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Public Employee - Component unit financial report ..



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COMPONENT

UNIT

FINANCIAL

REPORT

June 30, 1993

Public Employees Retirement Association of Minnesota



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Pursuant to Minn. Stat. 356.20

Subd. 1



January 5, 1994

Dear Chief Financial Officer:

I am pleased to forward our Component Unit Financial Report (CUFR) for the year ended June 30, 1993. We are participating in the Certificate of Achievement for Excellence in Financial Reporting program sponsored by the Government Finance Officers Association of the United States and Canada (GFOA). I believe this current report continues to conform with program requirements. I am, therefore, submitting it to the GFOA so that they may determine its eligibility for a certificate.

As in the past, we have prepared suggested financial statement footnote disclosures relating to PERA for inclusion in your financial statements for fiscal year 1993. The suggested footnotes are not intended to be a substitute for judgement by the individual CPA or preparer of your annual financial report.

I hope this information will assist you in preparing your fiscal year 1993 financial statements. **Please give a copy of this letter and enclosures to your auditing firm for their use during the annual audit.** If either you or your auditor have questions about this material, please call me at (612) 297-3573 or Gary Hovland at (612) 296-9170.

Sincerely,

PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

A handwritten signature in cursive script that reads 'Judith M. Hunt'.

Judith M. Hunt, CPA
Manager of Finance

DISCLOSURE OF PENSION INFORMATION BY
STATE AND LOCAL GOVERNMENTAL EMPLOYERS

SUGGESTED FOOTNOTE DISCLOSURE

PREPARED BY THE FINANCE DIVISION
OF THE
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF MINNESOTA

JANUARY 5, 1994

This suggested footnote disclosure was prepared by the Finance
Division of the Public Employees Retirement Association of Minnesota.
It is not intended to be a substitute for judgement by the individual
CPA or preparer of the governmental units CAFR, and is not intended to
be all inclusive.

EXAMPLE - REPORT OF A GOVERNMENTAL EMPLOYER CONTRIBUTING TO A
COST-SHARING MULTIPLE EMPLOYER PERS (MINNESOTA PERA)

XX. Defined Benefit Pension Plans - Statewide

A. Plan Description

All full-time and certain part-time employees of the City of Anytown are covered by defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the Public Employees Retirement Fund (PERF) and the Public Employees Police and Fire Fund (PEPFF) which are cost-sharing multiple-employer retirement plans. PERF members belong to either the Coordinated Plan or the Basic Plan. Coordinated members are covered by Social Security and Basic members are not. All new members must participate in the Coordinated Plan. All police officers, firefighters and peace officers who qualify for membership by statute are covered by the PEPFF. The payroll for employees covered by PERF and PEPFF for the year ended December 31, 1993, was \$_____ and \$_____, respectively; the City's total payroll was \$_____.

PERA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by State Statute, and vest after three years of credited service. The defined retirement benefits are based on a member's average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for Coordinated and Basic members. The retiring member receives the higher of step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic member is 2 percent of average salary for each of the first 10 years of service and 2.5 percent for each remaining year. For a Coordinated member, the annuity accrual rate is 1 percent of average salary for each of the first 10 years and 1.5 percent for each remaining year. Using Method 2, the annuity accrual rate is 2.5 percent of average salary for Basic members and 1.5 percent for Coordinated members. For PEPFF members, the annuity accrual rate is 2.5 percent for each year of service through June 30, 1993. (Effective July 1, 1993, the annual accrual rate for PEPFF is 2.65 percent.) For PERF members whose annuity is calculated using Method 1, and for all PEPFF members, a full annuity is available when age plus years of service equal 90.

There are different types of annuities available to members upon retirement. A normal annuity is a lifetime annuity that ceases upon the death of the retiree. No survivor annuity is payable. There are also various types of joint and survivor annuity options available which will reduce the monthly normal annuity amount, because the annuity is payable over joint lives. Members may also leave their contributions in the fund upon termination of public

service, in order to qualify for a deferred annuity at retirement age. Refunds of contributions are available at any time to members who leave public service, but before retirement benefits begin.

B. Contributions Required and Contributions Made

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. The City makes annual contributions to the pension plans equal to the amount required by state statutes. According to Minnesota Statutes Chapter 356.215, Subd. 4(g), the date of full funding required for the PERF and the PEPFF is the year 2020. As part of the annual actuarial valuation, PERA's actuary determines the sufficiency of the statutory contribution rates towards meeting the required full funding deadline. The actuary compares the actual contribution rate to a "required" contribution rate. Current combined statutory contribution rates and actuarially required contribution rates for the plans are as follows:

	<u>Statutory Rates:</u>		<u>Required</u>
	<u>Employees</u>	<u>Employer</u>	<u>Rates*</u>
PERF (Basic & Coordinated Plans)	4.39%	4.67%	9.95%
PEPFF	8%	12%	18.60%

*The recommended rates scheduled above represent the required rates for fiscal year 1993 contributions as reported in the July 1, 1992, actuarial valuation reports.

(Note to preparer of the CAFR: Statutory employee and employer rates for the PERF, as shown above, are calculated by dividing total employee deduction for both plans by covered payroll for both plans. Therefore, the rates shown above are not the same as the rates for each plan shown on the salary deduction reports.)

Total contributions made by the City during fiscal year 1993 were:

	<u>Amounts</u>		<u>Percentage of Covered Payroll</u>	
	<u>Employees</u>	<u>Employer</u>	<u>Employees</u>	<u>Employer</u>
PERF:	\$	\$	%	%
PEPFF	\$	\$	%	%
Totals	\$	\$		

The City's contribution for the year ended June 30, 1993 to the PERF represented ___ percent of total contributions required of all participating entities. For the PEPFF, contributions for the year ended June 30, 1993, represented ___ percent of total contributions required of all participating entities.

(Note to preparer of the CAFR: To calculate your applicable percentage, refer to employee and employer contribution totals for both the PERF and the PEPFF in figure 6 on page 23 of PERA's FY93 Component Unit Financial Report.)

C. Funding Status and Progress

1. Pension Benefit Obligation

The "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess PERA's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among Public Employees Retirement Systems and among employers. PERA does not make separate measurements of assets and pension benefit obligation for individual employers.

The pension benefit obligations as of June 30, 1993, are shown below:

(In Thousands)	<u>PERF</u>	<u>PEPFF</u>
Total pension benefit obligation	\$5,163,766	\$ 932,333
Net assets available for benefits, at cost (Market Values for PERF = \$4,515,052; PEPFF = \$1,173,312)	<u>4,304,163</u>	<u>1,090,857</u>
Unfunded (assets in excess of) pension benefit obligation	<u>\$ 859,603</u>	<u>\$(158,524)</u>

The measurement of the pension benefit obligation is based on an actuarial valuation as of June 30, 1993. Net assets available to pay pension benefits were valued as of June 30, 1993.

2. Changes in Benefit Provisions.

Three bills enacted during the 1993 legislative session improved benefits for many members without a material effect on the pension benefit obligation in the PERF or the PEPFF. The early retirement incentive bill permitted a public employer to offer PERA's Basic and Coordinated members an increase of one-fourth percent (.25%) in the formula multiplier for each year of service, up to the first 30 years, or health insurance coverage to age 65. Also, the survivor protection bill provided benefits to either a surviving spouse or children of PERF Coordinated Plan members who die before age 50. Lastly, the Police and Fire benefit increase bill, which became effective July 1, 1993, permanently increased the PEPFF formula multiplier from 2.5 percent to 2.65 percent of an individual's average salary over the five highest consecutive years of earnings.

D. Ten-Year Historical Trend Information

Ten-year historical trend information is presented in PERA's Component Unit Financial Report for the year ended June 30, 1993. This information is useful in assessing the pension plan's accumulation of sufficient assets to pay pension benefits as they become due.

E. Related Party Investments

As of June 30, 1993, and for the fiscal year then ended, PERA held no securities issued by the City or other related parties.

 **COMPONENT**

 **UNIT**

 **FINANCIAL**

 **REPORT**

 **June 30, 1993**

Public Employees Retirement Association of Minnesota

Board of Trustees

Robert D. McCubbin — Board President, Elected Membership Representative

Lois E. Riecken — Board Vice President, Annuitant Representative

Mark B. Dayton — State Auditor

Mary Ann Dixen — School Board Representative

Walter C. Gray — Public Representative

Dawn Hulmer — Elected Membership Representative

Marian Larson — Elected Membership Representative

Lyle R. Olson — Cities Representative

Richard H. Stafford — Counties Representative

Michael Stockstead — Police and Fire Representative

Laurie Fiori Hacking

Executive Director

Prepared by:

Judith Hunt — Manager of Finance

Gary Hovland — Senior Accounting Supervisor

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St. Paul, Minnesota 55102-1090
(612) 296-7460

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President's Report

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ST. PAUL, MN. 55155

December 3, 1993

Dear Members, Annuitants, Beneficiaries and Governmental Employers:

This 62nd annual financial report of the Public Employees Retirement Association (PERA) discloses financial, actuarial and other related information about PERA and the funds it administers. At the June 30, 1993, fiscal year end, the PERA funds had a combined total of \$5.77 billion in net assets. This reflected a \$676 million or 13.3 percent increase over net assets at the beginning of the fiscal year. The rate of return on the investment of the assets of active employees covered by the PERA funds was 14.4 percent.

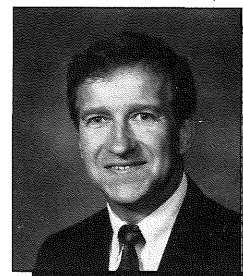
The Minnesota Post Retirement Investment Fund (MPRIF), in which PERA has a pooled interest with other Minnesota statewide pension systems, had assets at fiscal year end of \$8.25 billion. The MPRIF supports the annuities payable to retirees and their joint annuitants, and also finances annual post-retirement increases from investment earnings in excess of 5 percent.

A new formula used to calculate annual post-retirement benefit increases was in effect for fiscal year 1993 and was very successful in its first full year of operation. The new formula, which contains both cost-of-living and investment performance factors, yielded a significant annual benefit increase of 6.017 percent, payable January 1, 1994. This increase was a result of a restructuring of the MPRIF portfolio, which now has a much higher dedication (50%) of equities than it did the previous year.

With an eye toward expanding investment opportunities and diversifying its portfolios, the State Board of Investment decided during the past year to invest up to 10 percent of the Basic Retirement Fund and up to 10 percent of the MPRIF in international equities.

Several legislative changes in the past year significantly expanded benefit coverage for PERA members. First, in PERA's Coordinated Plan, surviving spouses or children of members who die prior to reaching age 50 will be eligible for expanded benefit options, including lifetime 100 percent joint and survivor annuities or term-certain annuities. The PERA Board worked for several years on this benefit expansion and is pleased that the new law closes what was a sizable gap in PERA benefit protection for our younger members.

Second, in response to budgetary pressures on local governments, a law was enacted allowing cities, counties, and school districts with employees covered by PERA to offer a retirement incentive window to members age 55 or over with 25 or more years of public service, or age 65 and over with a minimum of one year of service. The incentive provides an extra benefit equal to 0.25 percent of the average high-five salary for each year of service, up to 30 years of service. The opportunity to take advantage of the incentive is



Robert D. McCubbin
Board President

available for eight and one-half months. It is anticipated that local governments will experience short-term budget savings from the incentive if they either choose not to hire replacements for retiring workers or choose to fill the positions of those retiring with lower-paid employees.

A third benefit expansion was made available to PERA's Police and Fire Fund members. Because this plan has been very well funded over the years, the Legislature decided the plan could afford an increase in the benefit formula multiplier from 2.5 percent to 2.65 percent of salary for each year of service. The new law also reduces contribution rates for the Police and Fire Plan beginning in January 1994. For employers, the rate drops from 12 percent to 11.4 percent of salary. For employees, the rate drops from 8 percent to 7.6 percent.

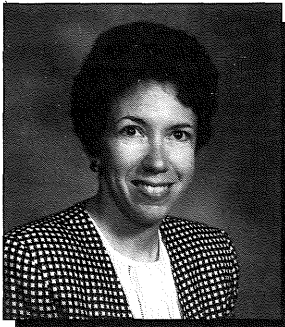
In closing, I wish to express the trustees' continuing commitment to the preservation and growth of the assets of the PERA funds and to the protection and furtherance of the interests of PERA's members, annuitants and beneficiaries, as well as the interests of the governmental employer units and the State of Minnesota.

Sincerely,

Robert D. McCubbin, President
PERA Board of Trustees

RM/jp

Letter of Transmittal



Laurie Fiori Hacking
Executive Director

Public Employees Retirement Association of Minnesota
514 St. Peter Street, Suite 200
St. Paul, Minnesota 55102
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(FAX) 612 297-2547



December 1, 1993

Board of Trustees

Public Employees Retirement Association of Minnesota
514 St. Peter Street, Suite 200
St. Paul, Minnesota 55102

Dear Trustee:

We are pleased to present this sixty-second Component Unit Financial Report for the fiscal year (FY) ended June 30, 1993. This report consists of four sections: the introductory section contains this transmittal letter, the president's report, a summary of the membership requirements and benefit structures of PERA's funds, and information about the Board of Trustees and the administrative organization. The financial section contains the independent auditor's report, the fiscal year-end financial statements, supplementary information and supporting schedules. The actuarial section includes the certification letter from the actuary, results of the fiscal year 1993 valuation, and other actuarial information. The statistical section contains tables of significant data pertaining to the Association and a list of the affiliated employers.

The information contained in this report is the responsibility of management of the Association. We trust you will find this report to be a full and complete disclosure of the structure and financial status of PERA and its funds.

Accounting Systems and Reports

All financial statements are prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board. Financial statements also comply with Minnesota Statutes, Section 356.20.

PERA's internal accounting controls are designed to provide reasonable assurance for the safekeeping of assets and the reliability of all financial records. Transactions of the Public Employees Retirement Fund, the Public Employees Police and Fire Fund and the Police and Fire Consolidation Fund are reported on the accrual basis of accounting; transactions of the Public Employees Defined Contribution Plan are reported on the modified accrual basis of accounting.

Revenue

Employer and employee contributions, income from investments and income from other miscellaneous sources provide the funds needed to cover the liability for present and future benefits. Income for FY93 totaled \$817,002,000. This represents a decrease of 2.7 percent over FY92 revenues, as shown on page 5.

The increase in employee and employer contributions resulted primarily from an increase in average annual earnings and in the number of members contributing

(see schedule on page 45). Statutory contribution rates for both employers and employees remain unchanged from the prior year.

Revenue Source (in thousands)	FY 1993	FY 1992	Percent Inc./(Dec.)
Member Contributions	\$128,383	\$122,202	5.1%
Employer Contributions	151,297	146,695	3.1
Realized Investment Income	534,666	567,783	(.5)
Other Income	2,656	3,332	(20.3)
Totals	\$817,002	\$840,012	(2.7)%

Realized investment income of the PERA Funds accounted for the largest share—approximately 65 percent—of total fund income. Although, realized income decreased, due largely to a decrease in net realized capital gains on the sale of investments, the total rate of return on investments of the Basic Retirement Fund exceeded 14 percent.

Expenses

The annual expenses of PERA's defined benefit funds reflect the aggregate cost of monthly annuity and benefit payments to retired or disabled members and their survivors, refunds of employee contributions (plus interest) to terminated former members, and the cost of administration. Operating expenses during the fiscal year totaled \$299,132,000, an increase of 9.8 percent over such expenses for FY92, as shown below:

Expense Type (in thousands)	FY 1993	FY 1992	Percent Inc./(Dec.)
Benefits	\$276,043	\$249,274	10.7%
Refunds	12,848	12,550	2.4
Investment Managers	3,991	3,760	6.1
Administrative	4,304	4,312	(.8)
Other	1,946	2,543	(23.5)
Totals	\$299,132	\$272,439	9.8%

The increase in benefits reported for the fiscal year resulted mainly from the growth in the number of benefit recipients and the higher average benefit payments (see schedules on pages 46-47). The increase in fees paid to investment managers is related directly to the performance of the external money managers who are paid performance-based fees.

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

Pension assets of the currently working members of the Association (see table below) are invested entirely by professional investment management firms. These assets are pooled with the assets of other active members of state-wide retirement funds into the Basic Retirement Fund. The greatest share of these assets, 60 percent, is invested in equity securities in order to maximize the long-term rate of return. The actual asset mix changed from the prior fiscal year with the reallocation of approximately 10 percent of the portfolio from domestic stocks to international stocks to improve diversification. For the year ended June 30, 1993, the overall rate of return on active member assets was 14.4 percent.

Market Value of Investments, June 30, 1993 (in thousands)		
Fund	Active Members	Retired Members
PERF	\$2,222,882	\$2,697,223
PEPFF	914,548	302,640
PFCF	161,546	226,605
Totals	\$3,298,976	\$3,226,468

The SBI has one overriding responsibility with respect to the management of those funds—to ensure that sufficient funds are available to finance promised retirement benefits. Within this context, SBI has established the following long-term investment objectives:

- **Provide Real Returns.** Over a 10-year period, the Basic Fund is expected to generate total returns that are 3-5 percentage points greater than the rate of inflation.
- **Exceed Market Returns.** Over a five-year period, the Basic Fund is expected to outperform a composite of market indices weighted in a manner that reflects the Basic Fund's long-term asset allocation policy.
- **Exceed Median Fund Returns.** Over a five-year period, the Basic Fund is expected to outperform the median fund from a representative universe of public and private funds with a balanced asset mix of stocks, bonds and cash.

The SBI also has responsibility for investment of the assets of the Minnesota Post Retirement Investment Fund (MPRIF). When a member retires, a sum of money sufficient to finance a fixed monthly annuity is transferred from the Basic Retirement Fund to the MPRIF. Assets of the retired members of the Association and their joint annuitants (see table above) are pooled in the MPRIF.

In contrast to the investment goals of the Basic Fund, which is invested for current working members, the MPRIF's goal is to ensure that returns are, at a minimum, adequate to meet the actuarially assumed interest rate of 5 percent and are sufficient to finance lifetime benefit increases.

We are pleased to announce that the MPRIF will provide a benefit increase of 6.017 percent for fiscal year 1993. This coincides with a new benefit increase formula that is based on a combination of two components:

- **Inflation Component.** Each year, retirees will receive an inflation-based adjustment equal to 100 percent of inflation, up to a maximum of 3.5 percent, regardless of investment performance.

Letter of Transmittal

(Continued)

- **Investment Component.** Retirees will also receive an investment-based adjustment annually, provided net investment gains are above the amount needed to finance the actuarial assumption and the inflation component. Investment gains and losses will be spread forward over five years to adjust for the volatility of returns. In addition, all accumulated investment losses must be recovered before an investment adjustment is granted.

Also effective for fiscal year 1993, the SBI adopted a new long-term asset allocation strategy for the MPRIF. This strategy incorporates a 50 percent commitment to common stocks. The new policy target reflects the new post-retirement benefit increase formula, which is based on total return rather than realized earnings. The large allocation to equity securities will allow the MPRIF to generate higher long-term total rates of return. Total MPRIF performance for fiscal year 1993 exceeded 12 percent.

Current Funding Ratios

The primary funding objectives of the Association are: 1) to establish contribution rates which, when expressed as a percentage of active members payroll, will remain level from generation to generation; and, 2) to meet the required deadlines for full funding. A pension fund is fully funded when it has present and projected assets sufficient to cover the liabilities for present and future annuities, benefits and refunds and the projected cost of fund administration. Minnesota Statutes, Section 356.215, subd. 4(g), requires that the Public Employees Retirement Fund and the Public Employees Police and Fire Fund be fully funded by the year 2020. Minnesota Statutes, Section 353A.09, subd. 5(2)(b)(1), requires full funding for the Police and Fire Consolidation Fund by the year 2010. The actuarial funding method followed by PERA is the entry age normal, level contribution as a percent of payroll method.

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

The Association's progress towards meeting the full funding objective is displayed on two schedules in this report. The first, the Summary of Accrued and Unfunded Accrued Liabilities, on pages 42-43, shows the funding levels using the entry age normal actuarial cost method. At the end of FY93, the ratio of assets to liabilities of the Public Employees Retirement Fund was 76 percent. For the Public Employees Police and Fire Fund and the Police and Fire Consolidation Fund, the ratios were 111 percent and 80 percent, respectively. The second display of funding progress, the Analysis of Funding Progress, is on page 26 of this report, and presents a standardized measure of projected plan

liabilities called the pension benefit obligation. This measure, a disclosure required by the Governmental Accounting Standards Board, allows readers to make comparisons among public employee retirement systems and to assess the progress made by PERA in accumulating sufficient assets to pay benefits when due. This measure of benefits is independent of the actuarial funding method discussed above.

Association's Status Report

In FY88, the Police and Fire Consolidation Fund was created. This fund allows existing local police or fire relief associations to consolidate with PERA. During the past fiscal year, three local relief associations exercised their option to consolidate, bringing the total number of consolidation accounts within the fund to 25. With the addition of these three groups, we added 363 members to the active rolls, 610 members to those receiving benefits, and over \$160 million in assets to the fund. We anticipate that three additional relief associations will complete the consolidation process by the end of calendar year 1993.

Another fund, the Public Employees Defined Contribution Plan (PEDCP) experienced significant growth during the fiscal year. The growth was attributable, to a large degree, to the enactment of the 1990 Omnibus Budget Reconciliation Act. Included in the Act is the requirement that individuals who do not participate in a state or local retirement system must be covered by Social Security. We noted a large influx of elected officials into the PEDCP as a result.

In terms of internal matters affecting management of PERA or the services it provides, a number of accomplishments should be noted.

Substantial changes to the composition of the Board of Trustees occurred in 1993. In January, the terms of three board members expired. George Cicmil, past PERA board president, Ed Bayuk, the retiree representative, and Gary Norstrom, the cities representative, were all dedicated trustees whose contributions helped shape PERA's future. Each, in their own special way, strove to improve benefits for PERA's membership while maintaining a firm financial foundation for the association.

In April, Governor Arne Carlson appointed three new trustees. PERA welcomed Lyle Olson, Walter Gray and Dick Stafford to the board. Olson is a certified public accountant and director of administrative services for the City of Bloomington. He is the new cities representative and will serve a four-year term. Gray, a personal financial planner with IDS Financial Services, represents the public and will serve a one-year term. Stafford, Washington County auditor-treasurer, is the counties representative and will serve a four-year term. As their first order of business, the newly composed board elected Bob McCubbin as board president and Lois Reicken as board vice-president.

In its continuing effort to inform active members of their future benefits and the services and programs offered by the

association, PERA mailed every active member a personal benefit statement in November 1993. The computer-generated estimates of future retirement annuities and other earned benefits are designed to provide basic information to members who are still several years away from retirement.

PERA's board and staff continued their efforts to reach out to the membership during FY93. A series of preretirement conferences, workshops and group meetings were held at many locations throughout the state to make information and counseling as accessible as possible.

PERA's long-range strategic planning effort, known as Tomorrow's Information Processing Planning Strategies (TIPPS) project, resumed in FY93 with a focus on preparing for organizational change. From the TIPPS study, completed in FY92, the Association learned that it must develop more innovative and effective ways of operating in order to be responsive to the diverse and changing needs of its membership. In FY93, PERA's staff initiated several projects designed to create a vision of the organization's future operations and information systems. As we proceeded with the project activities, it became apparent that PERA could better meet the needs of its members if it integrated quality management practices into its strategic planning and daily business activities. In addition, PERA needs to provide a technology infrastructure that can effectively support the organization's long-range quality management objectives. In FY94, the Association will hire an outside consultant to assist PERA staff in developing a quality management focused five-year business strategic plan.

Finally, PERA is justly proud of the abilities, knowledge and drive of its employees. Those qualities, unfortunately, were also responsible for the loss of Planning Director Judith Strobel, who was appointed assistant executive director for legislation and legal services by the Teachers Retirement Association. Her appointment not only reflects well on the quality of the association's employees, but also provides PERA with strong ties to another important state public pension system.

