISD-550
 UPSALA ISD-487
 VALLEY & LAKES ISD-6001
 VERNDALE ISD-818
 VIKING COOPERATIVE CENTER #945
 VIRGINIA ISD-706
 WABASHA-KELLOGG ISD-811
 WABASSO ISD-640

WACONIA ISD 110
 WADENA ISD-2155
 WARREN ISD-2176
 WARROAD ISD-690
 WASECA COUNTY COOPERATIVE CENTER
 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 SCHOOLS ISD 2342
 WEST METRO EDUCATION PROGRAM
 WEST ST PAUL ISD-197
 WESTBROOK WALNUT GROVE
 SCHOOLS ISD 2898
 WESTONKA ISD - 277
 WHEATON ISD-803
 WHITE BEAR LAKE ISD-624
 WILLMAR ISD-347
 WILLOW RIVER ISD-577
 WIN-E-MAC ISD-2609
 WINDOM ISD-177
 WINONA ISD-861
 WORTHINGTON ISD-518
 WRENSHALL ISD-100
 WRIGHT TECHNICAL CENTER ISD-966
 ZUMBRO ISD-6012

CHARTER SCHOOLS

ACADEMIA CESAR CHAVEZ CHARTER SCHOOL
 ACADEMY BIOSCIENCE
 ACHIEVE LANGUAGE ACADEMY
 ADAM ABDUL ACADEMY
 AGRICULTURAL & FOOD SCIENCES ACADEMY
 ARTECH
 ASCENSION ACADEMY
 ASPEN ACADEMY
 AUGSBURG ACADEMY FOR HEALTH CAREERS
 AURORA CHARTER SCHOOL
 AVALON SCHOOL
 BEACON ACADEMY
 BEST ACADEMY
 BIRCH GROVE COMMUNITY SCHOOL
 BLUESKY CHARTER SCHOOL
 BLUFFVIEW MONTESSORI ISD-4001
 BRIGHT WATER ELEMENTARY
 CHARTER SCHOOL
 CEDAR-RIVERSIDE COMMUNITY ISD-4004
 CENTRAL MINNESOTA DEAF SCHOOL ISD-4022
 CHIRON CHARTER SCHOOL - 4096
 ACADEMY CHARTER SCHOOL ISD-4000
 COLOGNE CHARTER SCHOOL
 COLONEL CHARLES YOUNG
 MILITARY ACADEMY
 COMMUNITY PEACE ACADEMY ISD - 4015
 COMMUNITY PEACE ACADEMY ISD-4015
 COMMUNITY SCHOOL EXCELLENCE
 CONCORDIA CREATIVE LEARNING ACADEMY
 CONTINUUM ACADEMY
 CROSSLAKE COMMUNITY SCHOOL
 CYBER VILLAGE ACADEMY ISD-4025
 CYGNUS ACADEMY

DAKOTA ACADEMY CHARTER SCHOOL
 DAKOTA AREA COMMUNITY SCHOOL
 DISCOVERY PUB SCHOOL FARIBAUT
 DUGSI ACADEMY CHARTER SCHOOL
 EAGLE RIDGE ACADEMY CHARTER SCHOOL
 EAST RANGE ACADEMY TECH & SCIENCE
 ECHO CHARTER SCHOOL
 ECI NOMP WOODSPE
 CHARTER SCH ISD 4028
 ECI NOMP WOODSPE
 CHARTER SCH ISD 4028
 ELOM INTERNATIONAL ACADEMY
 EMILY CHARTER ISD-4012
 EMILY GREY ACCELERATED
 CHARTER SCHOOL
 EXCELL ACADEMY
 FACE TO FACE ACADEMY
 FAMILY ACADEMY CHARTER SCHOOL
 FORT SNELLING ACADEMY
 FOUR DIRECTIONS CHARTER SCHOOL
 FRASER ACADEMY
 FREDERICK DOUGLASS ACADEMY ISD-4010
 FRIENDSHIP ACADEMY FINE ARTS
 GENERAL JOHN VESSEY
 LEADERSHIP ACADEMY
 GLACIAL HILLS ELEMENTARY
 GREAT EXPECTATIONS SCHOOL
 GREAT RIVER EDUCATION CENTER
 GREAT RIVER SCHOOL
 HARBOR INTERNATIONAL
 CHARTER SCHOOL
 HARVEST PREPARATORY ACADEMY
 HEART THE EARTH CENTER,
 AM INDIAN ED
 HIAWATHA LEADERSHIP ACADEMY
 HIGH SCHOOL FOR THE RECORDING ARTS
 HIGHER GROUND ACADEMY - 4027
 HMONG ACADEMY CHARTER SCHOOL
 HOPE COMMUNITY ACADEMY
 JENNINGS EXPERIENTIAL HIGH SCHOOL
 KALEIDOSCOPE CHARTER SCHOOL
 KIPP STAND ACADEMY
 LA CRESCENT MONTESSORI ACADEMY
 LAKE SUPERIOR HIGH SCHOOL
 LAKES AREA CHARTER SCHOOL
 LAKES INTERNATIONAL
 LANGUAGE ACADEMY
 LAURA JEFFREY ACADEMY
 LEARNING ADVENTURES MIDDLE SCHOOL
 LEARNING FOR LEADERSHIP CS
 LIBERTY HIGH CHARTER SCHOOL
 LIGHTHOUSE ACADEMY NATIONS
 LINCOLN INTERNATIONAL
 CHARTER SCHOOL
 LIONSGATE ACADEMY
 LONG TIENG ACADEMY
 LOVEWORKS ACADEMY VISUAL &
 PERFORM ARTS
 MAIN ST SCHOOL PERFORMING ARTS
 MARTIN HUGHES CHARTER ISD-4040
 MARY MCEVOY EARLY LITERACY ACADEMY
 MATH AND SCIENCE ACADEMY
 METRO DEAF SCHOOL INC.
 MEXICA MULTICULTURAL
 EDUCATION - 4060
 MILROY CHARTER SCHOOL
 MINISINAKWAANG LEADERSHIP ACADEMY
 MINNEAPOLIS ACADEMY
 MINNEAPOLIS PUBLIC SCHOOLS