Professional Services

The FY93 actuarial valuation of the PERA Funds was conducted by Milliman & Robertson, Inc., and completed in October 1993. Actuarial consulting services during the fiscal year were provided by Gabriel, Roeder, Smith & Company of Detroit. In addition to providing a thorough review of Milliman & Robertson's FY93 actuarial valuation, Gabriel Roeder also prepared an experience study for the Public Employees Retirement Fund and the Public Employees Police and Fire Fund covering the period 1988-1992 and developed cost estimates for a variety of legislative proposals.

With respect to other professional services, the State's Attorney General continued to provide PERA with legal counsel; the State Board of Investment continued to manage and invest the assets of the PERA Funds. Finally, the State's Legislative Auditor continued to provide professional financial auditing services. The comments of the Legislative Auditor are found on page 15 of this report.

Reports to the Membership

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

Certificate of Achievement for Excellence in Financial Reporting

The Certificate of Achievement for Excellence in Financial Reporting (Certificate of Achievement) is the highest award in state and local government financial reporting. The Government Finance Officers Association of the United States and Canada (GFOA), sponsor of the award, encourages government units to publish excellent comprehensive annual financial reports (CAFRs) or component unit financial reports (CUFRs) and provides peer recognition and educational assistance to officials preparing these documents.

Units choosing to participate in the program submit copies of their CAFRs/CUFRs for review by an impartial special review committee. With their unanimous approval, the GFOA awards the Certificate of Achievement for reports which are easily readable, efficiently organized and substantially conform to GFOA program standards.

PERA has received the award eight times within the past decade. Truly, it is a significant accomplishment to earn and maintain the Certificate of Achievement year after year. We believe our fiscal year 1993 CUFR continues to conform to the program requirements, and we intend to submit it to the GFOA.

Acknowledgments

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

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

Respectfully submitted,

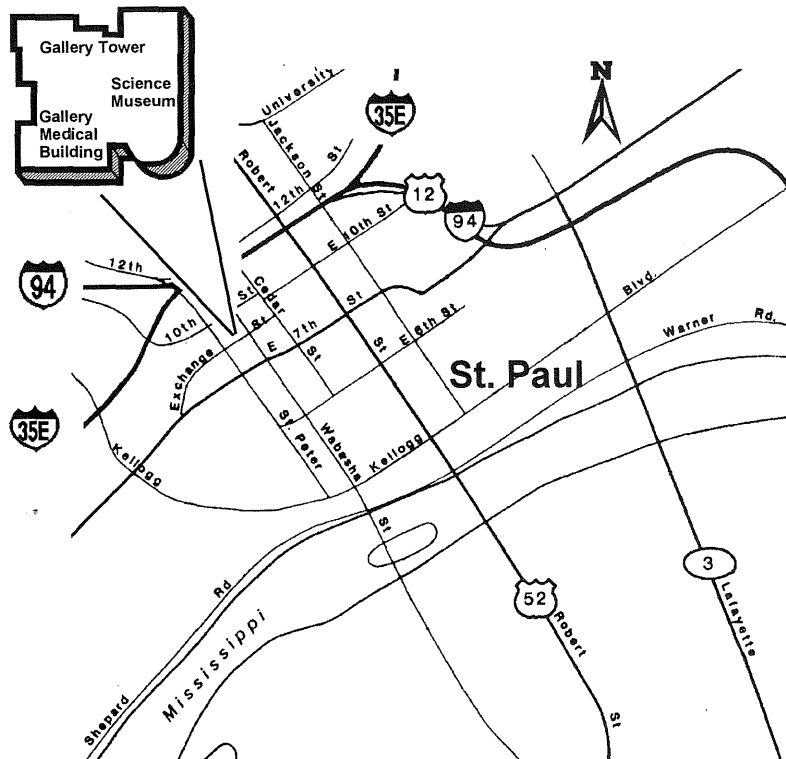
Laurie Fiori Hacking

Laurie Fiori Hacking
Executive Director

Judith M. Hunt

Judith M. Hunt
Manager of Finance

PERA Office/Management Team

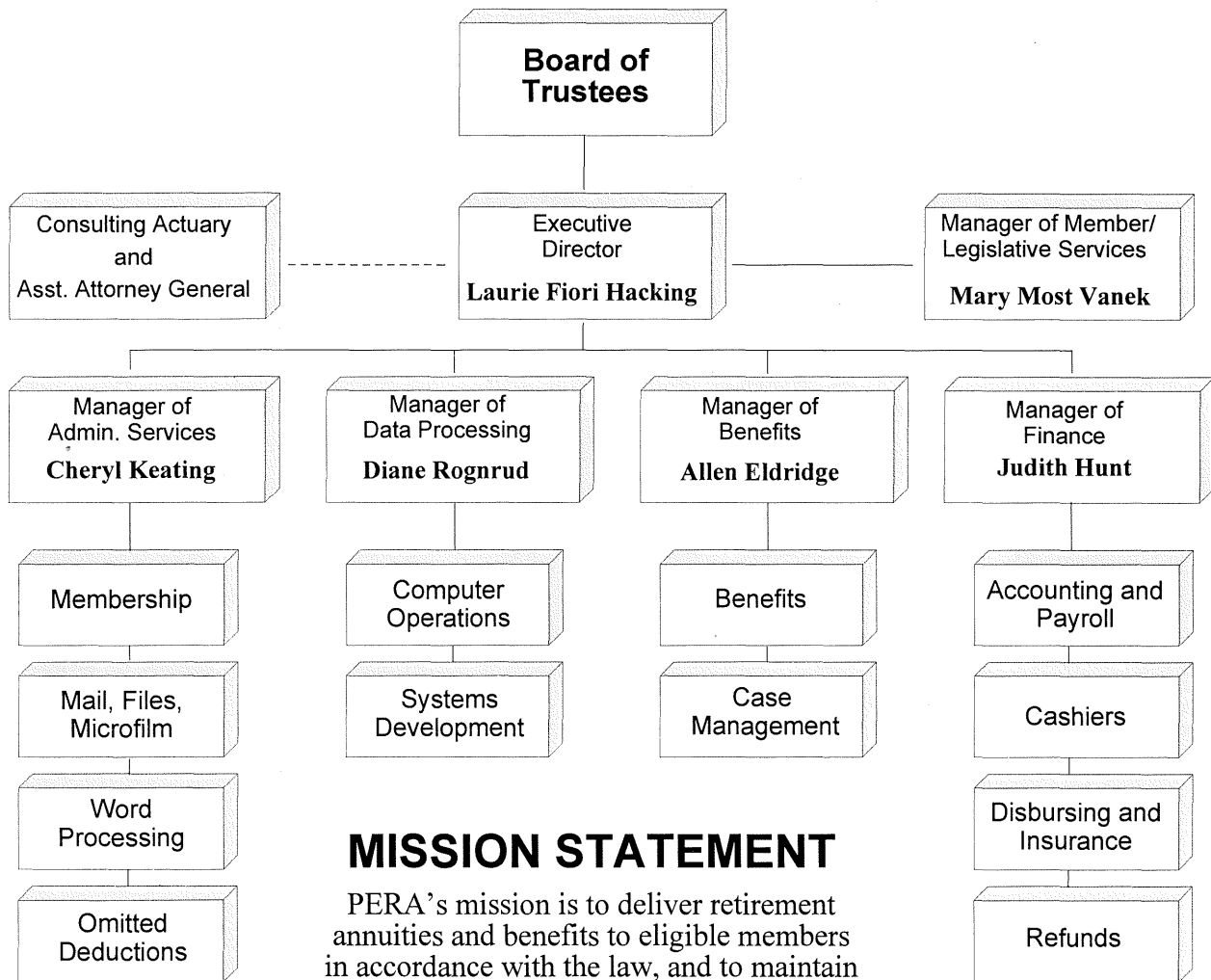


PERA's office in St. Paul is located in the Gallery Towers Building, attached to the Omnitheatre of the Minnesota Science Museum. The address is 514 St. Peter Street, Suite 200, St. Paul. Office hours are from 8 a.m. to 4:30 p.m., Monday through Friday.

PERA's managerial staff members are (front, l to r) Mary Most Vanek, Member/Legislative Services; Judith Hunt, Finance; (back) Cheryl Keating, Administrative Services; Allen Eldridge, Benefits; and Diane Rognrud, Data Processing.



Administrative Organization



MISSION STATEMENT

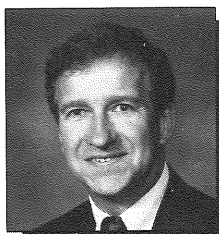
PERA's mission is to deliver retirement annuities and benefits to eligible members in accordance with the law, and to maintain a financially sound retirement system.

PERA's success in carrying out its mission depends upon its employees, for through their development, training, and efforts, PERA achieves its goals which are:

- providing quality services that are appropriate, personalized, informative, accessible and timely;
- obtaining and disseminating accurate and complete information;
- influencing legislation that is beneficial to our members, beneficiaries, and governmental units while maintaining PERA's financial soundness.

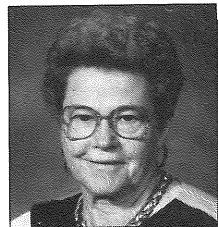
Board of Trustees

Board President

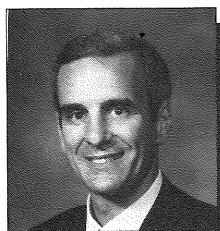


Robert D. McCubbin
Elected Membership Representative
City of Duluth
Room 211, City Hall
Duluth, Minnesota 55802

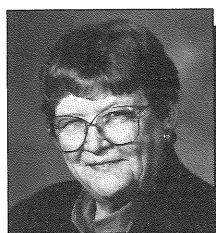
Board Vice President



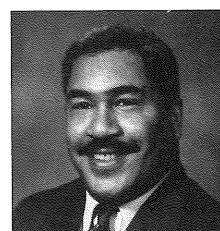
Lois E. Riecken
Annuitant Representative
8794 100th Avenue
Clear Lake, Minnesota 55319



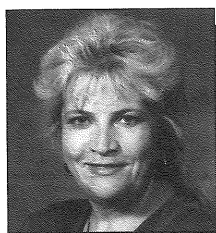
Mark B. Dayton
State Auditor
Suite 400 - 525 Park Street
Saint Paul, Minnesota 55103



Mary Ann Dixen
School Board Representative
1428 Martin Road
Albert Lea, Minnesota 56007



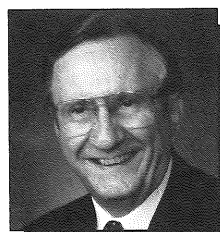
Walter C. Gray
Public Representative
8733 30th Avenue N.
New Hope, Minnesota 55427



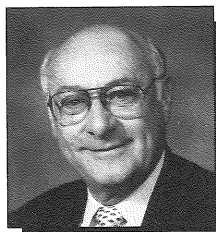
Dawn Hulmer
Elected Membership Representative
City of Duluth
Room 105, City Hall
Duluth, Minnesota 55802



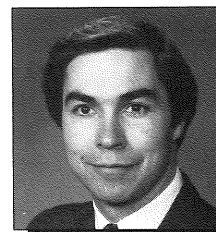
Marian Larson
Elected Membership Representative
Hopkins School District
1001 Highway 7
Hopkins, Minnesota 55343



Lyle R. Olson
Cities Representative
City of Bloomington
2215 W. Old Shakopee Rd.
Bloomington, Minnesota 55431



Richard H. Stafford
Counties Representative
Washington County
Government Center
Stillwater, Minnesota 55082



Michael Stockstead
Police and Fire Representative
City of St. Louis Park
P.O. Box 26332
St. Louis Park, Minnesota 55426

Summary of Retirement System Plan

Public Employees Retirement Association of Minnesota

Purpose

Established by the Minnesota Legislature in 1931, the Minnesota Public Employees Retirement Association (PERA) administers pension funds that serve approximately 160,000 county, school and local public employees, their survivors and dependents.

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

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

Administration

The PERA Board of Trustees is composed of 10 members. The State Auditor is a member by statute. Six are appointed by the Governor. Serving four-year terms, these six trustees represent cities, counties, school boards, retired annuitants, the general public, and Police and Fire Fund members, respectively.*

The remaining three board members are elected by the PERA active membership to terms of four years. All three current membership representatives were elected in January 1991.

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

Multi-Employer Participation

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

Employee Membership

With certain statutory exceptions, an employee performing personal services for a governmental unit whose salary is paid, in whole or in part, from revenues derived from taxation, fees, assessments or other sources, is a member of PERA. The type of membership depends upon which PERA plan covers the individual member's employment position. PERA has approximately 120,000 active members.

Funds

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

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

The Public Employees Police and Fire Fund, originally established in 1959 for police officers and firefighters not covered by a local relief association, now includes all Minnesota police officers and firefighters hired since 1980.

The Police and Fire Consolidation Fund was created in 1987 for members of local police and fire relief associations which have elected to have PERA administer their plans. Administrative

Note:

- * Governor appointees to the board in March 1993 represent cities, counties and the public. The trustee representing Police and Fire members was added to the board in August 1991, following legislation approved the previous June.
- ** PERA's Basic Plan was closed to new membership in 1968 with the creation of the Coordinated Plan.

Summary

(Continued)

Note:

* Effective the first pay period in 1994, Police and Fire contribution rates will be 7.6 percent for employees and 11.4 percent for employers.

** This is the rate established for elected public officials. Participation in the program is voluntary for these members. Once an elected official decides to participate, employer participation is mandatory. For ambulance service personnel, employers decide whether they will participate in the plan and what the contribution will be for employees. Salaried employees may match this contribution.

***The accrual rate for Police and Fire members increased to 2.65 percent of average salary beginning July 1, 1993.

duties of these local associations have been transferred to PERA and the responsibility for investing their assets have been transferred to the State Board of Investment.

Also administered by PERA is the **Public Employees Defined Contribution Plan**. Established by the Minnesota Legislature in 1987 to provide a retirement plan for personnel employed by public ambulance services, the plan was expanded in 1990 to include 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, 1993. Rates are applied to total salary and are set by statute.

Fund	Employee Contribution	Employer Contribution
Public Employees Retirement Fund		
Coordinated	4.23%	4.48%
Basic	8.23%	10.73%
Public Employees Police and Fire Fund	8.00%	12.00%*
Police and Fire Consolidation Fund	8.00%	12.00%*
Defined Contribution Plan	5.00%	5.00%**

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

Retirement Benefits Eligibility and Annuity Formulas

Basic and Coordinated Members

Two methods are used to compute benefits for Coordinated and Basic members—a step-rate benefit accrual formula (Method 1) and a level accrual formula (Method 2). The retiring member

receives the higher of the two calculated amounts.

Method 1: Coordinated members accrue 1 percent of the average salary they were paid over their five highest-paid consecutive years of service for each of the first 10 years of public service, and 1.5 percent of that average salary for each successive year. Basic members receive 2 percent of their average salary for each of their first 10 years of service and 2.5 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 early retirement annuity is payable as early as age 55 with three or more years of service. The reduction is 1/4 percent for each month under age 65. A member with 30 or more years of service may retire at any age with the 1/4 percent reduction made from age 62 rather than 65.

Method 2: Coordinated members earn 1.5 percent of their average salary for every year of public service while Basic members earn 2.5 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 for those first hired into public service on or after that date.

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

Police and Fire Members

Members receive 2.5 percent*** of average salary for each of their years of service.

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

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

A reduced retirement annuity is available to members between the ages of 50 and 55.

There is an actuarial reduction with augmentation (about 4 percent per year) for members retiring prior to qualifying for an unreduced retirement annuity.

Police and Fire Consolidation Members

Members of the Police and Fire Consolidation Fund are covered by the benefit provisions and annuity formula of their local plans, unless they choose to be covered by provisions identical with those of the PERA Police and Fire Fund.* Members may elect PERA Police and Fire Fund-type benefits:

- Within 180 days of the effective date for the consolidation of the local relief association with PERA;
- At the time a member is between ages 49 1/2 and 50; or
- At the time the member retires and submits an application for an annuity or disability.

Defined Contribution Plan Members

Established as a retirement plan for volunteer ambulance personnel and elected public officials, 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 Annuities Available

Members of the PERA Basic and Coordinated Plans, the Police and Fire Fund, and members covered by the Police and Fire Consolidation Fund who elect PERA Police and Fire-type benefits may select from several types of retirement annuities.

Normal Annuity — A Normal annuity is a lifetime annuity that ceases upon the death of the retiree. No survivor annuity is payable.

Joint and Survivor Annuities — Upon retirement, members may choose from one of four Joint and Survivor annuities. All these annuities are payable for the lifetime of the retiree. At the time of the retiree's death, the designated joint annuitant continues to receive monthly annuity payments at varying levels for his or her lifetime. Depending on the Joint and

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 Supplement — This annuity 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 annuity amount is then reduced by at least \$100 at age 62.

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

Combined Service and Proportionate Annuities — 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 annuity from each fund in which they participate. These funds are designated by statute. Members with three or more years of total service qualify for a combined service annuity if they have six or more months of service in each fund and have not begun to receive an annuity from any of the designated funds. Benefits 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 12 designated funds may qualify for a proportionate annuity. Annuities 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.

Maximum Annuity — The Normal annuity amount of a retiring member may not exceed 100 percent of his or her regular base salary for the final month of employment or average annual salary over the last three years of employment, whichever is higher.

Note:

* While the Police and Fire benefit accrual rate increased to 2.65 percent July 1, 1993, the increase from PERA's former rate of 2.5 percent is at the option of employers of local police and fire relief associations that consolidated prior to that date.

** Selection of a Joint and Survivor option will result in a reduction in the amount of the annuity from the Normal (single-life) annuity level. This reduction is made because the annuity will be payable over the lifetimes of both the member and the joint annuitant. The amount of the reduction depends on the age of both the retiring member and the joint annuitant. Both Joint and Survivor annuity options incorporate an automatic "bounce back" feature. Added by legislation in 1989, this returns the amount of the annuity to the level of the Normal annuity in the event the joint annuitant predeceases the retiree. The cost of this protection is borne by the funds, not by the retiree.

*** The annuity amount for deferred annuities increased at a rate of 5 percent per year, compounded annually, prior to Jan. 1, 1981.

Summary

(Continued)

Note:

* As of July 1, 1993, the minimum benefit for Police and Fire Fund members disabled outside the line of duty increased to 39.75 percent of average salary. The minimum benefit if disabled in the line of duty rose to 53 percent.

** Extensive changes in survivor benefits for Basic and Coordinated members became effective July 1, 1993. The 100 percent Joint and Survivor annuity can now be paid at any age. As an alternative, there are term-certain annuities of 5, 10, 15 or 20 years. If no spouse survives, dependent children would receive a monthly term-certain annuity.

*** Survivor benefits are also available to the spouse and children of disabled Basic and Police and Fire Fund members, but not to the survivors of disabled Coordinated members. Any contribution balance is payable to the designated beneficiary of a deceased disabled Coordinated member. Survivor benefits payable on the death of a disabled Basic or Police and Fire Fund member are determined in the same way as regular survivor benefits.

Disability Benefits

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

Disability benefit calculations are based upon years of service and average salary earned during the five highest-paid consecutive years of service for Basic and Coordinated members and for Police and Fire Fund members disabled outside the line of duty. In the case of Police and Fire members, there is a minimum non-duty disability benefit of 37.5 percent of that salary. For Police and Fire members disabled in the line of duty, the minimum benefit is 50 percent of salary.*

Basic and Coordinated members qualify for disability with three or more years of service and by meeting the statutory definition. Police and Fire 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.

Members of the Police and Fire Consolidation Fund may receive disability benefits under the provisions of their individual relief association bylaws unless they have chosen PERA-type benefits. If that election has been made, benefits are the same as those for Police and Fire Fund members.

Survivor Benefits

PERA also provides survivor annuities or survivor (death) benefits for families of members who qualify for such coverage. The qualifications and types of benefits vary with each fund. These benefits and annuities are payable to the spouse of a deceased member for life, even upon remarriage. **

Under the Basic and Coordinated Plans and the Police and Fire Fund, a surviving spouse of a member who is age 50 or older with three or more years of service may elect to receive a 100 percent Joint and Survivor annuity. If a deceased Basic or Coordinated member was between ages 50 and 55, the surviving spouse's election must be deferred until the deceased member would have reached age 55.

It is payable immediately for survivors of Police and Fire members. For surviving spouses of Basic and Police and Fire members, this optional annuity may be elected in lieu of any survivor benefits otherwise payable.

Qualifying survivors of Basic and Police and Fire Fund members have these alternative benefits:***

- The surviving spouse of a Basic or Police and Fire Fund member may receive 50 percent of the member's average monthly salary earned during the last six months of service. Each dependent child is eligible to receive 10 percent of that average salary. The maximum monthly benefit to a family is 70 percent of the member's average monthly salary.
- The surviving spouse, if a designated beneficiary, may elect a refund of any remaining employee contributions in the account plus 6 percent interest compounded annually. A refund may not be elected if there are dependent children.

Survivors of members of the Police and Fire Consolidation Fund are eligible for survivor benefits under the provisions of the individual relief association if the member has not chosen Police and Fire Fund-type benefit coverage or they may elect Police and Fire Fund-type coverage if the member died in the line of duty.

Refunds

Refunds of contributions are available at any time to members who leave public service and have not yet begun receiving a retirement annuity or disability benefit. The refund includes employee contributions plus interest at the rate specified by state statute at the time of termination. Interest is 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 joint annuitant, if any, die before all employee contributions are paid in the form of annuities 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 has retired or was receiving disability benefits.

Legislative Auditor's Report



STATE OF MINNESOTA
OFFICE OF THE LEGISLATIVE AUDITOR
CENTENNIAL BUILDING, ST. PAUL, MN 55155 612/296/4708
JAMES R. NOBLES, LEGISLATIVE AUDITOR

Independent Auditor's Report

Board of Trustees
and
Executive Director
Public Employees Retirement Association

We have audited the accompanying financial statements of the Public Employees Retirement Association and the combining and individual fund financial statements of the association as of and for the year ended June 30, 1993, as listed in the table of contents. These financial statements are the responsibility of the 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 generally accepted government auditing standards. 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.

As explained in Note B3, investments are valued at cost or amortized cost as required by generally accepted accounting principles. Minnesota statutes require valuation of all securities at cost plus one-third of unrealized capital gains or losses. Since the statutory provision deviates from generally accepted accounting principles, the basic statements are not in compliance with the statute. Note C1 contains the disclosures which must be considered together with the basic financial statements to achieve statutory reporting requirements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Public Employees Retirement Association at June 30, 1993, and the results of its operations for the year then ended in conformity with generally accepted accounting principles. Also, in our opinion, the combining and individual fund financial statements referred to above present fairly, in all material respects, the financial position of the individual funds of the Public Employees Retirement Association at June 30, 1993, and the results of operations of such funds for the year then ended, in conformity with generally accepted accounting principles. In addition, except for the valuation of securities, as discussed in the preceding paragraph, the aforementioned financial statements are in compliance with the reporting requirements of Minn. Stat. Section 356.20.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole and on the combining and individual fund financial statements. The accompanying financial information listed as supporting schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the Public Employees Retirement Association. Such information has been subjected to the auditing procedures applied in the audit of the combined, combining, and individual fund financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements of the respective individual funds taken as a whole.


James R. Nobles
Legislative Auditor


John Asmussen, CPA
Deputy Legislative Auditor

November 30, 1993

Combined Balance Sheet

As of June 30, 1993 (in thousands)

Assets

Cash (F.1.)	\$ 983
Accounts Receivable	5,468
Due From Other Funds	362
Investments (B.2., B.3., F.7.)	
Minnesota Outside Managed Pooled	
Accounts (Market Value: \$3,198,347)	2,908,901
Short-term Pooled Cash	100,629
Equity in Minnesota Post Retirement Investment	
Fund (Market Value: \$3,226,468)	2,750,486
Cash and Investments for Deferred	
Compensation Benefits (A.5., B.3.)	2,856
Fixed Assets, Net of Accumulated Depreciation (B.4.)	150
Other Assets	29

Total Assets \$ 5,769,864

Liabilities and Fund Balance

Liabilities:

Accounts Payable	\$ 12,920
Accrued Compensated Absences (B.5.)	263
Deferred Compensation Benefits	2,838
Payable to Other Funds	362

Total Liabilities \$ 16,383

Fund Balance:

Member Reserves (F.3.a.)	\$ 973,661
Minnesota Post Retirement	
Investment Fund Reserve (F.2.)	2,750,486
Benefit Reserves (F.3.b.)	3,514,118

Total Reserves \$ 7,238,265

Unreserved Fund Balance —

Unfunded Actuarial Accrued Liability (C.1., C.2.)	<u><u>\$(1,484,784)</u></u>
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Total Fund Balance \$ 5,753,481

Total Liabilities and Fund Balance \$ 5,769,864

Combined Statement

of Revenues, Expenses and Changes in Fund Balance

For Fiscal Year Ended June 30, 1993 (in thousands)

Operating Revenues:

Member Contribution	\$ 128,383
Employer Contribution	151,297
Investment Income	306,047
Distributed Income of the Minnesota Post Retirement Investment Fund (F.2.c.)	228,619
Other Revenues	<u>2,656</u>

Total Operating Revenues **\$ 817,002**

Operating Expenses:

Benefits Paid	\$ 276,043
Refunds	12,848
Administrative Expenses	4,304
Investment Management Fees (B.3.c.)	3,991
Interest on Late Transfer to MPRI Fund	1,937
Other Expenses	<u>9</u>

Total Operating Expenses **\$ 299,132**

Other Changes in Reserves:

Local Relief Association Mergers (F.6.)	\$ <u>160,205</u>
--	-------------------

Total Other Changes in Reserves **\$ 160,205**

Net Fund Balance Additions \$ 678,075

Fund Balance, July 1, 1992 **5,075,406**

Fund Balance, June 30, 1993 **\$5,753,481**

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

Notes to the Financial Statements

For Fiscal Year Ended June 30, 1993

A. PLAN DESCRIPTION

PERA is considered part of the State of Minnesota's reporting entity and is included in the State's Comprehensive Annual Financial Report with its fiduciary funds.

1. Organization

The Public Employees Retirement Association (PERA) is the administrator of two cost-sharing, multiple-employer retirement plans, the Public Employees Retirement Fund (PERF) and the Public Employees Police and Fire Fund (PEPFF). In addition, PERA administers one agent multiple-employer retirement plan, the Police and Fire Consolidation Fund (PFCF), and one multiple-employer deferred compensation plan, the Public Employees Defined Contribution Plan (PEDCP). The plans are established and administered in accordance with Minnesota Statutes, Chapters 353, 353A, 353B, 353D, and 356. It is also these statutes that define the scope of the reporting entity.

In deciding which activities to include in PERA's reporting entity, the following elements of oversight responsibility were considered: financial interdependency; selection of governing authority; designation of management; ability to significantly influence operations; and accountability for fiscal matters. PERA has no oversight responsibilities of any agencies; therefore, this financial report represents financial information of PERA only. PERA is considered part of the State of Minnesota's reporting entity and is included in the State's Comprehensive Annual Financial Report with its fiduciary funds.

2. Participating Employers

PERA defined benefit plans serve approximately 2,000 separate units of government including cities, counties, 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. The PFCF covers police officers and fire-fighters belonging to a local relief association that elects to merge with and transfer assets and administration to PERA. Coverage under the PEDCP is open to elected local government officials (except elected county sheriffs) and emergency medical service personnel employed by or providing service to any of the participating ambulance services. 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, 1993, there were 3,673 members in the plan.

Shown in Figure 1 below are the membership totals in the PERA defined benefit plans as of June 30, 1993.



Fig. 1 PERA Membership

	PERF	PEPFF	PFCF
Retirees and beneficiaries receiving benefits	33,968	1,738	1,314
Terminated employees entitled to benefits/refunds but not yet receiving them			
Vested	5,402	215	18
Non-Vested	9,307	121	0
Current, active employees			
Vested	80,302	5,597	689
Non-Vested	34,630	1,188	43
Total	163,609	8,859	2,064

4. Benefit Provisions and Contribution Rates - Defined Benefit Plans

a) PERA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. All benefits vest after three years of credited service. The defined retirement benefits are based on a member's average salary for any five successive years of allowable service, age, and years of credit at termination of service. PERF members belong to either the Basic or Coordinated Plan. Coordinated members are covered by Social Security and Basic members are not. All new members must participate in the Coordinated Plan. Two methods are used to

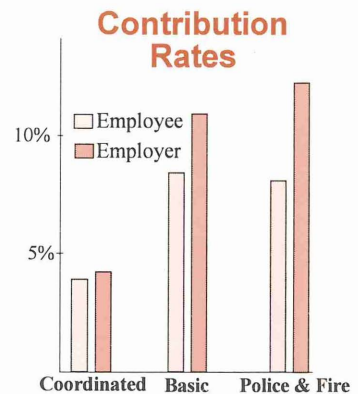
compute benefits for Coordinated and Basic members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic member is 2 percent of average salary for each of the first 10 years of service and 2.5 percent for each remaining year. For a Coordinated member, the annuity accrual rate is 1 percent of average salary for each of the first 10 years and 1.5 percent for each remaining year. Using Method 2, the annuity accrual rate is 2.5 percent of average salary for Basic members and 1.5 percent for Coordinated members. For PEPFF members, the annuity accrual rate was 2.5 percent for each year of service through June 30, 1993. (Effective July 1, 1993, the annual accrual rate for PEPFF is 2.65 percent.) For PERF members whose annuity is calculated using Method 1, and for all PEPFF members, a full annuity is available when age plus years of service equal at least 90.

Members of the PFCF have the option to choose benefits identical to those of the PEPFF; otherwise, they are covered by the benefit provisions of the local relief association of which they were members at the time of consolidation. Members of local relief associations which consolidated with PERA prior to July 1, 1993 who choose benefits identical to the PEPFF will receive higher pension benefits with the 2.65 percent multiplier, only upon local approval by their municipality. Members of local relief associations which consolidate with PERA subsequent to June 30, 1993 who choose benefits identical to the PEPFF will automatically receive the higher benefits with the 2.65 percent multiplier. Of the 1,314 members receiving benefits in the PFCF, 215 are covered by the benefit provisions of their local relief association.

b) Pension benefits are funded from member and employer contributions and income from investment of fund assets. Current contribution rates for the PERA defined

benefit plans are set by Minnesota Statutes, Chapters 353, 353A, and 353B, and are shown in Figure 2 below.

c) New legislation in 1993 reduced contribution rates for the PEPFF and the PFCF. Beginning the first full payroll period after December 31, 1993, employees will contribute 7.6 percent of salary and employers will contribute 11.4 percent of earnings. For the future, the law also created a unique "automatic stabilizer" for the PEPFF which could result in periodic adjustments in contribution rates to ensure full funding by the year 2020.



5. Benefit Provisions and Contribution Rates — Defined Contribution Plan

The Public Employees Defined Contribution Plan (PEDCP) is a multi-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, A.3 for employee and employer membership requirements.)

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 who decides to participate contributes 5 percent of salary, which is matched by the elected official's 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

Current contribution rates for the PERA defined benefit plans are set by Minnesota Statutes, Chapters 353, 353A and 353B.

Fig. 2 Retirement Plan Contribution Rates*

	<u>Employee</u>	<u>Employer</u>	<u>Additional Employer</u>
Public Employees Retirement Fund:			
Basic Plan	8.23%	8.23%	2.50%
Coordinated Plan	4.23%	4.23%	0.25%
Public Employees Police and Fire Fund	8.00%	12.00%	0.00%
Police and Fire Consolidation Fund	8.00%	12.00%	**

NOTES:

*PEPFF and PFCF rates are effective through December 31, 1993. (See Note A.4.c above.)

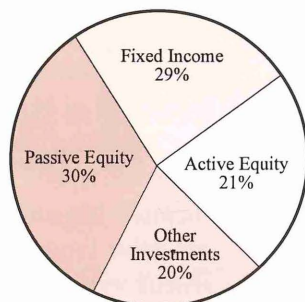
**An additional lump-sum municipal contribution is required and calculated each year in order to eliminate the unfunded liability in each plan by the year 2010, and to amortize any actuarial losses or gains over a 15-year period.

Notes

(Continued)

**Pooled Accounts
Investment Allocations**
All Funds at Market

6/30/93



exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the six accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2 percent of employer contributions and one-tenth of one percent of the assets in each member's account.

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

The PEDCP is reported as an agency fund. An agency fund is purely custodial and does not involve the measurement of operational results. Assets, including cash and investments totaling \$2,856,000, are presented at market value at June 30, 1993. Obligations under the plan include deferred compensation benefits of \$2,838,000 and an amount payable to other funds of \$18,000.

PERA's investments are categorized to give an indication of the level of risk assumed by the funds at year end. All PERA's investments are insured, registered or are held by the state or its agent in the state's name.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PLAN ASSET MATTERS

1. Basis of Accounting

PERA financial statements for its defined benefit funds are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which they are earned and become measurable. Expenses are recorded when the liability is incurred.

The basis of accounting for the PEDCP, an agency fund, is the modified accrual basis.

2. Investment Policies

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

investment accounts, administered by the State Board of Investment. As of June 30, 1993, the participation shares in the pooled accounts at market value, excluding the Minnesota Post Retirement Investment Fund, totaled 22.19 percent for the PERF, 9.12 percent for the PEPFF and 1.59 percent for the PFCF. The funds' shares of net assets of the Minnesota Post Retirement Investment Fund, at market value, totaled 32.62 percent, 3.66 percent and 2.74 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) PERA's investments are categorized to give an indication of the level of risk assumed by the funds at year end. Risk category 1 includes investments that are insured or registered, or for which the securities are held by the state or its agent in the state's name. Risk category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the state's name. Risk category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent but not in the state's name. All PERA investments are included in Risk category 1.

d) Information on investment activity and a listing of specific investments owned by the pooled accounts can be obtained from the Minnesota State Board of Investment.

Fig. 3 PERA Investments-All Funds
(In Thousands)

	Cost June 30, 1993	Market Value June 30, 1993
Pooled Accounts		
Passive Equity	\$ 839,370	\$ 948,284
Active Equity	590,737	669,865
Fixed Income	888,017	918,790
Real Estate	141,497	130,613
Venture Capital	106,782	145,860
Resources	35,124	36,119
Intl. Active Pool	65,484	68,742
Intl. Passive Pool	241,890	280,074
Total Pooled Accounts	\$2,908,901	\$3,198,347
Short Term Pooled Cash	100,629	100,629
Post Retirement Investment Account	2,750,486	3,226,468
Totals	\$5,760,016	\$6,525,444

3. Method Used to Value Investments

a) Investments in the pooled accounts, except for the assets of the PEDCP, are valued at cost for equity securities and amortized cost for fixed income securities, subject to adjustments for market declines judged to be other than temporary. The investments of the PEDCP are shown at market value. The carrying amount and market value of PERA's investments (except assets of the PEDCP) as of June 30, 1993, are shown in Figure 3 on the preceding page.

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

c) The cost of security transactions is included in the transaction price. Administrative expenses of the State Board of Investment and investment management fees of the external money managers and the state's master custodian for pension fund assets are allocated to the funds participating in the pooled investment accounts. PERA's share of these expenses totaled \$2,712,000 for PERF, \$1,108,000 for PEPFF, and \$171,000 for PFCF.

4. Fixed Assets

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

The following is a summary of fixed assets at June 30, 1993:

Data Processing Equipment	\$511,000
Furniture and Fixtures	319,000
Office Equipment	100,000
Automobile	14,000
Total Fixed Assets	\$944,000

Less: Accumulated Depreciation	(794,000)
Net Fixed Assets	<u>\$150,000</u>

5. Accrued Compensated Absences

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

C. FUNDING STATUS AND PROGRESS

1. Actuarial Valuation of Plan Benefits

Minnesota Statutes, Section 356.215, Subd. 4, provides that annual actuarial valuations of plan benefits be computed in accordance with the entry age normal cost method. Actuarial assumptions used are the same as discussed in note C.2. The unfunded actuarial accrued liabilities are the amounts by which reserves required to fund plan benefits exceed the assets of the funds, calculated in accordance with generally accepted accounting principles, as explained in note B.3. These amounts differ from the unfunded accrued liabilities reported in the actuarial section, because the actuarial calculation of net assets includes cost plus one third of unrealized capital gains or losses, as shown in figure 4.

Investments in the pooled accounts, except for the assets of the PEDCP, are valued at cost for equity securities and amortized cost for fixed income securities, subject to adjustments for market declines.

Fig. 4

Unfunded Actuarial Accrued Liability: (In Thousands)

	<u>PERF</u>	<u>PEPFF</u>	<u>PFCF</u>
Net Assets on 6/30/93 Balance Sheet	\$4,304,163	\$1,090,857	\$358,461
Plus 1/3 of unrealized capital gains or losses	70,296	27,485	(1,300)
Net assets at actuarial cost	<u>\$4,374,459</u>	<u>\$1,118,342</u>	<u>\$357,161</u>
Total required reserves	\$5,784,318	\$1,009,226	\$444,721
Less net assets at actuarial cost	4,374,459	1,118,342	357,161
Unfunded accrued liability (surplus assets) actuarial section	<u>\$1,409,859</u>	<u>\$ (109,116)</u>	<u>\$ 87,560</u>

Notes

(Continued)

The unfunded actuarial accrued liabilities also differ from the pension benefit obligation discussed in note C.2 because of differing actuarial methods used for determining the value of benefits accrued.

"pension benefit obligation" is a standardized disclosure measure and is intended to help users assess PERA's funding status on a going-concern basis.

2. Pension Benefit Obligation

The amount shown in Figure 5 as "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and is intended to help users assess PERA's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among public employee retirement systems. The measure is independent of the actuarial funding method used to determine required contributions, discussed in Note D, also on the following page.

The pension benefit obligation was determined as part of an actuarial valuation at July 1, 1993. Significant actuarial assumptions used in the calculation of the pension benefit obligation for the PERF and the PEPFF include (a) a rate of return on the investment of present and future assets of 8.5 percent per year compounded annually prior to retirement, and 5 percent per year compounded annually following retirement; (b) projected salary increases of 6.5 percent

per year, compounded annually, attributable to the effects of inflation; (c) post-retirement benefit increases that are accounted for by the 5 percent rate of return assumption following retirement; and (d) mortality rates based on the 1971 Group Annuity Mortality Table projected to 1984 for males and females. The actuarial assumptions used for the PFCF are the same for members who select benefit provisions identical to those of the PEPFF. For those PFCF members selecting benefit provisions of the local relief association, some actuarial assumptions used may vary, based on the provisions in the particular plans.

As shown in Figure 5, the unfunded pension benefit obligation at June 30, 1993, was \$859,603,000 in the PERF and \$80,008,000 in the PFCF. In the PEPFF, assets in excess of the pension benefit obligation totaled \$158,524,000.

3. Changes in Benefit Provisions

Three bills enacted during the 1993 legislative session improved benefits for many members without a material effect on the pension benefit obligation in any of the funds administered by PERA. The early retirement incentive bill permitted a public employer to offer PERF's Basic and Coordinated members an increase of one-fourth percent (.25%) in the formula multiplier for each year of service, up to the first 30 years, or health insurance coverage to age 65. Also, the survivor protection bill provided benefits to either a surviving spouse or children of PERF Coordinated Plan members who die before age 50. Lastly, the police and fire benefit increase bill, which became effective July 1, 1993, permanently increased the PEPFF formula multiplier from 2.5 percent to 2.65 percent

Fig. 5 Pension Benefit Obligation:
(In Thousands)

	<u>PERF</u>	<u>PEPFF</u>	<u>PFCF</u>
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	\$2,540,063	\$ 309,983	\$273,301
Current Employees: Accumulated employee contributions including allocated investment income	744,025	159,848	28,159
Employer-Financed Vested	1,632,463	342,108	131,915
Employer-Financed Non-Vested	247,215	120,394	5,094
Total Pension Benefit Obligation	\$5,163,766	\$ 932,333	\$438,469
Net Assets available for benefits, at cost (Market Value is \$6,042,924)	4,304,163	1,090,857	358,461
Unfunded (assets in excess of) pension benefit obligation	\$ 859,603	\$(158,524)	\$ 80,008

of an individual's average salary over the five highest consecutive years of earnings. This benefit also applied to any local relief association that consolidated after the effective date of law and was optional for cities whose local relief associations already consolidated with PERA.

D. CONTRIBUTIONS REQUIRED AND CONTRIBUTIONS MADE

Minnesota Statutes, Chapters 353, 353A and 353B set the rates for employer and employee contributions. (See note A.4.b. for statutory rates.) Minnesota Statutes, Chapter 356.215, Subd. 4(g), requires the PERF and the PEPFF to be fully funded by the year 2020. Minnesota Statutes, Chapter 353A.09, Subd. 5(b)(1), requires full funding for the PFCF by December 31, 2010. As part of the annual actuarial valuation, PERA's actuary determines the sufficiency of the statutory contribution rates toward meeting the required full funding deadline. The actuary compares the actual contribution rate to a "required" contribution rate. The required contribution rate consists of: (a) normal costs based on entry age normal cost methods, (b) a supplemental contribution for amortizing any unfunded actuarial accrued liability by the dates required for full funding, and (c) an allowance for expenses.

As shown in Figure 6, there was a funding deficiency on June 30, 1993 of \$21,348,000 in the PERF and a surplus of \$3,544,000 in the PEPFF. In the PFCF, contributions actuarially required are equal to contributions actually made, due to the additional municipal contribution paid each year and included in the employer share. Significant actuarial assumptions used to compute contribution requirements are the same as those used to

Fig. 6

Funding Surplus: (In Thousands)

	<u>PERF</u>	<u>PEPFF</u>	<u>PFCF</u>
Contributions actually made			
Employer share	\$113,184	\$30,434	\$ 7,679
Percent of current year covered payroll	4.67%	12.0%	12.0%*
Employee share	\$106,358	\$20,406	\$ 1,619
Percent of current year covered payroll	4.39%	8.0%	8.0%
Subtotal - Actual	\$219,542	\$50,840	\$ 9,298
Contributions actuarially required	240,890	47,296	9,298
Funding surplus (deficiency)	<u>\$(21,348)</u>	<u>\$ 3,544</u>	<u>\$ 0</u>

*NOTE: The 12 percent employer rate in the PFCF does not include the additional municipal contribution, totaling \$4.808 million in fiscal year 1993.

compute the standardized measure of the pension obligation discussed in Note C.2. on the preceding page.

E. TEN-YEAR HISTORICAL TREND INFORMATION

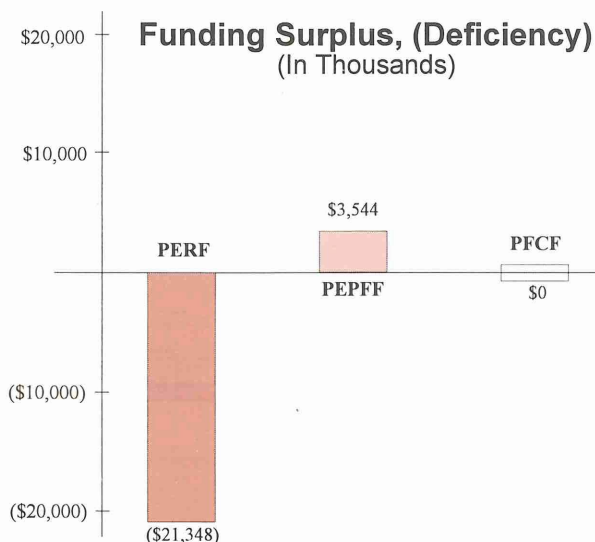
Ten-year historical trend information designed to provide information about PERA's progress made in accumulating sufficient assets to pay benefits when due is presented on pages 26 to 28.

F. OTHER NOTES

1. Cash

Cash on deposit consists of year-end receipts not processed as of the investment cutoff deadline on June 30. PERA cash funds are held in the state treasury, commingled with other state funds. Minnesota Statutes, Section 9.031, requires that deposits be secured by depository insurance or a combination of depository insurance and collateral securities held in the state's name by an agent of the state. Such insurance and collateral shall be in amounts sufficient to ensure that deposits do not exceed 90 percent of the sum of the insured amount and the market value of the collateral. Throughout fiscal year 1993, the combined depository insurance and collateral was sufficient to meet legal requirements and secure all PERA deposits.

Minnesota Statutes require the PERF and the PEPFF to be fully funded by the year 2020. The PFCF is to reach full funding by December 31, 2010.



Notes

(Continued)

The 1992 Laws of Minnesota changed the formula used to calculate post-retirement benefit increases. The new formula contains an inflation adjustment and an investment component.

2. Minnesota Post Retirement Investment Fund (MPRIF) Reserve

a) For all retiring members, except those in the Police and Fire Consolidation Fund who have not elected to have their post retirement adjustments determined by MPRIF formula, the reserves required to pay the cost of the member's annuity are transferred to the MPRIF where the funds are invested. Increases in annuities are based upon earnings of the MPRIF, as defined in Minnesota Statutes, Section 11A.18, Subd. 9.

b) Participation in the MPRIF is shown at the actuarially determined required reserves level in accordance with Minnesota Statutes, Section 11A.18, Subd. 7. It includes a 5 percent assumed income distribution, in accordance with Minnesota Statutes, Section 11A.18, and any mortality gains or losses as determined by an independent actuary hired by the state legislature. The Public Employees Retirement Fund's share of net assets of the MPRIF at June 30, 1993, is \$2,299,318,000. The Public Employees Police and Fire Fund's share of net assets of the MPRIF is \$257,993,000. The Police and Fire Consolidation Fund's share of net assets of the MPRIF is \$193,175,000.

c) The 1992 Laws of Minnesota, Chapter 530, changed the formula used to calculate post-retirement benefit increases. The new formula contains an inflation adjustment and an investment component. Stated as a percentage of eligible required reserves, annuitants and other individuals receiving benefits at May 31, 1993 are eligible to receive the following January 1, 1994 benefit increases:

Inflation Based Benefit Increase	2.800%
Investment Based Benefit Increase	3.217%
Total Benefit Increase	<u>6.017%</u>

3. Other Reserves

a) Accumulated member contributions, without interest, less the amounts refunded, transferred to the Minnesota Post Retirement Investment Fund for current retirees, or paid

for disability and survivor benefits are recorded in the Member Reserve.

b) Employer contributions and investment income are recorded in the Benefit Reserve with administrative expenses and survivor and disability benefits paid therefrom.

4. Administrative Expenses

Administrative expenses of the Public Employees Retirement Association are paid 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 Police and Fire Consolidation Fund, based on the percentage of transactions processed for each fund during the year. The applicable amounts are reported as expenses of the three funds.

The administrative expenses associated with the Public Employees Defined Contribution Plan (PEDCP) are reported as an amount payable to the PERF at June 30, 1993. Each fiscal year the PEDCP reimburses the PERF to the extent of fees collected for recovery of administrative costs.

For fiscal year 1993, administrative expenses allocated to the defined benefit funds and the PEDCP totaled \$4,304,000 and \$13,000, respectively.