MINNESOTA ACADEMY TECHNOLOGY
 MINNESOTA BUSINESS ACADEMY
 MINNESOTA INTERNATIONAL
 MIDDLE SCHOOL
 MINNESOTA INTERNSHIP CENTER
 MINNESOTA NORTH STAR ACADEMY
 MINNESOTA ONLINE HIGH SCHOOL
 MINNESOTA TRANSITIONS ISD-4017
 NATIVE ARTS HIGH SCHOOL
 NEW CENTURY CHARTER SCHOOL
 NEW CHARTER SCHOOL
 NEW DISCOVERIES MONTESSORI ACADEMY
 NEW HEIGHTS CHARTER ISD-4003
 NEW MILLENNIUM CHARTER SCHOOL
 NEW SALEM ACADEMY
 NEW SPIRIT CHARTER SCHOOL ISD-4029
 NEW VISIONS CHARTER ISD-4011
 NEW VOYAGE ACADEMY CHARTER SCHOOL
 NOBLE ACADEMY
 NORTH LAKES ACADEMY
 NORTH SHORE COMMUNITY SCHOOL
 NORTHWEST PASSAGE HIGH SCHOOL
 NOVA CLASSICAL ACADEMY
 NW SUB INTEGRATION SCHOOL DIST- 6078
 ODYSSEY CHARTER ISD-4030
 PACT CHARTER ISD - 4008
 PAIDEIA ACADEMY
 PARTNERSHIP ACADEMY
 PEAKS CHARTER DIST 4033
 PEAKS CHARTER SCHOOL FARIBAUT
 PILLAGER AREA CHARTER SCHOOL
 PINE GROVE LEADERSHIP ACADEMY
 PRAIRIE CREEK COMMUNITY SCHOOL
 PRAIRIE SEEDS ACADEMY
 RECOVERY SCHOOL SOUTHERN MINNESOTA
 RIDGEWAY COMMUNITY SCHOOL
 RIGHT STEP ACADEMY
 RIVER'S EDGE ACADEMY
 RIVERWAY LEARNING COMMUNITY
 ROCHESTER CHARTER HIGH SCHOOL
 SCHOOLCRAFT LEARNING COMMUNITY
 SEVEN HILLS CLASSICAL ACADEMY
 SKILLS FOR TOMORROW HIGH
 SCHOOL ISD-4006
 SKILLS FOR TOMORROW JR. HIGH ISD-4037
 SOBRIETY HIGH SCHOOL EAST CAMPUS
 SOJOURNER TRUTH ACADEMY
 CHARTER SCHOOL
 SOUL ACADEMY
 SOUTHSIDE FAMILY CHARTER ISD 4162
 SPECTRUM HIGH SCHOOL
 ST CROIX PREPARATORY ACADEMY
 ST PAUL CONSERVATORY
 PERFORMING ARTISTS
 STONEBRIDGE COMMUNITY SCHOOL
 STRIDE ACADEMY
 STUDIO ACADEMY
 SUCCESS ACADEMY ISD-4023
 SUMMIT SCHOOL FOR THE ARTS ISD-4024
 SWAN RIVER MONTESSORI CHARTER SCHOOL
 TAREK IBN ZIYAD ACADEMY
 THE DAVINCI ACADEMY ARTS AND SCIENCE
 TOIVOLA-MEADOWLANDS CHARTER ISD-4002
 TREKNORTH HIGH SCHOOL
 TRIO WOLF CREEK DISTANCE
 LEARNING PROG
 TWIN CITIES ACADEMY
 TWIN CITIES ACADEMY HIGH SCHOOL