5. Operating Leases

PERA is committed under two lease agreements for rental of (1) office and storage space through March 31, 1995 and (2) office equipment through March, 1996. For accounting purposes, these leases are considered operating leases. Lease expenditures for fiscal year 1993 totaled \$259,000 and \$7,000, respectively. Future minimum rental payments required as of June 30, 1993 are as follows:

<u>Fiscal Year Ended June 30</u>	<u>Amount</u>
1994	\$274,000
1995	211,000
1996	3,000
1997	-----
1998	-----
Total	<u>\$488,000</u>

6. Reporting Changes

The Police and Fire Consolidation Fund (PFCF) was created by the 1987 Legislature to authorize on a voluntary basis, any local police or salaried firefighters relief association and the respective municipality to effect the consolidation of the local relief association with PERA. At the end of fiscal year 1992, there were 22 local relief associations in the PFCF. During fiscal year 1993, three additional local relief associations elected to consolidate with PERA. Net assets totaling \$160,205,000 were transferred from the three relief associations to PERA on the date of consolidation. There were 363 active employees and 610 benefit recipients in the new consolidating units.

7. South Africa Divestment Plan

On October 27, 1993, the Minnesota State Board of Investment (SBI) rescinded all prior resolutions concerning South Africa. SBI's

"divestment through attrition" policy, initiated in 1986, restricted active equity portfolio managers from purchasing the stock of companies with direct investments in South Africa.

The performance impact of SBI's restriction policy is difficult to determine for several reasons. First, the Board implemented its policy in four phases and not all companies were affected during all stages. Second, an active manager may or may not have chosen to hold one or more of the securities if there had been no restrictions. Third, the policy was not an explicit prohibition, since an active manager could have chosen to hold or to purchase a restricted stock if it believed that such "nonpurchase action" would have placed SBI members in jeopardy of violating their fiduciary responsibility.

**October 27, 1993,
the Minnesota
State Board of
Investment (SBI)
rescinded all
prior resolutions
concerning South
Africa.**

Required Supplementary Information

Analysis of Funding Progress* (In Thousands, Unaudited)

Public Employees Retirement Fund

Fiscal Year	(1) Net Assets Available for Benefits**	(2) Pension Benefit Obligation (PBO)	(3) Percentage Funded (1) ÷ (2)	(4) Unfunded PBO (2) - (1)	(5) Annual Covered Payroll (CP)	(6) Unfunded PBO as a % of CP (4) ÷ (5)
1985	\$1,812,025	\$2,310,374	78.4%	\$498,349	\$1,337,535	37.3%
1986	2,076,864	2,590,445	80.2	513,581	1,457,848	35.2
1987	2,382,503	2,839,047	83.9	456,544	1,546,296	29.5
1988***	2,610,913	3,334,423	78.3	723,510	1,659,171	43.6
1989†	2,934,977	3,714,257	79.0	779,280	1,815,433	42.9
1990††	3,250,157	4,089,960	79.5	839,803	1,947,504	43.1
1991	3,524,071	4,458,010	79.1	933,939	2,147,000	43.5
1992	3,933,124	4,868,124	80.8	935,000	2,306,000	40.5
1993	4,304,163	5,163,766	83.4	859,603	2,421,000	35.5

Public Employees Police and Fire Fund

Fiscal Year	(1) Net Assets Available for Benefits**	(2) Pension Benefit Obligation (PBO)	(3) Percentage Funded (1) ÷ (2)	(4) Unfunded (assets in excess of) PBO (2) - (1)	(5) Annual Covered Payroll (CP)	(6) Unfunded PBO as a % of CP (4) ÷ (5)
1985	\$ 330,662	\$ 352,356	93.8%	\$ 21,694	\$ 130,725	16.6%
1986	405,825	402,314	100.9	(3,511)	144,392	N/A
1987	484,462	437,229	110.8	(47,233)	154,906	N/A
1988***	544,068	512,921	106.1	(31,147)	167,857	N/A
1989†	637,868	582,299	109.5	(55,569)	185,899	N/A
1990††	739,068	657,453	112.4	(81,615)	202,838	N/A
1991	823,125	732,911	112.3	(90,214)	219,913	N/A
1992	963,565	821,604	117.3	(141,961)	239,692	N/A
1993	1,090,857	932,333	117.0	(158,524)	254,281	N/A

Police and Fire Consolidation Fund

Fiscal Year	(1) Net Assets Available for Benefits**	(2) Pension Benefit Obligation (PBO)	(3) Percentage Funded (1) ÷ (2)	(4) Unfunded PBO (2) - (1)	(5) Annual Covered Payroll (CP)	(6) Unfunded PBO as a % of CP (4) ÷ (5)
1988***	\$ 22,574	\$ 38,408	58.8%	\$ 15,834	\$ 2,554	620.0%
1989†	29,708	42,746	69.5	13,038	3,455	377.4
1990	86,371	117,386	73.6	31,015	10,221	303.4
1991	143,508	209,012	68.7	65,504	15,154	432.3
1992	178,717	222,984	80.2	44,267	16,699	265.1
1993	358,461	438,469	81.8	80,008	32,678	244.8

Analysis of the dollar amounts of net assets available for benefits, pension benefit obligation and unfunded pension benefit obligation in isolation can be misleading. Expressing the net assets available for benefits as a percentage of the pension benefit obligation provides one indication of PERA's funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the retirement system. Trends in unfunded pension benefit obligation and annual covered payroll are both affected by inflation. Expressing the unfunded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of PERA's progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the retirement system.

* Ten-year historical trend information is unavailable for years prior to 1985.

** At cost (See Note B.3.a.).

*** In fiscal year 1988, the effect of using a new mortality table increased the PBO by \$179,670 in the PERF, \$18,805 in the PEPFF, and \$2,460 in the PFCF.

† In fiscal year 1989, the effect of changes in plan benefits and actuarial assumptions increased (decreased) the PBO by \$43,318 in the PERF, \$1,888 in the PEPFF and \$(2,808) in the PFCF.

†† In fiscal year 1990, the effect of using new withdrawal rates increased the PBO by \$59,942 in the PERF and \$6,978 in the PEPFF.

Required Supplementary Information

Revenue by Source (in Thousands)

Public Employees Retirement Fund

FISCAL YEAR	MEMBER CONTRIBUTION	EMPLOYER CONTRIBUTION		INVESTMENT INCOME*	OTHER	TOTAL
		AMOUNT	PERCENT OF COVERED PAYROLL			
1984	\$ 58,348	\$ 78,967	6.4%	\$132,373	\$ 412	\$270,100
1985	60,564	68,375	5.1	172,045	668	301,652
1986	64,778	71,434	4.9	251,461	2,642	390,315
1987	67,945	74,391	4.8	311,530	2,572	456,438
1988	71,504	78,092	4.7	244,981	2,394	396,971
1989	77,525	84,306	4.6	340,048	2,457	504,336
1990	87,031	93,865	4.8	335,392	872	517,160
1991	94,413	101,907	4.7	292,847	1,040	490,207
1992	101,655	109,203	4.7	432,734	1,347	644,939
1993	106,358	113,184	4.7	404,548	2,431	626,521

Public Employees Police and Fire Fund

FISCAL YEAR	MEMBER CONTRIBUTION	EMPLOYER CONTRIBUTION		INVESTMENT INCOME*	OTHER	TOTAL
		AMOUNT	PERCENT OF COVERED PAYROLL			
1984	\$ 9,671	\$14,473	12.3%	\$ 21,546	\$ 354	\$ 46,044
1985	10,530	15,747	12.0	29,946	394	56,617
1986	11,583	17,341	12.0	50,537	6,538	85,999
1987	12,416	18,596	12.0	60,542	675	92,229
1988	13,436	20,126	12.0	39,747	1,697	75,006
1989	14,832	22,210	12.0	71,947	2,052	111,041
1990	16,224	24,274	12.0	80,564	1,720	122,782
1991	17,636	26,440	12.0	61,908	1,549	107,533
1992	19,217	28,766	12.0	116,528	1,933	166,444
1993	20,406	30,434	12.0	103,409	128	154,377

Police and Fire Consolidation Fund

FISCAL YEAR	MEMBER CONTRIBUTION	EMPLOYER CONTRIBUTION	INVESTMENT INCOME*	OTHER	TOTAL
1988	\$ 105	\$1,458	\$ 1,308	\$226	\$ 3,097
1989	262	1,870	2,770	83	4,985
1990	596	5,347	4,270	(22)	10,191
1991	1,065	9,847	10,715	3	21,630
1992	1,330	8,726	18,521	51	28,628
1993	1,619	7,679	26,709	97	36,104

*Includes Distributed Income of the Minnesota Post Retirement Investment Fund.

Required Supplementary Information

Expense by Type
(in Thousands)

Public Employees Retirement Fund

<u>FISCAL YEAR</u>	<u>BENEFIT</u>	<u>REFUND</u>	<u>ADMINISTRATION</u>	<u>OTHER</u>	<u>TOTAL</u>
1984	\$ 74,237	\$ 23,756	\$2,792	\$26,608	\$127,393
1985	90,389	13,158	2,888	60	106,495
1986	108,133	12,566	2,868	1,909	125,476
1987	128,009	13,356	3,189	6,245	150,799
1988	148,587	14,175	3,412	2,387	168,561
1989	162,130	12,463	3,831	1,848	180,272
1990	182,363	12,711	3,828	3,077	201,979
1991	198,325	11,678	3,808	2,482	216,293
1992	216,953	11,881	4,002	3,051	235,887
1993	236,420	11,779	3,971	3,311	255,481

Public Employees Police and Fire Fund

<u>FISCAL YEAR</u>	<u>BENEFIT</u>	<u>REFUND</u>	<u>ADMINISTRATION</u>	<u>OTHER</u>	<u>TOTAL</u>
1984	\$ 6,352	\$2,043	\$164	\$3,793	\$12,352
1985	7,616	1,032	175	363	9,186
1986	9,197	906	176	529	10,808
1987	11,314	1,055	208	1,017	13,594
1988	13,821	693	233	653	15,400
1989	15,446	969	263	563	17,241
1990	17,631	1,038	263	2,650	21,582
1991	19,672	1,204	265	2,335	23,476
1992	22,164	636	273	2,930	26,003
1993	24,619	1,004	287	1,176	27,086

Police and Fire Consolidation Fund

<u>FISCAL YEAR</u>	<u>BENEFIT</u>	<u>REFUND</u>	<u>ADMINISTRATION</u>	<u>OTHER</u>	<u>TOTAL</u>
1988	\$ 846	\$ 0	\$ 6	\$ 224	\$ 1,076
1989	1,844	64	13	31	1,952
1990	3,744	183	17	418	4,362
1991	7,624	35	30	451	8,140
1992	10,157	33	37	322	10,549
1993	15,004	65	46	1,450	16,565

Combining Balance Sheet

As of June 30, 1993 (in thousands)

	Defined Benefit Funds			Agency Fund	
	Public Employees Retirement Fund	Public Employees Police and Fire Fund	Police and Fire Consolidation Fund	Public Employees Defined Contribution Plan	Total
Assets					
Cash	\$ 809	\$ 142	\$ 32		\$ 983
Accounts Receivable	382	1,132	3,954		5,468
Due From Other Funds	332	26	4		362
Investments					
Minnesota Outside Managed Pooled Accounts	1,946,208	804,430	158,263		2,908,901
Short-term Pooled Cash	65,784	27,661	7,184		100,629
Equity in Minnesota Post Retirement Investment Fund	2,299,318	257,993	193,175		2,750,486
Cash and Investments for Deferred Compensation Benefits				\$ 2,856	2,856
Fixed Assets, Net of Accumulated Depreciation	150				150
Other Assets	29				29
Total Assets	\$ 4,313,012	\$1,091,384	\$ 362,612	\$ 2,856	\$ 5,769,864
Liabilities and Fund Balance					
Liabilities:					
Accounts Payable	\$ 8,571	\$ 256	\$ 4,093		\$ 12,920
Accrued Compensated Absences	263				263
Deferred Compensation Benefits Payable to Other Funds	15	271	58	\$ 2,838	2,838
				18	362
Total Liabilities	\$ 8,849	\$ 527	\$ 4,151	\$ 2,856	\$ 16,383
Fund Balance:					
Member Reserves	\$ 780,125	\$ 164,516	\$ 29,020		\$ 973,661
Minnesota Post Retirement Investment Fund Reserve	2,299,318	257,993	193,175		2,750,486
Benefit Reserves	2,704,875	586,717	222,526		3,514,118
Total Reserves	\$ 5,784,318	\$1,009,226	\$ 444,721		\$ 7,238,265
Unreserved Fund Balance —					
Unfunded Actuarial Accrued Liability	\$(1,480,155)	\$ 81,631	\$ (86,260)		\$(1,484,784)
Total Fund Balance	\$ 4,304,163	\$1,090,857	\$ 358,461		\$ 5,753,481
Total Liabilities and Fund Balance	\$ 4,313,012	\$1,091,384	\$ 362,612	\$ 2,856	\$ 5,769,864

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

Combining Statement

of Revenues, Expenses and Changes in Fund Balance

For Fiscal Year Ended June 30, 1993 (in thousands)

	Public Employees Retirement Fund	Public Employees Police and Fire Fund	Police and Fire Consolidation Fund	Total
Operating Revenues:				
Member Contribution	\$ 106,358	\$ 20,406	\$ 1,619	\$ 128,383
Employer Contribution	113,184	30,434	7,679	151,297
Investment Income	205,675	81,482	18,890	306,047
Distributed Income of the Minnesota Post Retirement Investment Fund	198,873	21,927	7,819	228,619
Other Revenues	2,431	128	97	2,656
Total Operating Revenues	\$ 626,521	\$ 154,377	\$ 36,104	\$ 817,002
Operating Expenses:				
Benefits Paid	\$ 236,420	\$ 24,619	\$ 15,004	\$ 276,043
Refunds	11,779	1,004	65	12,848
Administrative Expenses	3,971	287	46	4,304
Investment Management Fees	2,712	1,108	171	3,991
Interest on Late Transfer to MPRI Fund	592	66	1,279	1,937
Other Expenses	7	2		9
Total Operating Expenses	\$ 255,481	\$ 27,086	\$ 16,565	\$ 299,132
Other Changes in Reserves:				
Local Relief Association Mergers			\$ 160,205	\$ 160,205
Total Other Changes in Reserves			\$ 160,205	\$ 160,205
 Net Fund Balance Additions	 \$ 371,040	 \$ 127,291	 \$ 179,744	 \$ 678,075
Fund Balance, July 1, 1992	3,933,123	963,566	178,717	5,075,406
 Fund Balance, June 30, 1993	 \$4,304,163	 \$1,090,857	 \$ 358,461	 \$5,753,481

Statement of Revenues

Expenses and Changes in Fund Balance Public Employees Retirement Fund

For Fiscal Year Ended June 30, 1993 (in thousands)

	<u>Member</u>	<u>Minnesota Post Retirement Investment Fund</u>	<u>Benefit</u>	<u>Unreserved Fund Balance</u>	<u>Total</u>
Operating Revenues:					
Member Contribution	\$ 106,358				\$ 106,358
Employer Contribution			\$ 113,184		113,184
Investment Income			205,675		205,675
Distributed Income of the Minnesota Post Retirement Investment Fund		\$ 198,873			198,873
Other Revenues	<u>1</u>	<u></u>	<u>2,430</u>		<u>2,431</u>
Total Operating Revenues	<u>\$ 106,359</u>	<u>\$ 198,873</u>	<u>\$ 321,289</u>		<u>\$ 626,521</u>
Operating Expenses:					
Benefits Paid	\$ 1,956	\$ 215,782	\$ 18,682		\$ 236,420
Refunds	8,988		2,791		11,779
Administrative Expenses			3,971		3,971
Investment Management Fees			2,712		2,712
Interest on Late Transfer to MPRI Fund			592		592
Other Expenses	<u>4</u>	<u></u>	<u>3</u>		<u>7</u>
Total Operating Expenses	<u>\$ 10,948</u>	<u>\$ 215,782</u>	<u>\$ 28,751</u>		<u>\$ 255,481</u>
Other Changes in Reserves:					
Annuities Awarded	\$ (26,812)	\$ 185,329	\$ (158,517)		\$ 0
Mortality Loss and Other Adjustments		7,350	(7,350)		0
Transfers Between Reserves	<u>(277)</u>	<u></u>	<u>277</u>		<u>0</u>
Total Other Changes in Reserves	<u>\$ (27,089)</u>	<u>\$ 192,679</u>	<u>\$ (165,590)</u>		<u>\$ 0</u>
Net Fund Balance Additions	\$ 68,322	\$ 175,770	\$ 126,948		\$ 371,040
Change in Unfunded Accrued Liability			(26,674)	\$ 26,674	0
Fund Balance, July 1, 1992	<u>711,803</u>	<u>2,123,548</u>	<u>2,604,601</u>	<u>(1,506,829)</u>	<u>3,933,123</u>
Fund Balance, June 30, 1993	<u>\$ 780,125</u>	<u>\$2,299,318</u>	<u>\$2,704,875</u>	<u>\$ (1,480,155)</u>	<u>\$4,304,163</u>

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

Statement of Revenues

Expenses and Changes in Fund Balance Public Employees Police and Fire Fund

For Fiscal Year Ended June 30, 1993 (in thousands)

	<u>Member</u>	<u>Minnesota Post Retirement Investment Fund</u>	<u>Benefit</u>	<u>Unreserved Fund Balance</u>	<u>Total</u>
Operating Revenues:					
Member Contribution	\$ 20,406				\$ 20,406
Employer Contribution			\$ 30,434		30,434
Investment Income			81,482		81,482
Distributed Income of the Minnesota Post Retirement Investment Fund		\$ 21,927			21,927
Other Revenues	<u>4</u>	<u></u>	<u>124</u>		<u>128</u>
Total Operating Revenues	<u>\$ 20,410</u>	<u>\$ 21,927</u>	<u>\$112,040</u>		<u>\$ 154,377</u>
Operating Expenses:					
Benefits Paid	\$ 450	\$ 21,206	\$ 2,963		\$ 24,619
Refunds	669		335		1,004
Administrative Expenses			287		287
Investment Management Fees			1,108		1,108
Interest on Late Transfer to MPRI Fund			66		66
Other Expenses	<u>1</u>	<u></u>	<u>1</u>		<u>2</u>
Total Operating Expenses	<u>\$ 1,120</u>	<u>\$ 21,206</u>	<u>\$ 4,760</u>		<u>\$ 27,086</u>
Other Changes in Reserves:					
Annuities Awarded	\$ (3,320)	\$ 25,224	\$ (21,904)		\$ 0
Mortality Loss and Other Adjustments		(978)	978		0
Transfers Between Reserves	<u>(16)</u>	<u></u>	<u>16</u>		<u>0</u>
Total Other Changes in Reserves	<u>\$ (3,336)</u>	<u>\$ 24,246</u>	<u>\$ (20,910)</u>		<u>\$ 0</u>
Net Fund Balance Additions	\$ 15,954	\$ 24,967	\$ 86,370		\$127,291
Change in Unfunded Accrued Liability			(6,891)	\$ 6,891	0
Fund Balance, July 1, 1992	<u>148,562</u>	<u>233,026</u>	<u>507,238</u>	<u>74,740</u>	<u>963,566</u>
Fund Balance, June 30, 1993	<u>\$164,516</u>	<u>\$257,993</u>	<u>\$586,717</u>	<u>\$81,631</u>	<u>\$1,090,857</u>

Statement of Revenues

Expenses and Changes in Fund Balance Police and Fire Consolidation Fund

For Fiscal Year Ended June 30, 1993 (in thousands)

	<u>Member</u>	<u>Minnesota Post Retirement Investment Fund</u>	<u>Benefit</u>	<u>Unreserved Fund Balance</u>	<u>Total</u>
Operating Revenues:					
Member Contribution	\$ 1,619				\$ 1,619
Employer Contribution			\$ 7,679		7,679
Investment Income			18,890		18,890
Distributed Income of the Minnesota Post Retirement Investment Fund		\$ 7,819			7,819
Other Revenues			97		97
Total Operating Revenues	\$ 1,619	\$ 7,819	\$ 26,666		\$ 36,104
Operating Expenses:					
Benefits Paid	\$ 198	\$ 8,587	\$ 6,219		\$ 15,004
Refunds	39		26		65
Administrative Expenses			46		46
Investment Management Fees			171		171
Interest on Late Transfer to MPRI Fund			1,279		1,279
Total Operating Expenses	\$ 237	\$ 8,587	\$ 7,741		\$ 16,565
Other Changes in Reserves:					
Annuities Awarded	\$ (1,102)	\$115,261	\$(114,159)		\$ 0
Mortality Gain and Other Adjustments		551	(551)		0
Local Relief Association Mergers	14,693		145,512		160,205
Total Other Changes in Reserves	\$ 13,591	\$115,812	\$ 30,802		\$160,205
Net Fund Balance Additions	\$ 14,973	\$115,044	\$ 49,727		\$179,744
Change in Unfunded Accrued Liability			37,897	\$(37,897)	0
Fund Balance, July 1, 1992	14,047	78,131	134,902	(48,363)	178,717
Fund Balance, June 30, 1993	\$ 29,020	\$193,175	\$ 222,526	\$(86,260)	\$358,461

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

Statement of Changes in Assets and Liabilities

Public Employees Defined Contribution Plan

For Fiscal Year Ended June 30, 1993 (in thousands)

	<u>Balance July 1, 1992</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 1993</u>
Assets				
Cash and Cash Equivalents	\$ 3	\$2,143	\$2,142	\$ 4
Investments	92	1,065	1,068	89
Equity in Investment Trust Funds	1,528	1,300	65	2,763
Total Assets	<u><u>\$1,623</u></u>	<u><u>\$4,508</u></u>	<u><u>\$3,275</u></u>	<u><u>\$2,856</u></u>
Liabilities				
Interfund Payables	\$ 14	\$ 18	\$ 14	\$ 18
Deferred Compensation Benefits Held in Trust	1,609	1,314	85	2,838
Total Liabilities	<u><u>\$1,623</u></u>	<u><u>\$1,332</u></u>	<u><u>\$ 99</u></u>	<u><u>\$2,856</u></u>

Schedule of Administrative Expenses

For Fiscal Year Ended June 30, 1993 (in thousands)

Personal Services:

Staff Salaries	\$2,220	
Social Security	148	
Retirement	110	
Insurance and Workers' Compensation	203	
Other Benefits	6	
Total Personal Services		\$2,686

Professional Services:

Actuarial	\$ 143	
Architect/Design	2	
Audit	34	
Legal	13	
Investment Consultants	64	
Management Consultants	108	
Total Professional Services		364

Communication:

Printing	\$ 132	
Telephone	38	
Postage and Mailing Services	297	
Total Communication		467

Rentals & Maintenance:

Office Space	\$ 259	
Equipment Leasing	7	
Repairs & Maintenance	40	
Advertising & Insurance	5	
Total Rentals & Maintenance		311

Other:

Disability Evaluations	\$ 83	
Data Processing	105	
Meeting Expense	26	
In-State Travel	28	
Out-State Travel	23	
Training & Fees	17	
Office Supplies	95	
Indirect Costs	31	
Depreciation	81	
Total Other		489
Total Administrative Expense		\$4,317

Allocation of Administrative Expense:

Public Employees Retirement Fund	\$3,971
Public Employees Police and Fire Fund	287
Police and Fire Consolidation Fund	46
Public Employees Defined Contribution Plan	13
Total	\$4,317

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

Investment Summaries

For Fiscal Year Ended June 30, 1993 (in thousands)

Public Employees Retirement Fund

	Market Value June 30, 1992	Cost June 30, 1992	Acquisitions
Pooled Accounts			
Passive Equity Pool	\$ 687,709	\$ 630,946	\$ 48,930
Active Equity Pool	473,194	441,142	39,735
Fixed Income Pool	558,784	544,736	68,215
Real Estate Pool	87,032	87,815	6,575
Venture Capital Pool	98,174	65,605	5,865
Resources Pool	22,688	22,379	1,583
Intl. Active Pool	0	0	44,230
Intl. Passive Pool	0	0	163,726
Total Pooled Accounts	\$1,927,581	\$1,792,623	\$378,859

Public Employees Police and Fire Fund

	Market Value June 30, 1992	Cost June 30, 1992	Acquisitions
Pooled Accounts			
Passive Equity Pool	\$ 272,640	\$ 253,056	\$ 23,757
Active Equity Pool	189,355	177,636	19,452
Fixed Income Pool	223,605	217,567	31,734
Real Estate Pool	34,827	35,927	3,244
Venture Capital Pool	39,285	26,442	3,001
Resources Pool	9,079	8,916	800
Intl. Active Pool	0	0	18,166
Intl. Passive Pool	0	0	66,778
Total Pooled Accounts	\$ 768,791	\$ 719,544	\$166,932

Police and Fire Consolidation Fund

	Market Value June 30, 1992	Cost June 30, 1992	Acquisitions
Pooled Accounts			
Passive Equity Pool	\$ 32,603	\$ 34,145	\$ 86,384
Active Equity Pool	23,668	24,039	26,987
Fixed Income Pool	27,948	28,214	125,735
Real Estate Pool	4,353	5,075	6,715
Venture Capital Pool	4,910	3,660	4,963
Resources Pool	1,135	1,127	1,238
Intl. Active Pool	0	0	3,556
Intl. Passive Pool	0	0	16,661
Other Equity	0	0	46,573
Total Pooled Accounts	\$ 94,617	\$ 96,260	\$318,812

<u>Dispositions</u>	<u>Cost June 30, 1993</u>	<u>Market Value June 30, 1993</u>
\$124,852	\$ 555,024	\$ 635,609
81,079	399,798	456,838
10,780	602,171	625,399
2,421	91,969	85,399
1,738	69,732	97,079
593	23,369	24,039
258	43,972	46,160
3,553	160,173	186,575
<u>\$225,274</u>	<u>\$1,946,208</u>	<u>\$2,157,098</u>

<u>Dispositions</u>	<u>Cost June 30, 1993</u>	<u>Market Value June 30, 1993</u>
\$ 46,030	\$ 230,783	\$ 261,330
31,626	165,462	187,828
2,190	247,111	257,132
603	38,568	35,111
436	29,007	39,914
147	9,569	9,884
87	18,079	18,978
927	65,851	76,710
<u>\$ 82,046</u>	<u>\$ 804,430</u>	<u>\$ 886,887</u>

<u>Dispositions</u>	<u>Cost June 30, 1993</u>	<u>Market Value June 30, 1993</u>
\$ 66,966	\$ 53,563	\$ 51,345
25,549	25,477	25,199
115,214	38,735	36,259
830	10,960	10,103
580	8,043	8,867
179	2,186	2,196
123	3,433	3,604
795	15,866	16,789
46,573	0	0
<u>\$256,809</u>	<u>\$ 158,263</u>	<u>\$ 154,362</u>

Note:

Additional information on the performance of the PERA funds over the past five years can be found on pages 52 and 53.

Summary Schedules

For Fiscal Year Ended June 30, 1993 (in thousands)

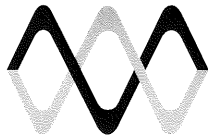
Summary Schedule of Cash Receipts and Disbursements

	Public Employees Retirement Fund	Public Employees Police and Fire Fund	Police and Fire Consolidation Fund	Total
Cash Balance at Beginning of Year: July 1, 1992	\$ 970	\$ 253	\$ 29	\$ 1,252
Add Receipts:				
Member Contributions	108,697	20,550	1,619	130,866
Employer Contributions	113,184	30,443	8,997	152,624
Investment Income	203,021	80,406	18,716	302,143
Minnesota Post Retirement Investment Fund	215,782	21,206	8,587	245,575
Investments Redeemed/Sold	452,057	145,713	324,682	922,452
Local Relief Association Mergers	0	0	160,215	160,215
Other	425	10	2,190	2,625
Total Cash Receipts	\$1,093,166	\$298,328	\$525,006	\$1,916,500
Less Disbursements:				
Benefit Payments	\$ 236,420	\$ 24,620	\$ 15,004	\$ 276,044
Refunds	11,777	1,009	232	13,018
Administrative Expense	4,262	19	8	4,289
Investments Purchased	644,887	245,594	392,598	1,283,079
Minnesota Post Retirement Investment Fund	195,276	26,716	115,822	337,814
Other	705	481	1,339	2,525
Total Cash Disbursements	\$1,093,327	\$298,439	\$525,003	\$1,916,769
Cash Balance at End of Year: June 30, 1993	\$ 809	\$ 142	\$ 32	\$ 983

Summary Schedule of Commissions and Payments to Consultants

Individual or Firm Name	Nature of Services	Fee Paid
Benefacts, Inc.	Management	\$101
Kusske Financial Mgmt.	Management	1
Pension Benefit Inc.	Management	3
Pension Consulting Alliance	Investment	26
Richards & Tierney	Investment	38
Pink Supply Corp.	Architect	2
Gabriel, Roeder, Smith, & Co.	Actuary	95
State of Minnesota —		
Attorney General	Legal	13
Legislative Auditor	Auditor	34
Legislative Commission on Pensions & Retirement	Actuary	48
Management Analysis Division	Management	3
		\$364

Certification Letter



Milliman & Robertson, Inc. Actuaries and Consultants

October 28, 1993

Board of Trustees
Public Employees Retirement
Association of Minnesota
514 St. Peter Street
St. Paul, Minnesota 55102-1190

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 Police and Fire Consolidation Fund (PFCF) as of July 1, 1993.

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

The results of the valuation indicate that the PEPFF and the PFCF are either ahead of or on schedule to meet the required dates for full funding. The valuation of the PERF resulted in a deficiency in the current funding level. The deficiency of .54% of payroll was the result of the actuarial computation requirement of 9.58% exceeding the statutory contribution of 9.04%.

The actuarial valuation was based upon applicable statutory provisions and the Standards for Actuarial Work in effect on July 1, 1993. In the aggregate, the basic financial and membership data provided to us by the association office appears reasonable in comparison to last year, and we have relied upon the data as submitted in performing the actuarial valuation. It is our understanding that the data has subsequently been audited with no significant changes made.

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.

Effective for the July 1, 1993 valuation, legislative activity since the last valuation report resulted in significant changes in benefit provisions for all three funds. For the PERF, Coordinated plan provisions extended death benefit coverage to active members less than age 50. Also, a temporary early retirement window enhanced benefits for members retiring between May 1993 and January 1994. These two changes increased the actuarial accrued liability by \$8.1 million and \$8.2 million, respectively.

For the PEPFF, the benefit accrual rate was increased from 2.5 percent to 2.65 percent. This change increased the actuarial accrued liability by \$39 million. Also, the statutory contribution rates effective January 1, 1994 were lowered from 8 percent and 12 percent to 7.6 percent and 11.4 percent

for members and employers, respectively. The contribution rate changes will have a future impact on the PEPFF.

For the PFCF, the addition of three accounts during the fiscal year increased the unfunded actuarial accrued liability by \$42.3 million. The newly consolidated local relief associations included Crystal Police, Duluth Fire and St. Paul Fire. Two changes with a nominal effect on the actuarial accrued liability of the fund included an increase in the retirement factor from 2.5 percent to 2.65 percent for Albert Lea Police and the removal of the age restriction for disability eligibility. Also, the actuarial accrued liability will be affected in the future with the same contribution rate changes previously mentioned for the PEPFF.

The following table shows the date for full funding for each of the three plans and the funding percentage for the 1993 valuation. The funding percentage expresses current assets as a percentage of the actuarial accrued liability determined on the entry age normal cost method.

Fund	Funding Date	Funded Percentage
PERF	2020	76%
PEPFF	2020	111%
PFCF	2010	80%

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

Respectfully submitted,

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

TKC:jm

Cost Method and Assumptions

June 30, 1993

Public Employees Retirement Fund

Actuarial Cost Method	Entry Age Normal. Actuarial gains (losses) reduce (increase) the unfunded actuarial accrued liability.*
Actuarial Assumptions	
1. a. Retirement	Age 64. In addition, assumes 50% of employees retire when age plus service totals 90.†††
b. Mortality	1971 Group Annuity Mortality Table projected to 1984 by scale D for males and females.‡
c. Mortality-Disabled	1965 Railroad Workers Select Mortality.††
d. Disability	Graduated rates. See table on following page for sample values.†
e. Termination	Graduated rates. Table on following page shows sample values.**
2. Allowance for Expenses	.17% of payroll.‡‡
3. Asset Valuation	Cost plus 1/3 unrealized gains or losses.†
4. Investment Return	8.5% compounded annually, preretirement.‡‡ 5% compounded annually, post-retirement.†
5. Earnings Progression	6.5% per year.†
6. Active Member Payroll Growth (Reflects group size and inflation)	6.5% per year.†

Public Employees P & F Fund

Actuarial Cost Method	Entry Age Normal. Actuarial gains (losses) reduce (increase) the unfunded actuarial accrued liability.*
Actuarial Assumptions	
1. a. Retirement	Age 60.***
b. Mortality	1971 Group Annuity Mortality Table projected to 1984 by scale D for males and females.‡
c. Mortality-Disabled	1965 Railroad Workers Select Mortality.††
d. Disability	Graduated rates. Table on following page shows sample values.†
e. Termination	Graduated rates. See table on following page for sample values.**
2. Allowance for Expenses	.11% of payroll.‡‡
3. Asset Valuation	Cost plus 1/3 unrealized gains or losses.†
4. Investment Return	8.5% compounded annually, preretirement.‡‡ 5% compounded annually, post-retirement.†
5. Earnings Progression	6.5% per year.†
6. Active Member Payroll Growth (Reflects group size and inflation)	6.5% per year.†

Police and Fire Consolidation Fund

For members selecting benefit provisions of the Public Employees Police and Fire Fund (PEPFF), the actuarial cost method and actuarial assumptions are the same as those indicated above for the PEPFF. For members selecting benefit provisions of the local relief association, the actuarial assumptions used for retirement age and post-retirement increases vary depending upon the provisions of the particular relief association.

Adoption Dates

*1960	†1984	‡1988
**1990	††1986	‡‡1989
***1976	†††1987	

Actuarial Tables

June 30, 1993

Schedule of Recommended vs. Actual Contribution Rates (Expressed as a percent of Member Payroll)

	Actual Contribution Rate			Recommended Rate*
	Member	Employer	Total	
Public Employees Retirement Fund	4.39%	4.67%	9.06%	9.95%
Public Employees Police and Fire Fund	8.00	12.00	20.00	18.60
Police and Fire Consolidation Fund	8.00	12.00	20.00	20.00**

* The recommended rates scheduled above represent the required rates for fiscal year 1993 contributions as reported in the July 1, 1992 actuarial valuation reports.

**Plus an additional dollar amount determined annually to amortize the unfunded actuarial accrued liability by the year 2010, and to amortize any actuarial losses or gains over a 15-year period. The 1993 amortization amount is \$8,463,774.

Sample Annual Rates per 100 Employees

Public Employees Retirement Fund

Age	Mortality		Disability	Termination	
	Male	Female	All Employees	Male	Female
20	.05	.02	.09	25.42	29.13
25	.06	.03	.10	15.36	19.42
30	.07	.04	.11	10.18	13.94
35	.10	.05	.12	7.19	10.53
40	.15	.08	.15	5.32	8.26
45	.27	.12	.22	4.08	6.67
50	.49	.18	.33	3.21	5.50
55	.78	.27	.58	1.95	4.78
60	1.21	.46	1.18	—	—
65	1.95	.81	—	—	—

Public Employee Police and Fire Fund & Police and Fire Consolidation Fund

Age	Mortality		Disability	Termination
	Male	Female	All Employees	All Employees
20	.05	.02	.11	8.59
25	.06	.03	.13	4.63
30	.07	.04	.16	2.80
35	.10	.05	.19	1.83
40	.15	.08	.26	1.26
45	.27	.12	.36	.91
50	.49	.18	.69	.50
55	.78	.27	1.35	.11
60	1.21	.46	—	—
65	1.95	.81	—	—

Summary of Accrued and Unfunded Accrued Liabilities

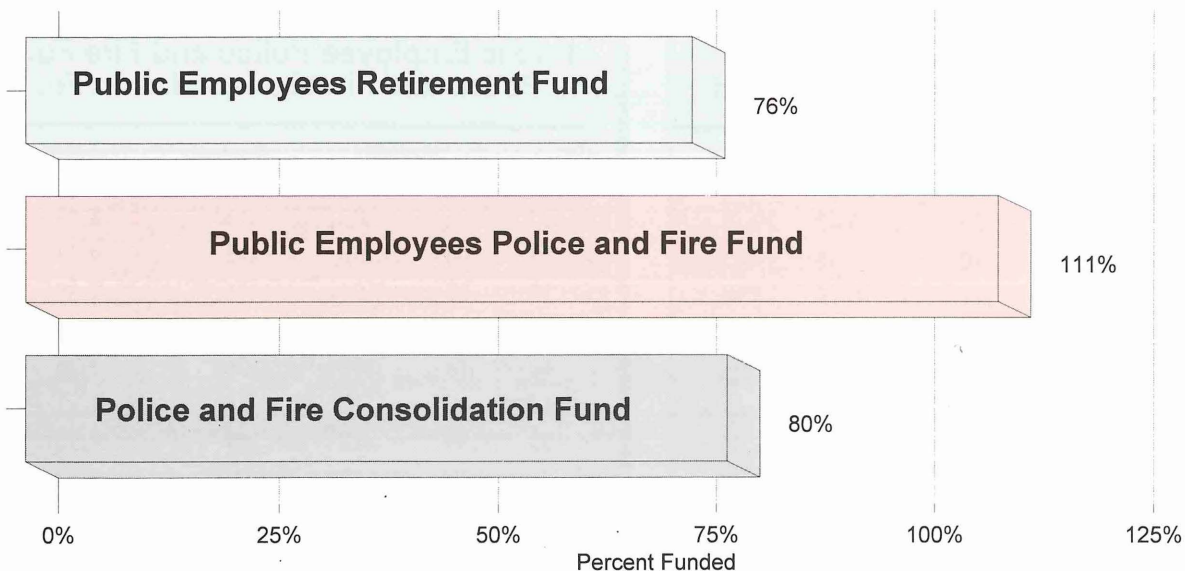
Last Ten Years
(in Thousands)

Public Employees Retirement Fund

VALUATION DATE	ACTUARIAL ACCRUED LIABILITIES (AAL)	VALUATION ASSETS	RATIO OF ASSETS TO AAL	UNFUNDED ACTUARIAL ACCRUED LIABILITIES (UAAL)	ACTIVE MEMBER PAYROLL	UAAL AS A % OF ACTIVE MEMBER PAYROLL
6-30-84	\$2,228,361	\$1,599,674	72%	\$ 628,688	\$1,225,625	51%
6-30-85	2,457,725	1,842,957	75	614,768	1,295,674	47
6-30-86	2,925,006	2,148,114	73	776,892	1,457,848	53
6-30-87	3,188,962	2,457,899	77	731,063	1,546,296	47
6-30-88	3,755,608	2,657,038	71	1,098,570	1,659,171	66
6-30-89	4,175,240	2,992,285	72	1,182,955	1,815,433	65
6-30-90	4,560,469	3,297,216	72	1,263,253	1,947,504	65
6-30-91	4,988,671	3,570,304	72	1,418,367	2,147,000	66
6-30-92	5,439,953	3,978,110	73	1,461,843	2,306,000	63
6-30-93	5,784,318	4,374,459	76	1,409,859	2,421,000	58

Funding Ratios

(Ratio of Assets to Actuarial Accrued Liabilities for FY93)



The Public Employees Police and Fire Fund, while not required to reach full funding until 2020, has already achieved that goal. The Public Employees Retirement Fund is 76 percent funded while the Consolidation Fund has achieved 80 percent funding.

Summary of Accrued and Unfunded Accrued Liabilities

Last Ten Years
(in Thousands)

Public Employees Police and Fire Fund

VALUATION DATE	ACTUARIAL ACCRUED LIABILITIES (AAL)	VALUATION ASSETS	RATIO OF ASSETS TO AAL	UNFUNDED ACTUARIAL ACCRUED LIABILITIES (UAAL)	ACTIVE MEMBER PAYROLL	UAAL AS A % OF ACTIVE MEMBER PAYROLL
6-30-84	\$306,817	\$279,757	91%	\$27,060	\$117,881	23%
6-30-85	357,742	338,400	95	19,342	128,518	15
6-30-86	447,742	424,936	95	22,806	144,392	16
6-30-87	486,674	506,153	104	-0-	154,906	-0-
6-30-88	574,133	557,669	97	16,464	167,857	10
6-30-89	651,776	656,654	101	-0-	185,899	-0-
6-30-90	715,963	755,204	105	-0-	202,838	-0-
6-30-91	794,295	839,560	106	-0-	219,913	-0-
6-30-92	888,826	979,981	110	-0-	239,692	-0-
6-30-93	1,009,226	1,118,342	111	-0-	254,281	-0-

Police and Fire Consolidation Fund

VALUATION DATE	ACTUARIAL ACCRUED LIABILITIES (AAL)	VALUATION ASSETS	RATIO OF ASSETS TO AAL	UNFUNDED ACTUARIAL ACCRUED LIABILITIES (UAAL)	MEMBER PAYROLL	UAAL AS A % OF ACTIVE MEMBER PAYROLL
6-30-88	\$ 35,221	\$ 22,648	64%	\$12,573	\$ 2,554	492%
6-30-89	40,605	29,895	74	10,710	3,455	310
6-30-90	122,045	86,702	71	35,343	10,221	346
6-30-91	201,882	143,370	71	58,512	15,154	386
6-30-92	227,080	178,169	78	48,911	16,699	293
6-30-93	444,721	357,161	80	87,560	32,678	268

Solvency Test

Last Ten Years
(in Thousands)

Public Employees Retirement Fund

VALUATION DATE	ACTUARIAL ACCRUED LIABILITIES FOR:			VALUATION ASSETS	PORTION OF ACCRUED LIABILITIES COVERED BY VALUATION ASSETS		
	ACTIVE MEMBER CONTRIBUTION (1)	RETIRANTS AND BENEFICIARIES (2)	ACTIVE MEMBERS (EMPLOYER FINANCED) PORTION (3)		(1)	(2)	(3)
6-30-84	\$367,381	\$ 743,815	\$1,117,165	\$ 1,599,674	100%	100%	43.7%
6-30-85	391,294	936,995	1,129,435	1,842,957	100	100	45.6
6-30-86	421,678	1,153,359	1,349,969	2,148,114	100	100	42.5
6-30-87	452,560	1,370,653	1,365,749	2,457,899	100	100	46.5
6-30-88	484,819	1,633,391	1,637,398	2,657,038	100	100	20.3
6-30-89	534,906	1,800,411	1,839,923	2,992,285	100	100	35.7
6-30-90	588,793	1,970,629	2,001,047	3,297,216	100	100	36.9
6-30-91	649,046	2,163,472	2,176,153	3,570,304	100	100	34.8
6-30-92	711,803	2,354,095	2,374,055	3,978,110	100	100	38.4
6-30-93	780,125	2,540,063	2,464,130	4,374,459	100	100	42.8

Public Employees Police and Fire Fund

VALUATION DATE	ACTUARIAL ACCRUED LIABILITIES FOR:			VALUATION ASSETS	PORTION OF ACCRUED LIABILITIES COVERED BY VALUATION ASSETS		
	ACTIVE MEMBER CONTRIBUTIONS (1)	RETIRANTS AND BENEFICIARIES (2)	ACTIVE MEMBERS (EMPLOYER FINANCED) PORTION (3)		(1)	(2)	(3)
6-30-84	\$ 58,690	\$ 75,351	\$172,277	\$ 279,757	100%	100%	84.3%
6-30-85	66,628	92,676	198,438	338,400	100	100	90.3
6-30-86	76,534	118,926	252,282	424,936	100	100	91.0
6-30-87	85,542	141,324	259,808	506,153	100	100	107.5
6-30-88	95,440	174,131	304,562	557,669	100	100	94.6
6-30-89	107,659	196,269	347,848	656,654	100	100	101.4
6-30-90	120,005	222,683	373,275	755,204	100	100	110.5
6-30-91	133,299	249,780	411,216	839,560	100	100	111.0
6-30-92	148,562	279,421	460,843	979,981	100	100	119.8
6-30-93	164,516	309,982	534,728	1,118,342	100	100	120.4

Police and Fire Consolidation Fund

VALUATION DATE	ACTUARIAL ACCRUED LIABILITIES FOR:			VALUATION ASSETS	PORTION OF ACCRUED LIABILITIES COVERED BY VALUATION ASSETS		
	ACTIVE MEMBER CONTRIBUTIONS (1)	RETIRANTS AND BENEFICIARIES (2)	ACTIVE MEMBERS (EMPLOYER FINANCED) PORTION (3)		(1)	(2)	(3)
6-30-88	\$ 2,522	\$ 18,204	\$ 17,017	\$ 22,648	100%	100%	11.3%
6-30-89	2,806	21,708	16,089	29,895	100	100	33.4
6-30-90	8,383	69,549	44,113	86,702	100	100	19.8
6-30-91	12,429	119,717	69,736	143,370	100	100	16.1
6-30-92	14,047	139,439	73,594	178,169	100	100	33.5
6-30-93	29,020	273,301	142,400	357,161	100	100	38.5

Schedule of Active Member Valuation Data

Last Ten Years

Public Employees Retirement Fund

VALUATION DATE	NUMBER	ANNUAL PAYROLL	ANNUAL AVERAGE PAY	% INCREASE IN AVERAGE PAY
6-30-84	83,702	\$1,225,624,802	\$14,643	7.5%
6-30-85	86,344	1,295,674,181	15,006	2.5
6-30-86	89,336	1,457,848,000	16,319	8.7
6-30-87	92,497	1,546,296,000	16,717	2.4
6-30-88	95,224	1,659,171,000	17,424	4.2
6-30-89	99,515	1,815,433,000	18,243	4.7
6-30-90	102,664	1,947,504,000	18,970	4.0
6-30-91	107,025	2,147,000,000	20,060	5.7
6-30-92	110,100	2,306,000,000	20,945	4.4
6-30-93	114,932	2,421,000,000	21,066	0.6

Public Employees Police and Fire Fund

VALUATION DATE	NUMBER	ANNUAL PAYROLL	ANNUAL AVERAGE PAY	% INCREASE IN AVERAGE PAY
6-30-84	4,744	\$117,880,783	\$24,848	8.6%
6-30-85	4,928	128,518,325	26,079	5.0
6-30-86	5,127	144,392,000	28,163	8.0
6-30-87	5,385	154,906,000	28,766	2.1
6-30-88	5,611	167,857,000	29,916	4.0
6-30-89	5,891	185,899,000	31,556	5.5
6-30-90	6,136	202,838,000	33,057	4.8
6-30-91	6,309	219,913,000	34,857	5.4
6-30-92	6,521	239,692,000	36,757	5.5
6-30-93	6,785	254,281,000	37,477	2.0