TWIN CITIES GERMAN IMMERSION SCHOOL
 TWIN CITIES INTERNATIONAL ELEMENTARY
 UBAH MEDICAL ACADEMY
 URBAN ACADEMY CHARTER SCHOOL
 VERITAS ACADEMY
 VILLAGE SCHOOL NORTHFIELD ISD-4021
 VOYAGEURS EXPEDITIONARY HIGH SCHOOL
 WATERSHED HIGH SCHOOL
 WAYNEWOOD SCHOOL HOPE
 WILLIAM MCGEE INSTITUTE TECH
 WOODSON INSTITUTE FOR EXCELLENCE
 WORLD LEARNER CHARTER ISD-4016
 WORTHINGTON AREA LANGUAGE ACADEMY
 YANKTON COUNTRY SCHOOL
 YING HUA ACADEMY

HOSPITALS/NURSING HOMES

ADAMS HEALTH CARE CENTER
 ADRIAN HOSPITAL AND NURSING HOME
 APPLETON MUNICIPAL HOSPITAL
 BATTLE LAKE NURSING HOME
 BELTRAMI COUNTY NURSING HOME
 BELTRAMI COUNTY NURSING SERVICE
 BELVIEW PARKVIEW HOME
 BERTHA HOSPITAL
 BRIDGES MEDICAL CENTER
 CANNON FALLS COMMUNITY HOSPITAL
 CANNON FALLS MED CENTER - MAYO HEALTH
 CHIPPEWA COUNTY HOSPITAL
 CLARA CARE CENTER
 CLARKFIELD CARE CENTER
 CLEARWATER COUNTY HOSPITAL
 CLEARWATER COUNTY NURSING SERVICE
 COOK COUNTY HOSPITAL
 CORNERSTONE NURSING & REHAB CENTER
 COTTONWOOD-JACKSON HEALTH SERVICE
 DODGE COUNTY FAIRVIEW NURSING HOME
 DOUGLAS COUNTY HOSPITAL
 ELLSWORTH PARKVIEW MANOR NURSING
 FAIRWAY VIEW SENIOR COMMUNITY
 FERTILE FAIR MEADOW NURSING HOME
 GLENCOE REGIONAL HEALTH CENTER
 GLENHAVEN
 GRAND MEADOW MANOR NURSING HOME
 GRAND VILLAGE
 GRANITE FALLS HOSPITAL AND MANOR
 GRANT COUNTY HOSPITAL
 HAYFIELD FIELD CREST CARE CENTER
 HENNEPIN COUNTY MEDICAL CENTER
 HENNEPIN HEALTHCARE SYSTEM
 HUTCHINSON AREA HEALTH CARE
 ITASCA COUNTY MEDICAL CENTER
 JACKSON MUNICIPAL HOSPITAL
 JANESVILLE NURSING HOME
 KANABEC COUNTY HOSPITAL
 KARLSTAD CLINIC
 KARLSTAD NURSING CENTER
 KITTSOON COUNTY NURSING HOME
 LAKE COUNTY SUNRISE HOME
 LAKE HOSPITAL AND NURSING HOME
 LAKE NURSING HOME
 LAKEFIELD COLONIAL NURSING HOME
 LAKEFIELD MUNICIPAL CLINIC

LAKEFIELD MUNICIPAL HOSPITAL
 LAKEVIEW HOME
 LAMBERTON VALLEY VIEW MANOR
 LITTLEFORK MEDICAL CENTER
 MABEL GREEN LEA MANOR
 MAHNOMEN COUNTY HOSPITAL
 MAHNOMEN HEALTH CENTER JPB
 MEEKER COUNTY HOSPITAL
 MELROSE MUNICIPAL HOSPITAL
 MENAUGA NURSING HOME
 METROPOLITAN VISITING
 NURSE ASSOCIATION
 MULTI COUNTY NURSING SERVICE
 MURRAY COUNTY MEMORIAL HOSPITAL
 NEW RICHLAND CARE CENTER
 NEW YORK MILLS NURSING HOME
 NORTHFIELD HOSPITAL
 OAK TERRACE HEALTH CARE CENTER
 OAK TERRACE NURSING HOME
 ORTONVILLE HOSPITAL
 OWATONNA MUNICIPAL HOSPITAL
 PENNINGTON COUNTY
 OAKLAND PARK NURSING
 PENNINGTON-RED LAKE COUNTY
 NURSING SERVICE
 PAYNESVILLE AREA HEALTH CARE SYSTEM
 PELICAN VALLEY HEALTH CENTER
 PHEASANT COUNTRY HOME CARE
 PIPESTONE COUNTY MEDICAL CENTER
 PLAINVIEW HILLCREST NURSING HOME
 PRIME WEST HEALTH SYSTEM JPB
 REDWOOD AREA HOSPITAL
 REGIONS HOSPITAL - MAIL STOP
 RENVILLE HEALTH SERVICES
 RICE COUNTY DISTRICT 1 HOSPITAL
 RIDGEVIEW MEDICAL CENTER
 RUSH HOSPITAL
 SANFORD HOSPITAL LUVERNE
 SANFORD REGIONAL HOSPITAL
 WORTHINGTON
 SAUK CENTRE HOSPITAL
 SIBLEY MEDICAL CENTER
 SLEEPY EYE HOSPITAL
 SOUTH COUNTRY HEALTH ALLIANCE
 SPRINGFIELD HOSPITAL
 SPRINGFIELD MEDICAL CENTER
 ST PAUL RAMSEY CLINIC
 ST. PETER HOSPITAL & HCC
 SUNNYSIDE NURSING HOME
 SWIFT COUNTY BENSON HOSPITAL
 TRACY HOSPITAL
 TRIMONT HEALTH CARE CENTER
 ULEN VIKING MANOR
 VIRGINIA REGIONAL MEDICAL CENTER
 WARROAD HOSPITAL
 WASECA MEMORIAL HOSPITAL
 WEINER HOSPITAL, MARSHALL
 WELLS HOSPITAL
 WHEATON HOSPITAL
 WILLMAR RICE MEMORIAL HOSPITAL
 WINDOM AREA HOSPITAL
 WORTHINGTON HOSPITAL

MISCELLANEOUS

ACHIEVE SERVICES INCORPORATED
 AFSCME COUNCIL 5
 AFSCME COUNCIL 65
 AGASSIZ VALLEY VOCATIONAL CENTER
 AITKIN COUNTY SWCD
 ALEXANDRIA LAKE AREA SANITARY DISTRICT
 ANOKA COUNTY SWCD
 AREA II MINNESOTA RIVER BASIN PRODUCTS
 ARROWHEAD LIBRARY SYSTEM
 ARROWHEAD REGIONAL
 COMPUTER CONSORTIUM
 ARROWHEAD REGIONAL CORRECTIONS
 ARROWHEAD REGIONAL
 DEVELOPMENT COMMISSION
 ASSOCIATION MINNESOTA COUNTIES
 BATTLE LAKE AREA LANDFILL ASSOCIATION
 BATTLE LAKE MOTOR PATROL ASSOCIATION
 BECKER COUNTY SWCD
 BECKER-CLAY COUNTY SPECIAL EDUCATION
 BELLE CREEK WATERSHED DISTRICT
 BELTRAMI COUNTY SWCD
 BELTRAMI SWCD
 BEMIDJI AREA JOINT PLANNING BOARD
 BEMIDJI-BELTRAMI AIRPORTS COMMISSION
 BENEDICTINE LIVING
 COMMUNITY , ST. PETER
 BENTON COUNTY SWCD
 BIG STONE COUNTY SWCD
 BLUE EARTH COUNTY SWCD
 BLUE EARTH RIVER BASIN INITIATIVE
 BOARD PUBLIC DEFENDERS
 BOIS DE SIOUX WATERSHED DISTRICT
 BOVEY COLERAINE TREATMENT
 PLANT COMMISSION
 BRAHAM MORA AND PINE
 BRAHAM-MILACA JOINT POWERS BD
 BREITUNG/TOWER WASTE WATER BOARD
 BROWN COUNTY SWCD
 BROWN-NICOLLET COUNTY
 BURNS-HOMER-PLEASANT SWCD
 CALLAWAY OGEMA POLICE DEPARTMENT JPB
 CAPITOL REGION WATERSHED DISTRICT
 CARLTON COUNTY SWCD
 CARNELIAN-MARINE WATERSHED DISTRICT
 CARVER COUNTY SWCD
 CASS COUNTY SWCD
 CCLNS JOINT POWERS BOARD #3
 CEDAR RIVER EDUCATION SERVICE COOP
 CEDAR RIVER WATERSHED DISTRICT
 CENTENNIAL LAKES POLICE DEPT.
 CENTRAL LAKE REGION SANITARY DISTRICT
 CENTRAL MINNESOTA COOPERATIVE CENTER
 CENTRAL MINNESOTA LIBRARIES
 CENTRAL MINNESOTA
 REGIONAL DEVELOPMENT
 CENTRAL MINNESOTA SWCD - CLUSTER 5
 CENTRAL ST. CROIX VALLEY CABLE
 CHIPPEWA COUNTY SWCD
 CHISAGO COUNTY SWCD
 CHISAGO LAKES JOINT SEWAGE
 TREATMENT COMMISSION
 CLAY COUNTY SWCD