Police and Fire Consolidation Fund

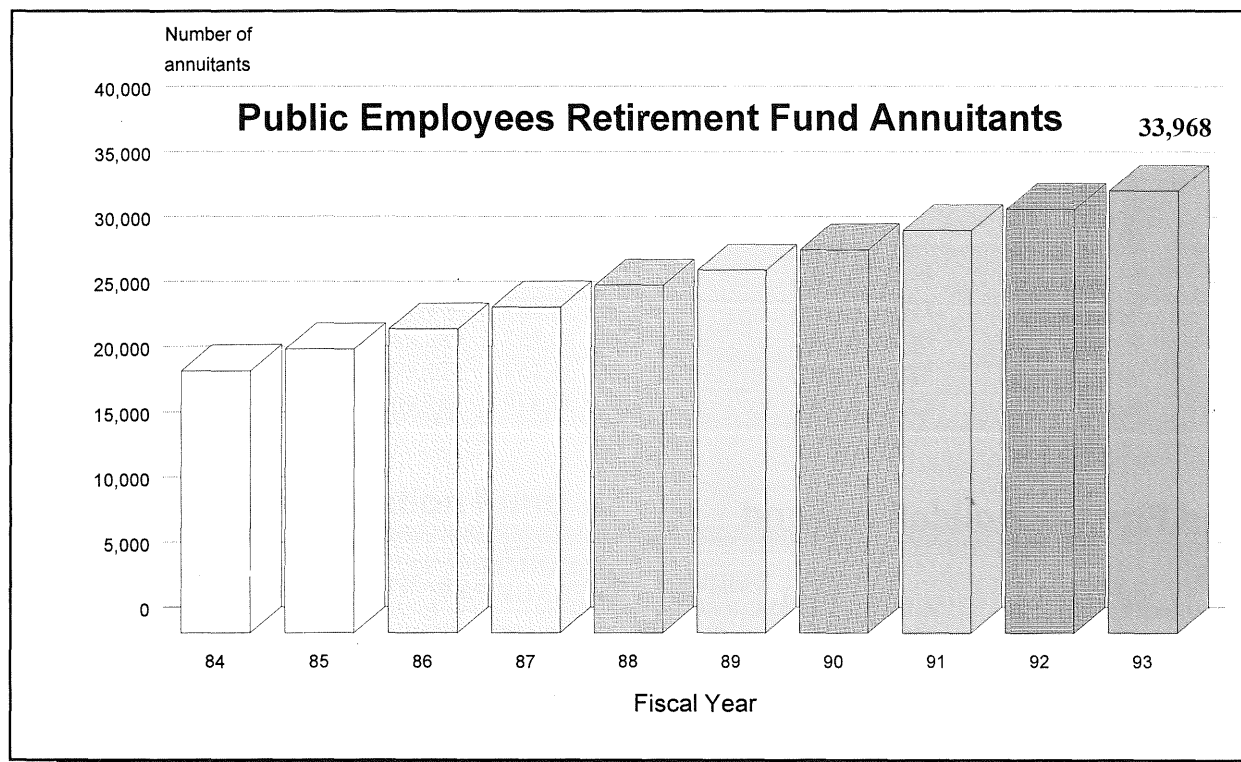
VALUATION DATE	NUMBER	ANNUAL PAYROLL	ANNUAL AVERAGE PAY	% INCREASE IN AVERAGE PAY
6-30-88	93	\$ 2,553,569	\$27,458	0.0 %
6-30-89	102	3,454,608	33,869	23.3
6-30-90	287	10,220,881	35,613	5.1
6-30-91	394	15,154,000	38,462	8.0
6-30-92	402	16,699,000	41,540	8.0
6-30-93	732	32,678,000	44,642	7.5

Schedule of Retirants and Beneficiaries

Last Ten Years

Public Employees Retirement Fund

YEAR ENDED	NUMBER ADDED	NUMBER REMOVED	YEAR-END TOTAL		% INCREASE IN ANNUAL ALLOWANCES	AVERAGE ANNUAL ALLOWANCES
			NUMBER	ANNUAL ALLOWANCES		
6-30-84	2,125	880	20,121	\$ 76,064,731	18.6%	\$3,780
6-30-85	2,534	865	21,790	93,826,168	23.4	4,306
6-30-86	2,505	949	23,322	109,613,000	16.8	4,700
6-30-87	2,750	1,057	25,015	130,745,000	19.3	5,227
6-30-88	2,780	1,095	26,700	150,527,000	15.1	5,638
6-30-89	2,221	1,049	27,872	165,706,000	10.1	5,945
6-30-90	2,614	1,050	29,436	181,514,000	9.5	6,166
6-30-91	2,655	1,165	30,926	198,975,000	9.6	6,434
6-30-92	2,754	1,121	32,559	216,053,000	8.6	6,635
6-30-93	2,653	1,244	33,968	233,782,000	8.2	6,882



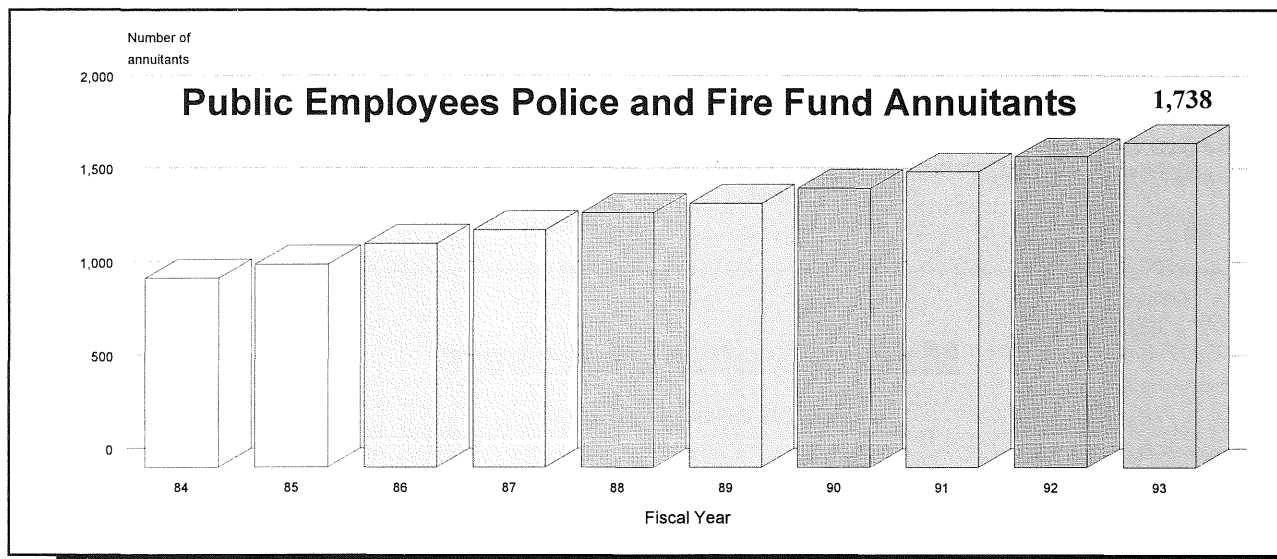
The number of people receiving retirement annuities from the Public Employees Retirement Fund increased nearly 70 percent over the past 10 years, growing from 20,121 in 1984 to 33,968 in 1993. Average annual payments increased over 80 percent during the same period.

Schedule of Retirants and Beneficiaries

Last Ten Years

Public Employees Police and Fire Fund

YEAR ENDED	NUMBER ADDED	NUMBER REMOVED	YEAR-END TOTAL		% INCREASE IN ANNUAL ALLOWANCES	AVERAGE ANNUAL ALLOWANCES
			NUMBER	ANNUAL ALLOWANCES		
6-30-84	102	39	1,013	\$ 6,592,773	18.2%	\$ 6,508
6-30-85	120	46	1,087	8,004,954	21.4	7,364
6-30-86	150	47	1,198	9,554,000	19.4	7,975
6-30-87	143	70	1,271	11,788,000	23.4	9,275
6-30-88	152	60	1,363	14,090,000	19.5	10,337
6-30-89	98	49	1,412	15,831,000	12.4	11,212
6-30-90	142	61	1,493	17,939,000	13.3	12,015
6-30-91	142	53	1,582	20,688,000	15.3	13,077
6-30-92	142	61	1,663	23,120,000	11.8	13,902
6-30-93	148	73	1,738	25,549,000	10.5	14,700

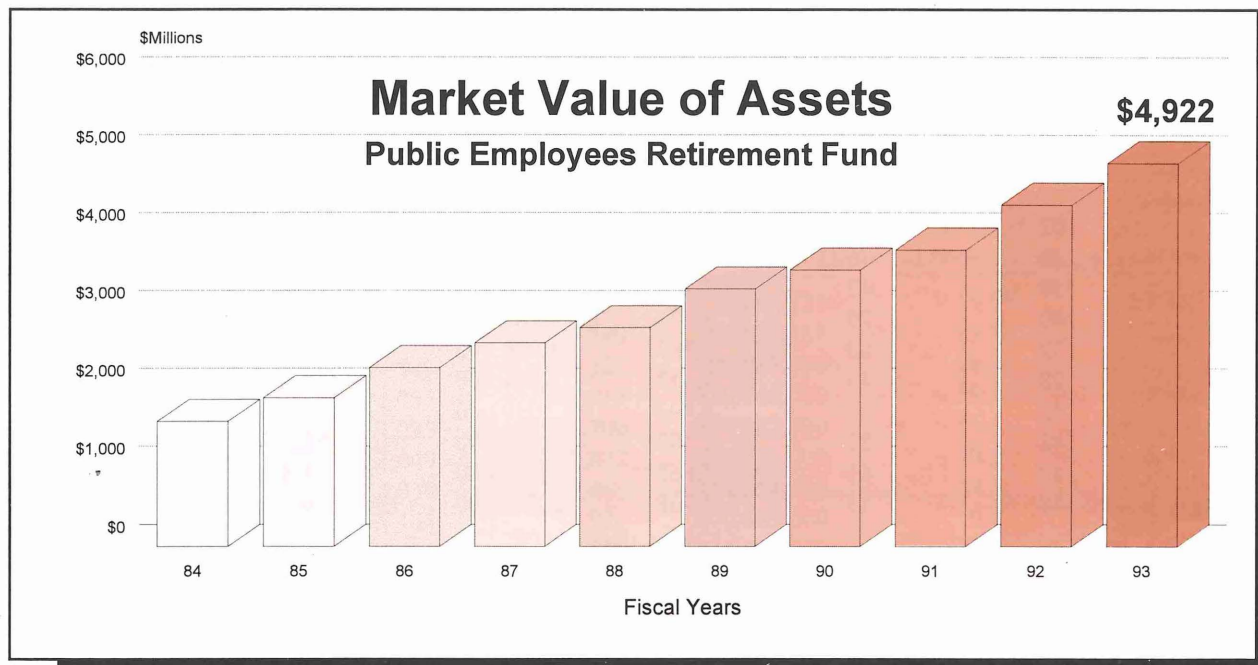


Police and Fire annuitant growth reflected the trend shown under the Public Employees Retirement Fund. From 1984 to 1993, the number of retirees increased from 1,013 to 1,738.

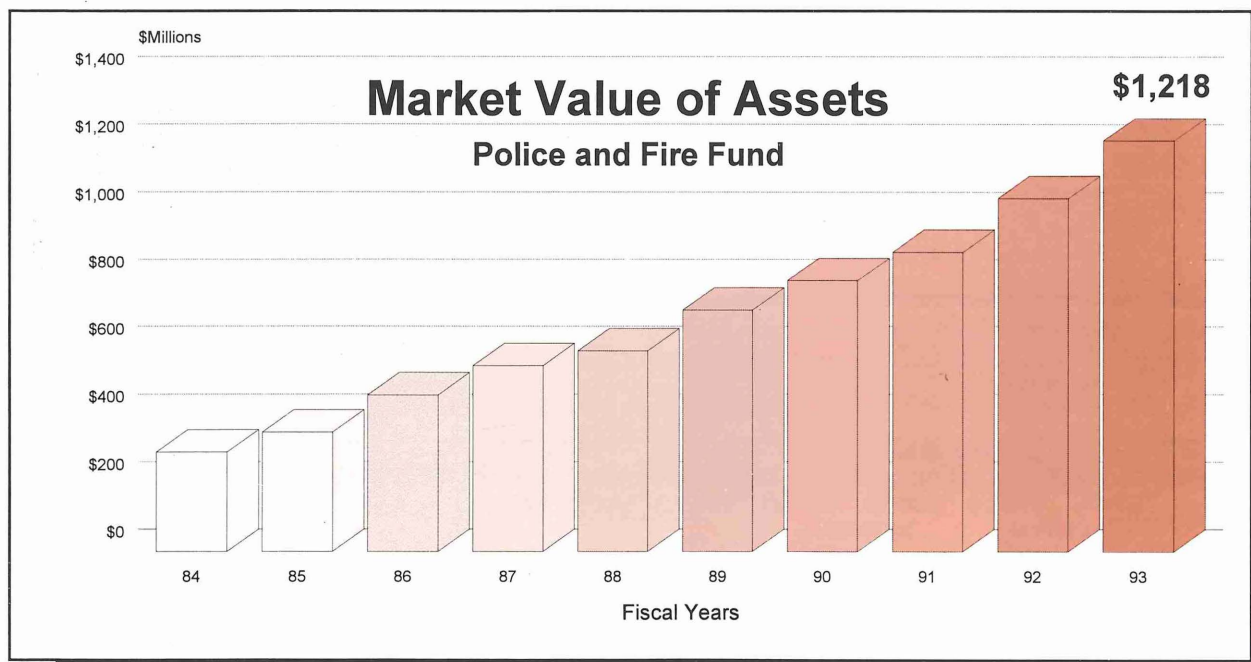
Police and Fire Consolidation Fund

YEAR ENDED	NUMBER ADDED	NUMBER REMOVED	YEAR-END TOTAL		% INCREASE IN ANNUAL ALLOWANCES	AVERAGE ANNUAL ALLOWANCES
			NUMBER	ANNUAL ALLOWANCES		
6-30-88	138	12	126	\$ 1,682,000	0.0 %	\$13,349
6-30-89	18	4	140	1,978,000	17.6	14,127
6-30-90	265	12	393	5,579,000	182.0	14,196
6-30-91	268	29	632	9,451,000	69.4	14,954
6-30-92	85	34	683	10,885,000	15.2	15,937
6-30-93	652	21	1,314	23,521,000	116.1	17,900

Market Value of Assets



Over the past 10 years, the market value of the Public Employees Retirement Fund has grown from \$1.6 billion in 1984 to \$4.9 billion in 1993.



Market value of Police and Fire Fund assets increased from \$274 million in 1984 to \$1.2 billion in 1993.

Revenue Ratios by Source of Revenue

Excluding Other Income
Last Ten Years

Public Employees Retirement Fund

FISCAL YEAR	MEMBER CONTRIBUTION	EMPLOYER CONTRIBUTION	INVESTMENT INCOME	TOTAL REVENUES
1984	21.6%	29.3%	49.1%	100.0%
1985	20.1	22.7	57.2	100.0
1986	16.7	18.4	64.9	100.0
1987	14.9	16.4	68.7	100.0
1988	18.1	19.8	62.1	100.0
1989	15.4	16.8	67.8	100.0
1990	16.8	18.2	65.0	100.0
1991	19.3	20.8	59.9	100.0
1992	15.8	17.0	67.2	100.0
1993	17.1	18.1	64.8	100.0

Public Employees Police and Fire Fund

FISCAL YEAR	MEMBER CONTRIBUTION	EMPLOYER CONTRIBUTION	INVESTMENT INCOME	TOTAL REVENUES
1984	21.2%	31.7%	47.1%	100.0%
1985	18.7	28.0	53.3	100.0
1986	14.6	21.8	63.6	100.0
1987	13.6	20.3	66.1	100.0
1988	18.3	27.5	54.2	100.0
1989	13.6	20.4	66.0	100.0
1990	13.4	20.0	66.6	100.0
1991	16.6	24.9	58.5	100.0
1992	11.7	17.5	70.8	100.0
1993	13.2	19.7	67.1	100.0

Police and Fire Consolidation Fund

FISCAL YEAR	MEMBER CONTRIBUTION	EMPLOYER CONTRIBUTION	INVESTMENT INCOME	TOTAL REVENUES
1988	6.7%	10.1%	83.2%	100.0%
1989	5.3	38.2	56.5	100.0
1990	5.8	52.4	41.8	100.0
1991	4.9	45.5	49.6	100.0
1992	4.7	30.5	64.8	100.0
1993	4.5	21.3	74.2	100.0

Benefit Expense by Type

Last Ten Years
(in Thousands)

Public Employees Retirement Fund

<u>FISCAL YEAR</u>	<u>RETIREMENT</u>	<u>SURVIVOR</u>	<u>DISABILITY</u>	<u>REFUND</u>	<u>TOTAL</u>
1984	\$ 64,011	\$ 7,161	\$3,065	\$23,756	\$ 97,993
1985	79,476	7,631	3,281	13,158	103,546
1986	96,584	8,174	3,375	12,566	120,699
1987	115,903	8,712	3,394	13,356	141,365
1988	135,602	9,302	3,683	14,175	162,762
1989	148,601	9,709	3,820	12,463	174,593
1990	165,740	12,566	4,057	12,711	195,074
1991	178,971	15,029	4,325	11,678	210,003
1992	198,849	13,120	4,984	11,881	228,834
1993	217,703	13,360	5,357	11,779	248,199

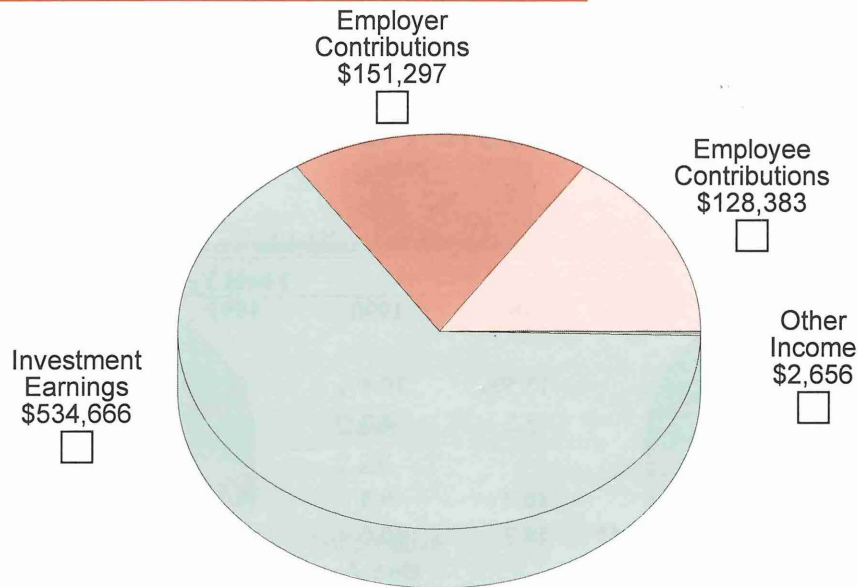
Public Employees Police and Fire Fund

<u>FISCAL YEAR</u>	<u>RETIREMENT</u>	<u>SURVIVOR</u>	<u>DISABILITY</u>	<u>REFUND</u>	<u>TOTAL</u>
1984	\$ 5,210	\$ 771	\$ 371	\$ 2,043	\$ 8,395
1985	6,328	860	427	1,032	8,647
1986	7,750	943	504	906	10,103
1987	9,662	1,023	629	1,055	12,369
1988	11,842	1,115	864	693	14,514
1989	13,142	1,217	1,087	969	16,415
1990	14,985	1,467	1,179	1,038	18,669
1991	16,750	1,611	1,311	1,204	20,876
1992	19,038	1,648	1,478	636	22,800
1993	21,237	1,866	1,516	1,004	25,623

Police and Fire Consolidation Fund

<u>FISCAL YEAR</u>	<u>RETIREMENT</u>	<u>SURVIVOR</u>	<u>DISABILITY</u>	<u>REFUND</u>	<u>TOTAL</u>
1988	\$ 655	\$ 155	\$ 36	\$ 0	\$ 864
1989	1,744	75	25	64	1,908
1990	3,377	216	151	183	3,927
1991	6,822	450	352	35	7,659
1992	9,079	576	502	33	10,190
1993	13,555	743	706	65	15,069

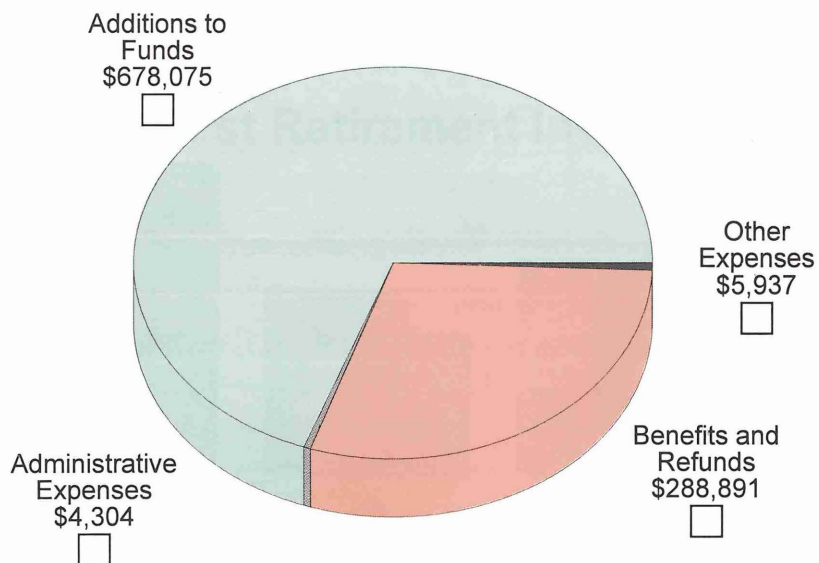
Revenues



Revenue by Source

All Funds
(In Thousands)

Investment earnings make up 65 percent of PERA's revenues, while employee and employer contributions total 34 percent of the association's income.



Revenue Allocation

All Funds
(In Thousands)

Over 69 percent of PERA's revenues were added to the association's funds in fiscal year 1993.

Investment Results

Last Five Years

Basic Funds

Investment Results Last 5 Years

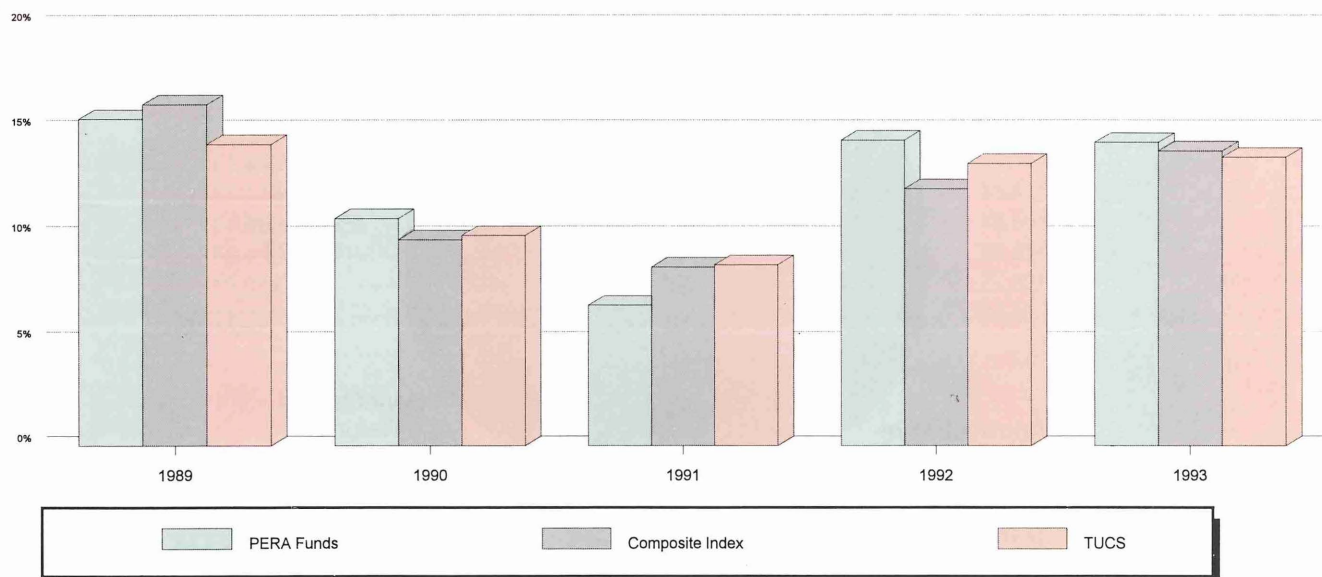
	Fiscal Year					5-Year Annualized
	1989	1990	1991	1992	1993	
Rate of Return — Time Weighted*						
PERA Funds	15.5%	10.8%	6.7%	14.5%	14.4%	12.3%
Inflation Rate — Consumer Price Index	5.2	4.7	4.7	3.1	3.0	4.1
Market Indicator						
Composite Index**	16.2	9.8	8.5	12.2	14.0	11.8
Trust Universe Comparison Service (TUCS)***	14.3	10.0	8.6	13.4	13.7	11.9

*The time-weighted performance measure includes the effect of income earned as well as realized and unrealized portfolio market value changes. In addition, the time-weighted total rate of return nets out the influence of contributions made to and distributions taken from the manager or fund.