| | | |
|--|---|---|
| CLAY COUNTY VOCATIONAL CENTER | HERON LAKE WATERSHED DISTRICT | MARTIN COUNTY SWCD |
| CLEARWATER COUNTY SWCD | HIGH ISLAND CREEK WATERSHED DISTRICT | MARTIN-FARIBAULT CO. |
| CLEARWATER HEALTH SERVICES | HIGHLAND VOCATIONAL | PRAIRIELAND WASTE BOARD |
| CLEARWATER RIVER WATERSHED DISTRICT | HUBBARD COUNTY SWCD | MC LEOD COUNTY SWCD |
| COMFORT LAKE FOREST LAKE WD | HUDSON SANITARY LANDFILL AUTHORITY | MEEKER COUNTY SWCD |
| COMMUNITY ACTION MINNEAPOLIS | HUMAN SERVICES FARIBAULT & MARTIN CO | METRO II |
| COOK COUNTY HOSPITAL AMBULANCE | HUTCHINSON AREA HEALTH CARE | METRO WASTE CONTROL COMMISSION |
| COOK COUNTY SWCD | I 494 CORRIDOR COMMISSION | METRONET |
| COOK COUNTY/GRAND MARAIS JOINT EDA | IMPACK 6 JOINT POWERS BOARD | METROPOLITAN AIRPORTS COMMISSION |
| COON CREEK WATERSHED DISTRICT | INFINITY MINNESOTA'S DIGITAL ACADEMY | METROPOLITAN CABLE NETWORK |
| COTTONWOOD COUNTY SWCD | INTERDISTRICT VOCATIONAL CENTER | METROPOLITAN COUNCIL |
| COTTONWOOD RIVER VOCATIONAL CENTER | ISANTI COUNTY SWCD | METROPOLITAN COUNCIL TRANSIT OPS |
| CROOKSTON HOUSING & ECONOMIC DEVELOPMENT AUTHORITY | ITASCA COUNTY SWCD | METROPOLITAN ECSU REGION 11 |
| CROSSLAKE TELEPHONE | JEFFERS AMBULATORY | METROPOLITAN LIBRARY SERVICE AGENCY |
| CROW RIVER RECREATION DEPARTMENT | JOINT POWERS WATER BOARD | METROPOLITAN MOSQUITO CONTROL DISTRICT |
| CROW RIVER SPECIAL EDUCATION COOP | JOINT POWERS BOARD ZONE 10 | METROPOLITAN SPORTS FACILITY COMMISSION |
| CROW WING COUNTY SWCD | KANABEC COUNTY ECONOMIC DEVELOPMENT COMMISSION | METROPOLITAN VISITING NURSE ASSOCIATION |
| DAKOTA COMMUNICATIONS CENTER | KANABEC COUNTY SWCD | MIDDLE FORK CROW RIVER W DISTRICT |
| DAKOTA COUNTY SWCD | KANDIYOHI AREA TRANSIT KAT | MIDDLE RIVER/SNAKE RIVER WD |
| DELAVIN-EASTON PUBLIC SAFETY | KANDIYOHI COUNTY SWCD | MID-MINNESOTA DEVELOPMENT COMMISSION |
| DEPARTMENT OF MILITARY AFFAIRS | KANDIYOHI-WILLMAR ECONOMIC DEVELOPMENT | MILLE LACS COUNTY SWCD |
| DODGE COUNTY SWCD | KITCHIGAMI REGIONAL LIBRARY | MILLE LACS TRIBAL POLICE |
| DOUGLAS COUNTY SWCD | KITTSOON COUNTY SWCD | MINNEAPOLIS COMMUNITY DEVELOPMENT AGENCY |
| DOVER-EYOTA ST. CHARLES SANITARY DISTRICT | KITTSOON-MARSHALL COUNTY RURAL WATER SYSTEM | MINNEAPOLIS EMPLOYEE RETIREMENT FUND |
| DULUTH AIRPORT AUTHORITY | KOOCHICHING COUNTY DEVELOPMENT AUTHORITY | MINNEAPOLIS YOUTH COOR BOARD |
| EAST CENTRAL COOPERATIVE CENTER | KOOCHICHING COUNTY SWCD | MINNEHAHA CREEK WATERSHED DIST |
| EAST CENTRAL REGIONAL DEVELOPMENT COMMISSION | LAC QUI PARLE COUNTY SWCD | MINNESOTA ASSOCIATION URBAN COUNTIES |
| EAST CENTRAL REGIONAL LIBRARY | LAC QUI PARLE/YELLOW BANK WATERSHED | MINNESOTA COUNTIES COMPUTER COOPERATIVE |
| EAST OTTER TAIL COUNTY SWCD | LAKE AMBULANCE SERVICE | MINNESOTA COUNTIES INS TRUST |
| EAST POLK COUNTY SWCD | LAKE OF THE WOODS EDA | MINNESOTA INTER-COUNTY ASSOCIATION |
| EAST RANGE JOINT POWERS BOARD | LAKE OF THE WOODS SWCD | MINNESOTA MUNICIPAL UTILITIES ASSOC |
| EAST RANGE SECONDARY TECHNICAL CENTER | LAKE AGASSIZ REGIONAL LIBRARY | MINNESOTA RIVER SOURCE JPB |
| EDUCATION MINNESOTA | LAKE COUNTY SWCD | MINNESOTA RIVER SPEC EDUCATION COOP |
| EFSD JOINT RECREATION BOARD | LAKE JOHANNA FIRE DEPARTMENT | MINNESOTA STATE SHERIFFS ASSOCIATION |
| ELKO NEW MARKET WASTE WATER UTILITY BOARD | LAKE MINNETONKA COMMUNICATION COMMISSION | MINNESOTA TEAMSTER PUBLIC & LAW #320 |
| ELLENDALE AMBULANCE SERVICE | LAKE MINNETONKA CONSERVATION DISTRICT | MINNESOTA VALLEY COOP |
| EVELETH ECONOMIC DEVELOPMENT AUTHORITY | LAKES AREA RECREATION | MINNESOTA VALLEY REGIONAL LIBRARY |
| EVELETH VIRGINIA AIRPORT AUTHORITY | LAKES AREA POLICE | MINNESOTA VALLEY TRANSIT AUTHORITY |
| EXCELSIOR FIRE DISTRICT | LAKES COOPERATIVE CENTER | MISSISSIPPI WATERSHED MANAGEMENT ORGANIZATION |
| FAIR OAKS LODGE | LAKESIDE HEALTH CARE CENTER | MOOSE LAKE-WINDEMERE |
| FARIBAULT COUNTY SWCD | LAKEVILLE ARENAS | MORRISON COUNTY SWCD |
| FARWELL KENSINGTON SANITARY DISTRICT | LEAGUE MINNESOTA CITIES | MOWER COUNTY SWCD |
| FILLMORE CO SOIL & WATER CONSERVATION | LEECH LAKE BAND OJIBWE | NASHWAUK AMBULANCE SERVICE |
| FOREST LAKE CABLE COMMISSION | LINCOLN COUNTY SWCD | NICOLLET COUNTY SWCD |
| FREEBORN COUNTY SWCD | LITCHFIELD RESCUE SQUAD | NICOLLET COUNTY TRI- JOINT POWERS BD |
| GARRISON KATHIO SEWER DISTRICT | LITTLE FALLS-MORRISON COUNTY AIRPORT COMMISSION | NINE MILE CREEK WATERSHED DISTRICT |
| GLACIAL RIDGE COOPERATIVE CENTER | LOCAL 132 | NOBLES COUNTY SWCD |
| GLENWOOD JOINT POWER SCH DIST | LOGIS | NOBLES SWCD |
| GOODHUE COUNTY SWCD | LONG LAKE CONSERVATION CENTER | NORMAN COUNTY SWCD |
| GOVERNMENT TRAINING SERVICES | LOWER MINNESOTA RIVER WATERSHED DISTRICT | NORMAN-MAHNOMEN PUBLIC HEALTH |
| GRANT COUNTY SWCD | LOWER SIOUX COMMUNITY POLICE DEPARTMENT | NORTH CENTRAL MINNESOTA SWCD JPB |
| GREAT RIVER REGIONAL LIBRARY | LOWER ST CROIX FIRE DEPARTMENT JPB | NORTH COUNTRY LIBRARY COOP |
| GREENWAY JOINT RECREATION ASSOCIATION | LUVERNE ECONOMIC DEVELOPMENT AUTHORITY | NORTH COUNTRY LIBRARY COOPERATIVE |
| GROVE ECONOMIC DEVELOPMENT AUTHORITY | LYON COUNTY SWCD | NORTH FORK CROW RIVER WATERSHED DISTRICT |
| HARMONY AMBULANCE SERVICE | MAHNOMEN COUNTY SWCD | NORTH KITTSOON COUNTY RWS |
| HAWLEY AREA EMS JPB | MAPE | NORTH METRO MAYORS ASSOCIATION |
| HEADWATER NUTRITION PROJECT | MARSHALL COUNTY SWCD | NORTH METRO TELECOMMUNICATIONS |
| HEADWATERS REGIONAL DEVELOPMENT COMM | MARSHALL- POLK COUNTY RURAL WATER SYSTEM | NORTH SHORE COLLABORATIVE JPB |
| HENNEPIN SOIL & WATER CONSERVATION DIST | MARSHALL-BELTRAMI COUNTY SWCD | NORTH ST LOUIS SWCD |
| HENNING AMBULANCE SERVICE | | NORTH STAR VOC COOP CENTER |
| HERITAGE LIVING CENTER (PARK RAPIDS) | | NORTH SUBURBAN ACCESS CHANNELS |