**The Composite Index is a composite of market indices weighted in the same proportion as the PERA funds asset allocation.

***TUCS is comprised of returns of more than 800 public and private pension funds with a balanced mix of stocks and bonds.

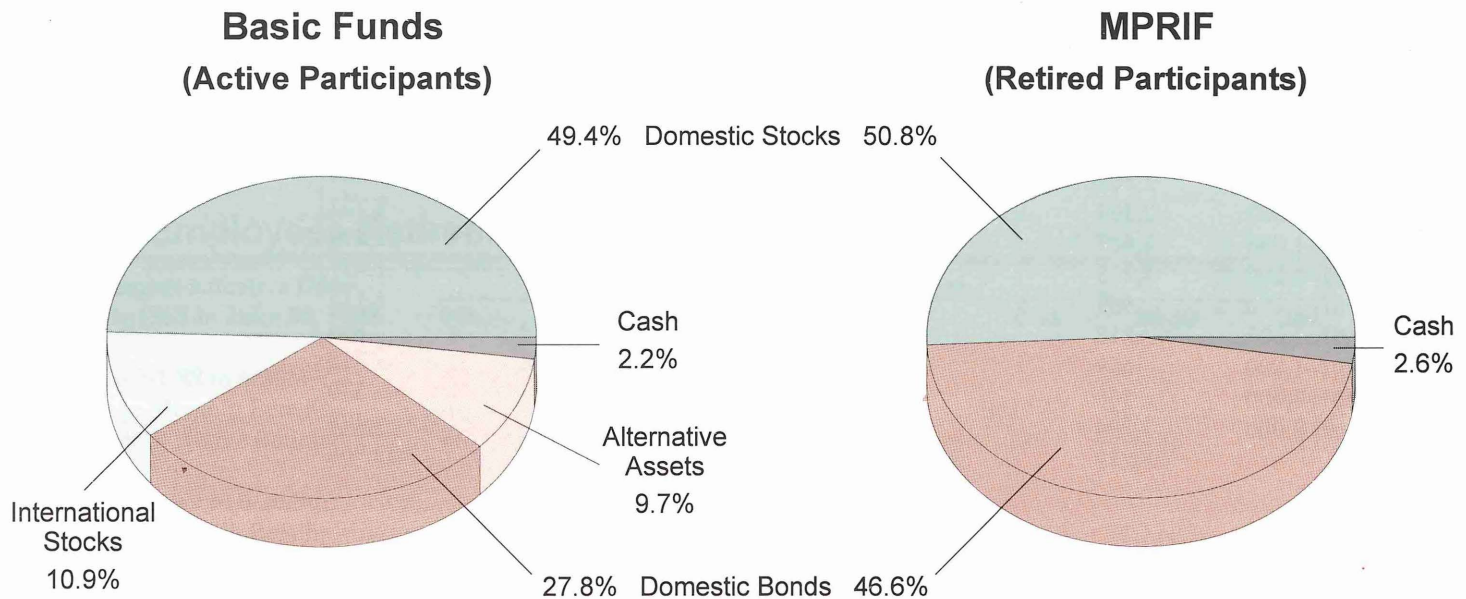
Basic Funds Investment Results



PERA's funds, as invested by the State Board of Investment, earned 14.4 percent in FY93. This exceeded the performance of the Composite Index and the Trust Universe Comparison Service (TUCS). The five-year annualized return is above both Composite Index and the TUCS and is triple the rate of inflation.

Investments

Asset Allocations



Domestic stocks and bonds represented approximately 77 percent of the asset allocation for the active funds and 97 percent of the Minnesota Post Retirement Investment Fund (MPRIF) on June 30, 1993.

Minnesota Post Retirement Investment Fund

Investment Results Last 5 Years

	Fiscal Year					5-Year Annualized
	1989	1990	1991	1992	1993	
Realized Earnings*	9.0%	10.1%	9.3%	9.6%	12.4%	10.1%
Benefit Increase**	4.0	5.1	4.3	4.6	6.0	4.8
Inflation	5.2	4.7	4.7	3.1	2.8	4.1

Fund Performance (Period ending June 30, 1993)

Total Fund***	12.4%	Stock Component	10.5%	Bond Segment	13.6%
Composite Index	13.1	S&P 500	13.6	Shearson Index	13.2

* Interest, dividends and net realized capital gains.

** Payable starting January 1 of the following calendar year.

*** On 6-30-93 the composite was weighted stocks 50% and bonds 50%.

Schedule of Retired Members

by Amount and Type of Benefit

Public Employees Retirement Fund

<u>Amount of Monthly Benefit</u>	<u>Annuitant</u>	<u>Optional Annuitant</u>	<u>Disabillant</u>	<u>Survivor</u>	<u>Total</u>
\$ 1- 200	8,680	778	245	597	10,300
201- 400	6,453	636	201	1,059	8,349
401- 600	3,702	396	131	155	4,384
601- 800	2,304	246	52	180	2,782
801-1,000	1,487	203	33	176	1,899
1,001-1,200	1,273	112	27	65	1,477
1,201-1,400	969	88	32	24	1,113
1,401-1,600	818	56	20	10	904
1,601-1,800	659	26	19	8	712
1,801-2,000	540	22	8		570
Over 2,000	<u>1,394</u>	<u>57</u>	<u>26</u>	<u>1</u>	<u>1,478</u>
	28,279	2,620	794	2,275	33,968

Public Employees Police and Fire Fund

<u>Amount of Monthly Benefit</u>	<u>Annuitant</u>	<u>Optional Annuitant</u>	<u>Disabillant</u>	<u>Survivor</u>	<u>Total</u>
\$ 1- 200	73	16	1	28	118
201- 400	70	22	1	72	165
401- 600	88	32	4	16	140
601- 800	101	31	3	23	158
801-1,000	108	22	10	32	172
1,001-1,200	114	15	16	14	159
1,201-1,400	110	10	19	11	150
1,401-1,600	119	9	22	5	155
1,601-1,800	124	7	10	5	146
1,801-2,000	77	5	2	5	89
Over 2,000	<u>266</u>	<u>8</u>	<u>6</u>	<u>6</u>	<u>286</u>
	1,250	177	94	217	1,738

Police and Fire Consolidation Fund

<u>Amount of Monthly Benefit</u>	<u>Annuitant</u>	<u>Optional Annuitant</u>	<u>Disabillant</u>	<u>Survivor</u>	<u>Total</u>
\$ 1- 200	3	9		3	15
201- 400	10	15	1	10	36
401- 600	3	1		2	6
601- 800	5	35		17	57
801-1,000	5	94	1	34	134
1,001-1,200	10	89	4	41	144
1,201-1,400	41	8	2	3	54
1,401-1,600	170		14	1	185
1,601-1,800	256	2	18		276
1,801-2,000	293		5		298
Over 2,000	<u>107</u>			<u>2</u>	<u>109</u>
	903	253	45	113	1,314

Average Benefit Payments

Last Five Years

Public Employees Retirement Fund

Retirement Effective Dates July 1, 1988 to June 30, 1993	Years of Service						
	0-5	5-10	10-15	15-20	20-25	25-30	30+
Period 7/1/88 to 6/30/89:							
Average Monthly Benefit	\$69.01	\$107.16	\$183.49	\$326.56	\$619.17	\$1,098.29	\$1,780.82
Number of Active Retirants	66	239	446	443	283	86	112
Period 7/1/89 to 6/30/90:							
Average Monthly Benefit	\$77.80	\$144.88	\$235.42	\$370.30	\$663.26	\$1,171.31	\$1,806.01
Number of Active Retirants	130	255	434	478	379	157	156
Period 7/1/90 to 6/30/91:							
Average Monthly Benefit	\$81.70	\$152.18	\$229.19	\$360.01	\$582.81	\$1,204.86	\$1,833.66
Number of Active Retirants	164	250	416	455	391	202	160
Period 7/1/91 to 6/30/92:							
Average Monthly Benefit	\$84.77	\$151.13	\$234.70	\$356.06	\$547.03	\$1,116.30	\$1,906.88
Number of Active Retirants	145	255	433	451	436	250	210
Period 7/1/92 to 6/30/93:							
Average Monthly Benefit	\$86.67	\$150.78	\$251.95	\$369.05	\$513.79	\$1,099.79	\$1,882.26
Number of Active Retirants	168	251	390	411	416	249	222
Period 7/1/88 to 6/30/93:							
Average Monthly Benefit	\$81.60	\$141.59	\$226.16	\$356.45	\$580.96	\$1,138.40	\$1,852.19
Number of Active Retirants	673	1,250	2,119	2,238	1,905	944	860

Average Benefit Payments

Last Five Years

Public Employees Police and Fire Fund

Retirement Effective Date July 1, 1988 to June 30, 1993	Years of Service						
	0-5	5-10	10-15	15-20	20-25	25-30	30+
Period 7/1/88 to 6/30/89:							
Average Monthly Benefit	\$158.75	\$859.80	\$674.82	\$1,228.84	\$1,282.16	\$2,193.30	\$2,539.30
Number of Active Retirants	4	7	5	9	16	11	4
Period 7/1/89 to 6/30/90:							
Average Monthly Benefit	\$125.35	\$546.49	\$634.84	\$1,156.48	\$1,506.83	\$2,157.80	\$2,371.86
Number of Active Retirants	7	10	8	16	20	26	6
Period 7/1/90 to 6/30/91:							
Average Monthly Benefit	\$225.03	\$545.41	\$769.66	\$1,066.88	\$1,616.95	\$1,731.80	\$2,674.15
Number of Active Retirants	8	7	6	23	22	15	16
Period 7/1/91 to 6/30/92:							
Average Monthly Benefit	\$204.03	\$429.63	\$1,097.72	\$1,021.16	\$1,678.57	\$1,883.56	\$2,630.12
Number of Active Retirants	8	7	10	13	29	26	8
Period 7/1/92 to 6/30/93:							
Average Monthly Benefit	\$135.92	\$603.02	\$639.05	\$1,121.26	\$1,521.54	\$2,026.80	\$2,303.47
Number of Active Retirants	6	9	7	12	25	26	15
Period 7/1/88 to 6/30/93:							
Average Monthly Benefit	\$174.56	\$593.40	\$792.26	\$1,107.28	\$1,544.12	\$1,998.80	\$2,505.46
Number of Active Retirants	33	40	36	73	112	104	49

Participating Employers

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

CITIES AND TOWNSHIPS

ADA	BAYPORT	BURNS TWP.	COKATO TWP.	DULUTH TWP.	FOUNTAIN
ADAMS	BEARDSLEY	BURNSVILLE	COKATO	DUNDAS	FRANCONIA TWP.
ADRIAN	BEAVER BAY	BUTTERFIELD	COLD SPRING	DUNDEE	FRANKFORT TWP.
AFTON	BEAVER CREEK TWP.	BYRON	COLERAINE	DUNN TWP.	FRANKLIN TWP.
AITKIN	BEAVER CREEK	CALEDONIA	COLOGNE	DUNNELL	FRANKLIN
AKELEY	BECKER	CALLAWAY	COLUMBIA HEIGHTS	EAGAN	FRAZEE
ALBANY	BELGRADE TWP.	CALUMET	COLUMBUS TWP.	EAGLE BEND	FREDENBE
ALBERT LEA	BELGRADE	CAMBRIDGE	COMFREY	EAGLE LAKE	FRENCH TWP.
ALBERT LEA TWP.	BELLE CREEK TWP.	CAMBRIDGE TWP.	CONCORD TWP.	EAST BETHEL	FRENCH LAKE TWP.
ALBERTVILLE	BELLE PLAINE	CAMDEN TWP.	CONGER	EAST GRAND FORKS	FRIBERG TWP.
ALBION TWP.	BELLEVUE TWP.	CAMP TWP.	COOK	ECHO	FRIDLEY
ALDEN	BELLINGHAM	CAMPBELL	COON RAPIDS	EDEN PRAIRIE	FROST
ALEXANDRIA	BELVIEW	CANBY	CORCORAN	EDEN VALLEY	FULDA
ALPHA C	BEMIDJI	CANNON FALLS	CORINNA TWP.	EDGERTON	GARDEN CITY
ALTON TWP.	BENSON	CANNON FALLS TWP.	COSMOS	EDINA	GARFIELD
ALTURA	BENTON TWP.	CANOSIA TWP.	COTTAGE GROVE	EITZEN	GARFIELD TWP.
ALVARADO	BERTHA	CANTON TWP.	COTTONWOOD	ELBOW LAKE	GARRISON TWP.
AMBOY	BIG FALLS	CANTON	CROMWELL	ELGIN	GARVIN
ANDOVER	BIG LAKE	CARIMONA TWP.	CROOKED LAKE TWP.	ELIZABETH	GARY
AMHERST TWP.	BIG LAKE TWP.	CARLOS	CROOKSTON	ELIZABETH TWP.	GAYLORD
ANNANDALE	BIGELOW	CARLTON	CROSBY	ELK RIVER	GHENT
ANOKA	BIGFORK	CARROLTON TWP.	CROSSLAKE	ELKO	GIBBON
ANTRIM TWP.	BIRCHWOOD	CARVER	CROW RIVER TWP.	ELKTON	GILBERT
APPLETON	BIRD ISLAND	CASS LAKE	CRYSTAL	ELLENDALE	GILMAN
APPLE VALLEY	BISCAY	CENTER CITY	CRYSTAL BAY TWP.	ELLSWORTH	GIRARD TWP.
ARBO TWP.	BIWABIK	CENTER TWP.	CULDRUM TWP.	ELM DALE TWP.	GLENCOE
ARDEN HILLS	BIWABIK TWP.	CENTERVILLE	CURRIE	ELMORE	GLENVILLE
ARENDAHL TWP.	BLACKDUCK	CEYLON	CYRUS	ELY	GLENWOOD
ARGYLE	BLAINE	CHAMPLIN	DAHLGREN TWP.	ELYSIAN	GLYNDON
ARLINGTON	BLOOMING PRARIE	CHANHASSEN	DALBO TWP.	EMBARRASS TWP.	GNESEN TWP.
ARTHUR TWP.	BLOOMINGTON	CHASKA	DALTON	EMILY	GOLDEN VALLEY
ASHBY	BLUE EARTH	CHATFIELD	DANUBE	EMMONS	GONVICK
ASKOV	BOVEY	CHATHAM TWP.	DANVERS	EMPIRE TWP.	GOOD THUNDER
ATWATER	BOYD	CHERRY GROVE TWP.	DARWIN	ERHARD	GOODHUE
AUDUBON	BRAHAM	CHISAGO CITY	DASSEL	ERSKINE	GOODRIDGE
AURORA	BRAINERD	CHISAGO LAKE TWP.	DAWSON	EVANSVILLE	GOODVIEW
AUSTIN	BRANCH	CHISHOLM	DAYTON	EVELETH	GRACEVILLE
AVOCA	BRANDON	CHOKIO	DECORIA TWP.	EXCELSIOR	GRANADA
AVON	BRECKENRIDGE	CIRCLE PINES	DEEPHAVEN	EYOTA	GRAND MARAIS
BABBITT	BREEZY POINT	CLARA CITY	DEER CREEK	FAIRFAX	GRAND MEADOW
BACKUS	BREITUNG TWP.	CLAREMONT	DEER RIVER	FAIR HAVEN TWP.	GRAND RAPIDS TWP.
BADGER	BREWSTER	CLARISSA	DEERWOOD	FAIRMONT	GRAND RAPIDS
BAGLEY	BRICELYN	CLARKFIELD	DE GRAFF	FALCON HEIGHTS	GRANITE FALLS
BALATON	BRISTOL TWP.	CLARKS GROVE	DELANO	FALL LAKE TWP.	GRANT TWP.
BALKAN TWP.	BROOKLYN CENTER	CLEAR LAKE	DELAVAN	FARIBAULT	GREAT SCOTT TWP.
BANDON TWP.	BROOKLYN PARK	CLEARBROOK	DELLWOOD	FARMINGTON	GREENBUSH
BARNESVILLE	BROOTEN	CLEARWATER TWP.	DETROIT LAKES	FAYAL TWP.	GREENFIELD
BARNUM	BROWERVILLE	CLEARWATER	DEXTER	FERGUS FALLS	GREENWAY TWP.
BARRETT	BROWNS VALLEY	CLEMENTS	DILWORTH	FERTILE	GREENWOOD TWP.
BASS BROOK	BROWNSDALE	CLIMAX	DODGE CENTER	FIFTY LAKES	GREY EAGLE
BATTLE LAKE	BROWNSVILLE	CLINTON TWP.	DONNELLY	FINLAYSON	GROVE CITY
BAUDETTE	BROWNTON	CLINTON	DOVRAY	FISH LAKE TWP.	GRYGLA
BAXTER	BUFFALO	CLONTARF	DRESBACH TWP.	FLENSBURG	HACKENSACK
	BUFFALO LAKE	CLOQUET	DRYDEN	FLOODWOOD	HADLEY
	BUHL		DULUTH	FOLEY	HALLOCK
				FOREST LAKE TWP.	HALSTAD
				FOREST LAKE	HAM LAKE
				FORESTON	HAMBURG
				FOSSTON	HANCOCK

Statistical Section

HANLEY FALLS	JEFFERS	LINDSTROM	MILROY	OAKDALE	REDWOOD FALLS
HANOVER	JENKINS	LINO LAKES	MILTONA	ODESSA	REMER
HANSKA	JORDAN	LINWOOD TWP.	MINNEAPOLIS	OGEMA	RENVILLE
HARDWICK	KANDIYOHI	LISMORE	MINNEOTA	OGILVIE	RICE
HARMONY	KARLSTAD	LITCHFIELD	MINNESOTA LAKE	OKABENA	RICE LAKE TWP.
HARRIS	KASOTA	LITTLE CANADA	MINNETONKA	OKLEE	RICHFIELD
HARRIS TWP.	KASSON	LITTLE FALLS	MINNETONKA BEACH	OLIVIA	RICHMOND
HARTLAND	KEEWATIN	LITTLEFORK	MINNETRISTA	ONAMIA	ROBBINSDALE
HASSAN TWP.	KELLIHER	LIVONIA TWP.	MONTEVIDEO	ORION TWP.	ROCHESTER
HASTINGS	KELLOGG	LONG LAKE	MONTGOMERY	ORONO	ROCHESTER TWP.
HAWLEY	KENNEDY	LONG LAKE TWP.	MONTICELLO TWP.	ORONOCO	ROCK CREEK
HAYFIELD	KENSINGTON	LONG PRAIRIE	MONTICELLO	ORR	ROCKFORD TWP.
HAYWARD	KENYON	LONGVILLE	MONTROSE	ORROCK TWP.	ROCKFORD
HECTOR	KERKHOVEN	LONSDALE	MOORHEAD	ORTON TWP.	ROGERS
HELEN TWP.	KETTLE RIVER TWP.	LORETTO	MOOSE LAKE	OSAKIS	ROLLING GREEN TWP.
HENDERSON	KETTLE RIVER	LUCAN	MORA	OSLO	ROLLINGSTONE
HENDRICKS	KIESTER	LUVERNE	MORGAN	OSSEO	ROOSEVELT TWP.
HENDRUM	KIMBALL	LYLE	MORRIS	OTSEGO	ROSE CREEK
HENNING	KINNEY	LYLE TWP.	MORRISTOWN	OSTRANDER	ROSEAU
HERMANTOWN	KRAIN TWP.	LYND	MORSE TWP.	OWATONNA	ROSEMOUNT
HERMAN	LA CRESCENT	MABEL	MORTON	PALISADE	ROSEVILLE
HERON LAKE	LAFAYETTE TWP.	MADELIA	MOTLEY	PARK RAPIDS	ROTHSAY
HEWITT	LAFAYETTE	MADISON	MOUND	PARKERS PRAIRIE	ROUND LAKE
HIBBING	LA GRANDE TWP.	MADISON LAKE	MOUNDS VIEW C	PAYNESVILLE	ROYALTON TWP.
HILL CITY	LAKE BENTON	MAGNOLIA TWP.	MOUNTAIN IRON	PELICAN RAPIDS	ROYALTON
HILLS	LAKE BRONSON	MAHNOMEN	MOUNTAIN LAKE TWP.	PENN TWP.	RUSH CITY
HILLTOP	LAKE CITY	MAHTOMEDI	MOUNTAIN LAKE	PEQUOT LAKES	RUSHFORD
HINCKLEY	LAKE CRYSTAL	MANKATO	MURDOCK	PERHAM	RUSHFORD VILLAGE
HITTERDAL	LAKE EDWARD TWP.	MANKATO TWP.	NASHWAUK TWP.	PETERSON	RUSHMORE
HOFFMAN	LAKE ELMO	MANTORVILLE TWP.	NASHWAUK	PIERZ	RUSSELL
HOKAH	LAKE LILLIAN	MANTORVILLE	NESSER TWP.	PILOT MOUND TWP.	SACRED HEART
HOLDEN TWP.	LAKE PARK	MAPLE GROVE	NEVIS	PILLAGER	ST. ANTHONY
HOLDING TWP.	LAKE SHORE	MAPLE LAKE TWP.	NEVIS TWP.	PIKE CREEK TWP.	ST. AUGUSTA TWP.
HOLDINGFORD	LAKE ST. CROIX	MAPLE LAKE	NEW AUBURN	PINE CITY TWP.	ST. BONIFACIUS
HOLLAND	BEACH	MAPLE PLAIN	NEW BRIGHTON	PINE CITY	ST. CHARLES
HOLLOWAY	LAKE VIEW TWP.	MAPLETON	NEW HOPE	PINE ISLAND	ST. CLAIR
HOLLY TWP.	LAKE WILSON	MAPLEVIEW	NEW LONDON	PINE RIVER TWP.	ST. CLOUD
HOLLYWOOD TWP.	LAKEFIELD	MAPLEWOOD	NEW MUNICH	PINE RIVER	ST. CLOUD TWP.
HOPKINS	LAKELAND	MARBLE	NEW PRAGUE	PIPESTONE	ST. FRANCIS
HOUSTON	LAKETOWN TWP.	MARCELL TWP.	NEW RICHLAND	PLAINVIEW TWP.	ST. HILAIRE
HOWARD LAKE	LAKEVILLE	MARIETTA	NEW SCANDIA TWP.	PLAINVIEW	ST. JAMES
HOYT LAKES	LAKIN TWP.	MARINE ON ST CROIX	NEW ULM	PLATO	ST. JOSEPH
HUGO	LAMBERTON	MARSHALL	NEW YORK MILLS	PLUMMER	ST. JOSEPH TWP.
HUTCHINSON	LANCASTER	MARTIN TWP.	NEWBURG TWP.	PLYMOUTH	ST. LEO
IDEAL TWP.	LANESBORO	MARYSVILLE TWP.	NEWFOLDEN	POKEGAMA TWP.	ST. LOUIS PARK
INDEPENDENCE	LANESBURGH TWP.	MAY TWP.	NEWPORT	POWERS TWP.	ST. MICHAEL
INTERNATIONAL	LAPRAIRIE	MAYER	NICOLLET	PREBLE TWP.	ST. PAUL
FALLS	LAUDERDALE	MAYNARD	NISSWA	PRESTON	ST. PAUL PARK
INVER GROVE	LE CENTER	MAZEPPA	NORDLAND TWP.	PRINCETON TWP.	ST. PETER
HEIGHTS	LEON TWP.	MC GREGOR	NORTH BRANCH	PRINCETON	SANBORN
IRON RANGE TWP.	LEROI	MCINTOSH	NORTH MANKATO	PRINSBURG	SANDSTONE
IRONDALE TWP.	LE SAUK TWP.	MEDFORD	NORTH OAKS	PRIOR LAKE	SARTELL
IRONTON	LESUEUR	MEDINA	NO. ST. PAUL	PROCTOR	SAUK CENTRE
ISANTI	LESTER PRAIRIE	MELROSE	NORTHERN TWP.	QUINCY TWP.	SAUK RAPIDS
ISLE	LEWISTON	MENAHGA	NORTHFIELD	RACINE TWP.	SAVAGE
IVANHOE	LEWISVILLE	MENDOTA HEIGHTS	NORTHFIELD TWP.	RACINE	SCANDIA VALLEY
JACKSON	LEXINGTON	MENTOR	NORTHOME	RAMSEY	SCANLON
JANESVILLE	LIDA TWP.	MIDDLE RIVER	NORTHROP	RANDALL	SEBEKA
JASPER	LILYDALE	MIDDLEVILLE TWP.	NORWAY TWP.	RANDOLPH	SHAFFER
		MIDWAY TWP.	NORWOOD	RANIER	SHAKOPEE
		MILACA	OAK GROVE TWP.	RAYMOND	SHAMROCK TWP.
		MILAN	OAK LAWN TWP.	RED LAKE FALLS	SHELLY
		MILLERVILLE	OAK PARK HEIGHTS	RED WING	SHERBURN