NORTH SUBURBAN CABLE COMMISSION
 NORTHEAST EDUC COOP SERVICE UNIT
 NORTHEAST MINNESOTA
 OFFICE JOB TRAINING
 NORTHERN DAKOTA COUNTY
 CABLE COMMISSION
 NORTHERN LIGHTS LIBRARY NETWORK
 NORTHERN MUNICIPAL POWER AGENCY
 NORTHWEST REGIONAL
 DEVELOPMENT COMMISSION
 NORTHWEST SUBURBAN CABLE
 COMMUNICATION COMMISSION
 NORTHWESTERN JUVENILE CENTER
 NW HENNEPIN HUMAN SERVICES COUNCIL
 OKEBENA-OCHEDEA WATERSHED DISTRICT
 OLMSTED COUNTY SWCD
 OTTERTAIL COUNTY WATER
 MANAGMENT DIST
 PELICAN RIVER WATERSHED DISTRICT
 PENNINGTON COUNTY SWCD
 PINE COUNTY SWCD
 PINE ISLAND ECON DEVEL AUTHORITY
 PINE RIVER AREA SANITARY DISTRICT
 PIONEERLAND LIBRARY SYSTEM
 PIPESTONE COUNTY SWCD
 PLAINVIEW AMBULANCE SERVICE
 PLAINVIEW-ELGIN SANITARY DISTRICT
 PLUM CREEK LIBRARY SYSTEM
 POLICE DEPT. SHERBURN AND WELCOME
 POPE COUNTY SWCD
 PRAIRIE ISLAND INDIAN COMMUNITY
 PRAIRIE LAKES DETENTION CENTER
 PRAIRIE LAKES YOUTH PROGRAMS
 PRIOR LAKE-SPRING LAKE WD
 PUBLIC EMPLOYEES RETIREMENT ASSOC
 PUBLIC SAFETY DEPT AMBOY
 AND VERNON CENT
 QUAD CITY COOPERATIVE
 QUAD CITIES CABLE COMMISSION
 QUAD CITIES ECONOMIC
 DEVELOPMENT AUTHOR
 RAINBOW RIDER TRANSIT BOARD
 RAMSEY WASHINGTON METRO
 WATERSHED DISTRICT
 RAMSEY-WASHINGTON SUBURBAN
 CABLE COMMISSION
 RANGE ASSOCIATION OF MUNICIPALITIES
 RED LAKE COUNTY SWCD
 RED LAKE WATERSHED DISTRICT
 RED RIVER WATERSHED MANAGEMENT
 RED ROCK RURAL WATER SYSTEM
 RED WING ENVIRONMENTAL LEARNING CTR
 REDWOOD COUNTY SWCD
 REDWOOD-COTTONWOOD RIVERS
 CONTROL AREA
 REGION V DEVELOPMENT COMMISSION
 REGION IX DEVELOPMENT COMMISSION
 REMER AMBULANCE SERVICE
 RENVILLE COUNTY SWCD
 RICE COUNTY SWCD
 RICE CREEK WATERSHED DISTRICT
 RICE-STEELE CONSOLIDATED DISPATCH
 RICH PRAIRIE SEWER AND WATER DISTRICT
 RIVER RIDER TRANSIT SERVICE
 ROCK COUNTY RWS
 ROCK COUNTY SWCD
 ROSEAU COUNTY SWCD
 ROSEAU RIVER WATERSHED DISTRICT
 RUM RIVER COOP CNTR
 RUNESTONE COMMUNITY CENTER
 RUNESTONE COOPERATIVE CENTER
 RURAL CITIES ADMINISTRATION
 RUSH LAKE AREA SD
 SAND HILL RIVER WATERSHED DISTRICT
 SAUK CENTRE WD
 SCOTT COUNTY SWCD
 SCOTT JOINT PROSECUTION
 SE REGIONAL DEVELOPMENT COMMISSION
 SERPENT LAKE SANITARY SEWER DISTRICT
 SERVICE EMPLOYEES INTERNATIONAL UNION
 SERVICE EMPLOYEES LOCAL 63
 SHELL ROCK RIVER WATERSHED DISTRICT
 SHERBURNE COUNTY SWCD
 SIBLEY COUNTY SWCD
 SLEEPY EYE AMBULANCE SERVICE
 SO WASHINGTON COUNTY CABLE COMMISSION
 SOIL & WATER CONSERVATION
 DIST TECH SERV
 SOLID WASTE AUTHORITY LAVELL
 SOUTH CENTRAL EMS JPB
 SOUTH CENTRAL MINNESOTA
 INTERLIBRARY EXC
 SOUTH EASTERN FARIBAUT COUNTY POLICE
 SOUTH LAKE MINNETONKA POLICE DEPT
 SOUTH METRO FIRE DISTRICT
 SOUTH ST. LOUIS COUNTY SOLID WASTE
 SOUTH ST. LOUIS COUNTY SWCD
 SOUTH TWO RIVER WATERSHED DISTRICT
 SOUTH WASHINGTON WATERSHED DISTRICT
 SOUTHEAST SWCD TECH SUPPORT JPB
 SOUTHERN MN MUNICIPAL POWER AGENCY
 SOUTHWEST TRANSIT
 SPICER EDA
 SPIRIT MOUNTAIN RECREATIONAL AUTHORITY
 SPRING GROVE AMBULANCE CORP
 SPRING LAKE PARK BLAINE
 MOUNDSVIEW FIRE
 SPRING LAKE PARK FIRE JPB
 ST CLOUD AREA PLAN ORGINIZATION
 ST CLOUD METRO TRANSIT COMMISSION
 ST LOUIS & LAKE COUNTY
 REGIONAL RAILROAD
 ST LOUIS COUNTY NORTHWOODS
 SOLID WASTE
 ST PAUL ARENA COMPANY
 ST PAUL PORT AUTHORITY
 ST. PAUL PUBLIC HOUSING AGENCY
 STATE SUPREME COURT JUDICIAL DISTRICT
 STEARNS BENTON EMPLOYMENT
 TRAINING COUNCIL
 STEARNS COUNTY SWCD
 STEELE CO OWATONNA SCHOOLS COLLAB
 STEELE COUNTY SWCD
 STEVENS COUNTY SWCD
 STMA ARENA JPB
 SW MULTI-CO INTERLIB EXCHG
 SW REGIONAL DEVEL COMM
 SWIFT COUNTY SWCD
 THIRTY LAKES WATERSHED DISTRICT
 TODD COUNTY SWCD
 TRAILBLAZER JOINT POWERS BOARD
 TRAVERSE COUNTY SWCD
 TRAVERSE DES SIOUX REGIONAL LIBRARY
 TRI- BIOSOLIDS DISPOSAL AUTHORITY
 TURTLE CREEK WATERSHED DISTRICT
 TWO RIVERS WATERSHED DISTRICT
 UNIVERSITY OF MINNESOTA
 UNIVERSITY OF MINNESOTA
 POLICE OFFICERS
 UPPER MINNESOTA RIVER WD
 UPPER MINNESOTA VALLEY REGIONAL
 DEVELOPMENT COMMISSION
 UPPER SIOUX COMMUNITY
 UTILITIES PLUS
 VADNAIS LAKE AREA
 VIKING LIBRARY SYSTEM
 VIRGINIA ECONOMIC DEVELOPMENT
 AUTHORITY
 WABASHA COUNTY SWCD
 WADENA COUNTY SWCD
 WADENA COUNTY TRANSIT
 WASECA COUNTY SWCD
 WASHINGTON SWCD
 WATONWAN COUNTY SWCD
 WEST CENTRAL AREA AGENCY ON AGING
 WEST CENTRAL MINNESOTA JPB
 WEST HENNEPIN COUNTY HUMAN SERVICES
 WEST HENNEPIN PUBLIC SAFETY DEPARTMENT
 WEST METRO FIRE-RESCUE DISTRICT
 WEST OTTERTAIL COUNTY SWCD
 WEST POLK COUNTY SWCD
 WESTERN LAKE SUPERIOR SANITARY DISTRICT
 WESTERN PLAINS LIBRARY SYSTEM
 WHITE BEAR LAKE CONSERVATION DISTRICT
 WHITE EARTH TRIBAL PUBLIC SAFETY
 WHITEWATER WATERSHED PROJECT JPB
 WILD RICE WATERSHED DISTRICT
 WILKIN COUNTY SWCD
 WINONA COUNTY SWCD
 WORTHINGTON CABLE 3
 JOINT POWERS BOARD
 WRIGHT COUNTY SWCD
 WWWRRR
 YELLOW MEDICINE COUNTY SWCD
 YELLOW MEDICINE RIVER WD
 ZIMMERMAN LIVONIA FIRE DISTRICT

THIS PAGE LEFT
BLANK INTENTIONALLY.



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