SHETEK TWP.	VICTOR TWP.	YORK TWP.	NORMAN	BARRETT #262	CLINTON-GRACEVILLE #55
SHINGOBEE TWP.	VICTORIA	YNG. AMERICA TWP.	OLMSTED	BATTLE LAKE #542	CLOQUET #94
SHOREVIEW	VIRGINIA	YOUNG AMERICA	OTTERTAIL	BEARDSLEY #57	COKATO-DASSEL #466
SIBLEY TWP.	WABASHA	YUCATAN TWP.	PENNINGTON	BECKER #726	COLD SPRING #750
SILVER BAY	WABASSO	ZIMMERMAN	PINE	BELGRADE #736	COLERAINE #316
SILVER CREEK TWP.	WACONIA	ZUMBROTA	PIPESTONE	BELLE PLAINE #716	COLUMBIA HEIGHTS #13
SILVER LAKE	WACONIA TWP.		POLK	BELLINGHAM #371	COMFREY #81
SLAYTON	WADENA		POPE	BELVIEW #631	COOK COUNTY #166
SLEEPY EYE	WAHKON		RAMSEY	BEMIDJI #31	COSMOS #461
SOLWAY TWP.	WAITE PARK		RED LAKE	BENSON #777	COTTONWOOD #412
SO. ST. PAUL	WALDORF		REDWOOD	BERTHA-HEWITT #786	CROMWELL #95
SOUTH BEND TWP.	WALKER		RENVILLE	BIG LAKE #727	CROOKSTON #593
SOUTH HAVEN	WALNUT GROVE		RICE	BIRD ISLAND-OLIVIA #2534	CROSBY-IRONTON #182
SPICER	WALTHAM TWP.		ROCK	BLACKDUCK #32	CYRUS #611
SPRING GROVE	WANAMINGO TWP.		ROSEAU	BLOOMING PRAIRIE #756	DAKOTA CO. TECH. COLLEGE #917
SPRING LAKE PARK	WANAMINGO		ST LOUIS	BLOOMINGTON #271	DANUBE #648
SPRING PARK	WANDA		SCOTT	BLUE EARTH #240	DEER RIVER #317
SPRING VALLEY	WARREN		SHERBURNE	BORUP #522	DELANO #879
SPRINGDALE TWP.	WARROAD		SIBLEY	BOYD-DAWSON #378	DELAVAN #218
SPRINGFIELD	WARSAW TWP.		STEARNS	BRAHAM #314	DETROIT LAKES #22
STACY	WASECA		STEELE	BRAINERD #181	DILWORTH #147
STANFORD TWP.	WATERTOWN TWP.		STEVENS	BRAINERD-STAPLES REG. TECH. COLLEGE #2190	DODGE CENTER-CLAREMONT-W. CONCORD #2125
STANTON TWP.	WATERTOWN		SWIFT	BRANDON #207	DULUTH #709
STAPLES	WATERVILLE		TODD	BRECKENRIDGE #846	EAGLE BEND #790
STARBUCK	WATKINS		TRAVERSE	BREWSTER #513	EAST CHAIN-GRANADA #2536
STEPHEN	WATSON		WABASHA	BRICELYN #217	EAST GRAND FORKS #595
STEWART	WAUBUN		WADENA	BROOKLYN CNTR. #286	EAST GRAND FORKS NORTHWEST TECH. COLLEGE
STEWARTVILLE	WAVERLY		WASECA	BROOTEN #737	ECHO #893
STILLWATER	WAYZATA		WASHINGTON	BROWERVILLE #787	EDEN PRAIRIE #272
STILLWATER TWP.	WEBSTER TWP.		WATONWAN	BROWNS VALLEY #801	EDEN VALLEY-WATKINS #463
STOCKHOLM TWP.	WELCOME		WILKIN	BROWNTON #421	EDGERTON #581
STOCKTON	WELLS		WRIGHT	BUFFALO #877	EDINA #273
STORDEN	WENDELL		YELLOW MEDICINE	BUFFALO LAKE #647	ELGIN-MILLVILLE #806
SVERDRUP TWP.	WEST CONCORD			BURNSVILLE #191	ELK RIVER #728
SWAN RIVER TWP.	WEST ST. PAUL			BUTTERFIELD #836	ELLENDALE #762
SWANVILLE TWP.	WESTBROOK			BYRON #531	ELLSWORTH #514
SWANVILLE	WESTBROOK TWP.			CALEDONIA #299	ELMORE #219
SYLVAN TWP.	WHEATON			CAMBRIDGE-ISANTI #911	ELY #696
TACONITE	WHITE TWP.			CAMPBELL-TINTAH #852	EMMONS #243
TAYLORS FALLS	WHITE BEAR TWP.			CANBY #891	ESKO #99
THIEF RIVER FALLS	WHITE BEAR LAKE			CANNON FALLS #252	EVANSVILLE #208
THOMSON TWP.	WILLIAMS			CARLTON #93	EVELETH #697
TINTAH	WILLERNIE			CASS LAKE #115	EVELETH-HIBBING RANGE TECH. COLLEGE
TONKA BAY	WILLMAR			CENTENNIAL #12	EYOTA-DOVER #533
TOWER	WILMONT			CEYLON #451	FAIRFAX-GIBBON-WINTHROP #2365
TRACY	WINDOM			CHASKA #112	FAIRMONT #454
TRIMONT	WINGER			CHATFIELD #227	FARIBAULT #656
TRUMAN	WINNEBAGO			CHISHOLM #695	FARMINGTON #192
TURTLE LAKE TWP.	WINONA			CHOKIO-ALBERTA #771	FERGUS FALLS #544
TWIN VALLEY	WINSTED			CHOSEN VALLEY #227	FERTILE #599
TWO HARBORS	WINTHROP			CLARA CITY #126	
TWO RIVERS TWP.	WINTON			CLARKFIELD #892	
TYLER	WOLF LAKE			CLEARBROOK #161	
ULEN	WOLVERTON			CLEVELAND #391	
UNDERWOOD	WOOD LAKE			CLIMAX #592	
UPSALA	WOODBURY				
VADNAIS HEIGHTS	WOODLAND TWP.				
VASA TWP.	WORTHINGTON				
VERGAS	WRENSHALL				
VERMILLION	WYANETT TWP.				
VERNDALE	WYKOFF				
VERNON CENTER	WYOMING TWP.				
VESTA	WYOMING				

COUNTIES

SCHOOL DISTRICTS

FINLAYSON #570	INTERNATIONAL FALLS #361	MADISON JOINT POWERS #6011	NORWOOD-YOUNG AMERICA #108	ST. LOUIS PARK #283	UPSALA #487
FISHER #600	INVER GROVE HEIGHTS #199	MAGNOLIA #669	OGILVIE #333	ST. MICHAEL-ALBERTVILLE #885	VALLEY & LAKES EDUCATION #6001
FLOODWOOD #698	ISLE #473	MAHNOMEN #432	OKLEE #627	ST. PAUL #625	VERDI #408
FOLEY #51	IVANHOE #403	MAHTOMEDI #832	ONAMIA #480	ST. PETER #508	VERNDALE #818
FOREST LAKE #831	JACKSON #324	MANKATO #77	ORONO #278	SANBORN #638	VIRGINIA #706
FOSSTON #601	JANESVILLE-PEMBERTON-WALDORF #2835	MAPLE LAKE #881	ORTONVILLE #62	SANDSTONE-ASKOV #2580	WABASHA-KELLOGG #811
FRANKLIN #650	JASPER #582	MAPLETON #72	OSAKIS #213	SARTELL #748	WABASSO #640
FRAZEE #23	JEFFERS-STORDEN #178	MARSHALL #413	OSLO #442	SAUK CENTRE #743	WACONIA #110
FREEBORN #244	JORDAN #717	MAYNARD #127	OSSEO #279	SAUK RAPIDS #47	WADENA #819
FRIDLEY #14	KARLSTAD-STRANDQUIST #2358	MAZEPPA-ZUMBROTA #2805	OWATONNA #761	SEBEKA #820	WADENA TECH. INSTITUTE
FULDA #505	KASSON-MANTORVILLE #204	MC GREGOR #4	PARK RAPIDS #309	SHAKOPEE #720	WALKER-HACKENSACK-AKELEY #113
GARY #523	KELLIHER #36	MEDFORD #763	PARKERS PRAIRIE #547	SHERBURN-TRIMONT-WELCOME #2372	WALNUT GROVE #641
GAYLORD #732	KENNEDY #354	MELROSE #740	PAYNESVILLE #741	SIBLEY COUNTY-RIVER BEND #6049	WANAMINGO #258
GILBERT #699	KENSINGTON #209	MENAHGA #821	PELICAN RAPIDS #548	SILVER LAKE #425	WARREN #446
GLENCOE #422	KENYON #254	MENTOR #604	PEQUOT LAKES #186	SIoux VALLEY #328	WARROAD #690
GLENVILLE #245	KERKHOVEN-MURDOCK-SUNBURG #775	MIDDLE RIVER #440	PERHAM #549	SLAYTON #504	WASECA #829
GLYNDON-FELTON #145	KIESTER #222	MID-STATE #6979	PIERZ #484	SLEEPY EYE #84	WATERTOWN-MAYER #111
GONVICK-TRAIL #158	KIMBALL #739	MILACA #912	PILLAGER #116	SOUTHLAND #500	WATERVILLE-ELYSIAN #395
GOODHUE #253	KOOCHICHING COUNTY #363	MILROY #635	PINE CITY #578	SO. ST. PAUL #6	WAYZATA #284
GOODHUE CO. #6051	LA CRESCENT #300	MINNEAPOLIS #1	PINE CITY TECH. COLLEGE #579	SO. WASHINGTON COUNTY #833	WELLS-EASTON #224
GOODRIDGE #561	LAKE BENTON #404	MINNEOTA #414	PINE ISLAND #255	SOUTHWESTERN TECH. COLLEGE #900	WESTBROOK #175
GRAND MEADOW #495	LAKE CITY #813	MINNESOTA LAKE #223	PINE RIVER-BACKUS #117	SPRING GROVE #297	WEST CENTRAL #263
GRAND RAPIDS #318	LAKE CRYSTAL #2071	MINNETONKA #276	PIPESTONE #583	SPRING LK. PARK #16	WESTONKA #277
GRANITE FALLS #894	LAKE PARK #24	MONTEVIDEO #129	PLAINVIEW #810	SPRING VALLEY #237	WEST ST. PAUL #197
GREENBUSH #678	LAKE SUPERIOR #381	MONTGOMERY-LONSDALE #394	PRESTON-FOUNTAIN #233	SPRINGFIELD #85	WHEATON #803
GREY EAGLE #791	LAKE WILSON-CHANDLER #918	MONTICELLO #882	PRINCETON #477	STAPLES #793	WHITE BEAR LAKE #624
GROVE CITY #464	LAKE OF THE WOODS #390	MOORHEAD #152	PRIOR LAKE #719	STEPHEN #443	WHITE EARTH-OGEMA-WAUBUN #435
GRYGLA #447	LAKEFIELD #325	MOOSE LAKE #97	PROCTOR #704	STEWART #426	WILLMAR #347
HALLOCK-HUMBOLDT #2359	LAKEVILLE #194	MORA #332	RANDOLPH #195	STEWARTVILLE #534	WILLMAR-HUTCHINSON TECH. COLLEGE
HALSTAD-HENDRUM #2527	LAMBERTON #633	MORGAN #636	RAYMOND #346	STILLWATER #834	WILLOW RIVER #577
HANCOCK #768	LANCASTER #356	MORRIS #769	RED LAKE #38	SWANVILLE #486	WINDOM #177
HARMONY #228	LANESBORO #229	MORRISTOWN #657	RED LAKE FALLS #630	TAYLORS FALLS #140	WIN-E-MAC #2609
HASTINGS #200	LAPORTE #306	MORTON #652	RED WING #256	THIEF RIVER FALLS #564	WINNEBAGO #225
HAWLEY #150	LE CENTER #392	MOTLEY #483	REDWOOD FALLS #637	THIEF RIVER FALLS NORTHWEST TECH. COLLEGE	WINONA #861
HAYFIELD #203	LEREOY-OSTRANDER #499	MOUNDS VIEW #621	REMER #118	TOWER-SOUDAN #708	WINONA-RED WING TECH. COLLEGE
HECTOR #651	LE SUEUR-HENDERSON #2397	MOUNTAIN IRON-BUHL #712	RENNVILLE #654	TRACY #417	WINSTED #427
HENDRICKS #402	LESTER PRAIRIE #424	MOUNTAIN LAKE #173	RICHFIELD #280	TRUMAN #458	WOOD LAKE #896
HENNEPIN CO. #287	LEWISTON #857	NASHWAUK-KEEWATIN #319	ROBBINSDALE #281	TWIN VALLEY #526	WORTHINGTON #518
HENNING #545	LINSTROM-CHISAGO LAKES #141	NETT LAKE #707	ROCHESTER #535	TYLER #409	WRENSHALL #100
HERMAN #264	LITCHFIELD #465	NEVIS #308	LUVERNE #670	ULEN-HITTERDAL #914	WYKOFF #236
HERMANTOWN #700	LITTLE FALLS #482	NEW LONDON-SPICER #345	ROCKFORD #883	UNDERWOOD #550	
HERON LAKE-OKABENA #330	LITTLEFORK-BIG FALLS #362	NEW PRAGUE #721	ROSEAU #682		
HIAWATHA VALLEY #61-6013	LONG PRAIRIE #792	MN. RIVER VALLEY #993	ROSEMOUNT #196		
HIBBING #701	LYLE #497	NEW RICHLAND-HARTLAND #827	ROSEVILLE #623		
HILL CITY #2	LYND #415	NEW ULM #88	ROTHSAY #850		
HILLS-BEAVER CREEK #671	MABEL-CANTON #238	NEW YORK MILLS #553	ROUND LAKE #516		
HINCKLEY #573	MADELIA #837	MARSHALL CO. CENTRAL #441	ROYALTON #485		
HOFFMAN #265		NICOLLET #507	RUSH CITY #139		
HOLDINGFORD #738		NORTH BRANCH #138	RUSHFORD-PETERSON #239		
HOPKINS #270		NORTH CENTRAL TECH. COLLEGE	RUSSELL #418		
HUSTON #294		NORTHEAST METRO INTERM #916	RUTHTON #584		
HOWARD LAKE-WAVERLY #880		NORTHFIELD #659	SACRED HEART #655		
HUTCHINSON #423		NO. ST. PAUL-MAPLEWOOD-OAKDALE #622	ST. ANTHONY #282		
			ST. CHARLES #858		
			ST. CLAIR #75		
			ST. CLOUD #742		
			ST. FRANCIS #15		
			ST. JAMES #840		
			ST. LOUIS CO. #710		

MISCELLANEOUS

ADAMS HEALTH CARE CNTR.
 AITKIN COUNTY SWCD
 ALEXANDRIA LAKE AREA SANITARY DIST.
 ANOKA COUNTY SWCD
 ARROWHEAD LIBRARY SYSTEM
 ARROWHEAD REGIONAL DEVEL. COMM.
 ASSN. OF MN. COUNTIES
 BATTLE LAKE MOTOR PAT. ASSN.
 BECKER COUNTY SWCD
 BELTRAMI COUNTY SWCD
 BEMIDJI R.I.C.

BENTON COUNTY SWCD
 BENTON-STEARNES COUNTY
 SPECIAL EDUCATION COOP
 BIG STONE COUNTY SWCD
 BLUE EARTH COUNTY SWCD
 BRAHAM-MORA-PINE CITY JOINT POWERS BD.
 BROWN COUNTY SWCD
 BOARD OF PUBLIC DEFENDERS
 BOIS DE SIOUX WATERSHED DIST.
 BOVEY COLERAINE TREATMENT
 PLANT COMM.
 CARVER-SCOTT COOP CTR.
 CASS COUNTY SWCD
 CARLTON COUNTY SWCD
 CARVER COUNTY SWCD
 CENTRAL MN. EDUCATION RESEARCH
 DEVELOPEMENT COUNCIL
 CENTRAL MN ECSU
 CENTRAL ST CROIX VALLEY CABLE
 COMMISSION
 CIRCLE PINES-LEXINGTON JNT. POLICE COMM.
 CHISAGO COUNTY SWCD
 CHISHOLM-HIBBING AIRPORT COMM.
 CLAY COUNTY SWCD
 CLEARWATER COUNTY NURSING SERVICE
 CLEARWATER COUNTY SWCD
 CLEARWATER RIVER WATERSHED DIST.
 COTTONWOOD COUNTY SWCD
 CROOKSTON DEVELOPMENT AUTH.
 CROW WING COUNTY SWCD
 DAKOTA COUNTY SWCD
 DELAVIN-EASTON PUBLIC SAFETY
 DES MOINES VALLEY NURSING SERVICE
 DOUGLAS COUNTY SWCD
 DODGE COUNTY SWCD
 DOVER-EYOTA-ST. CHARLES
 SANITARY DISTRICT
 EAST CENTRAL REGIONAL
 DEVELOPMENT COMM.
 EAST CENTRAL REGIONAL LIBRARY
 EAST OTTERTAIL COUNTY SWCD
 EAST POLK COUNTY SWCD
 ED. COOP SERV UNIT METRO ECSU ISD #920
 ED. COOP SERV UNIT 5
 ESV REGION 5 COMPUTER SERVICE
 FARIBAULT COUNTY SWCD
 FERGUS FALLS SPECIAL ED. COOP CENTER
 FMC HUMAN SERV BD.
 FREEBORN COUNTY SWCD
 FRESHWATER EDUCATION DIST.
 GOODHUE COUNTY SWCD
 GOVERNMENT TRAINING SERVICE
 GRANT COUNTY SWCD
 GREAT RIVER REGIONAL LIBRARY
 GREENWAY JOINT RECREATION ASSOC.
 HEADWATER NUTRITION PROJECT
 HEADWATERS REG. DEV. COMM.
 HENNEPIN CO. PARKS
 HUBBARD COUNTY SWCD
 HUDSON SANITARY LANDFILL AUTHORITY
 ISANTI COUNTY SWCD
 ITASCA COUNTY SWCD
 JOINT POWERS BOARD #6046-62
 KANABEC COUNTY SWCD

KANDIYOHI COUNTY SWCD
 KITCHIGAMI REGIONAL LIBRARY
 KITTSOON COUNTY SWCD
 KITTSOON-MARSHALL RURAL WATER SYSTEM
 KOCHICHING COUNTY SWCD
 LAC QUI PARLE COUNTY SWCD
 LAC QUI PARLE-YELLOW MEDICINE SWCD
 LK. AGASSIZ SPEC. EDUC. COOP
 LK. AGASSIZ REGIONAL LIBRARY
 LAKE COUNTY SWCD
 LAKE MINNETONKA CABLE
 COMMUNICATIONS COMM.
 LAKE MINNETONKA CONS. DIST.
 LAKES COMMUNITY RECREATION
 LEAF RIVER ED. DIST. #61-6961
 LEAGUE OF MINN. CITIES
 LINCOLN COUNTY SWCD
 LOCAL GOV. INFO. SYSTEMS
 LONG LAKE CONS. CNTR.
 LYON COUNTY SWCD
 MAHNOMEN COUNTY SWCD
 MARSHALL-BELTRAMI CO. SWCD
 MARSHALL COUNTY SWCD
 MARSHALL-POLK RURAL WATER SYSTEM
 MARTIN COUNTY SWCD
 MARTIN-FARIBAULT CO. PRAIRIE LAND
 SOLID WASTE BD.
 MCLEOD COUNTY SWCD
 MEEKER COUNTY SWCD
 MEEKER-WRIGHT COUNTY SPECIAL ED. COOP
 METROPOLITAN AIRPORTS COMM.
 METROPOLITAN COUNCIL
 METRO INTER CO. ASSN.
 METRO LIBRARY SERVICE AGENCY
 METRO MOSQUITO CONTROL DIST.
 METRONET
 METRO SPORTS FAC. COMM.
 METRO TRANSIT COMMISSION
 METRO WASTE CONTROL COMM.
 METRO II
 MIDDLE RIVER/SNAKE RIVER
 WATERSHED DISTRICT
 MID-MINNESOTA DEVELOPMRNT COMM.
 MIDWEST SPEC. ED. COOP #398
 MILLE LACS COUNTY SWCD
 MN. ASSOC. OF URBAN COUNTIES
 MN. MUNICIPAL UTILITIES ASSOC.
 MN. SCHOOL DIST. DATA PROCESSING JOINT BD.
 MN. RIVERLAND TECH. COL.
 MN. STATE SHERIFFS ASSOC.
 MN. TEAMSTER PUBLIC & LAW LOCAL 320
 MN. VALLEY COOP CENTER
 MN. VALLEY ED. DIST.
 MN. VALLEY REGIONAL LIBRARY
 MN. VALLEY TRANSIT AUTHORITY
 MOOSE LAKE-WINDEMERE
 MORRISON COUNTY SWCD
 MOTOR PATROL
 MOWER COUNTY SWCD
 MULTI COUNTY NURSING SE
 NEW RICHLAND CARE CNTR.
 NICOLLET COUNTY SWCD
 NOBLES COUNTY SWCD

NORMAN COUNTY SWCD
 NORTH CENTRAL SUBURBAN CABLE COMM.
 NORTH COUNTRY LIBRARY COOP
 N COUNTRY VOC. COOP CNTR. BEMIDJI
 TECHNICAL COLLEGE
 NE ED. COOP SERV UNIT
 NORTHEAST ED. DIST. #6033
 NORTHEAST MN. OFFICE OF JOB TRAINING
 NORTHERN LIGHTS LIBRARY NETWORK
 NORTH KITTSOON COUNTY
 RURAL WATER SYSTEM
 NORTH ST. LOUIS COUNTY SWCD
 NORTHWEST ECSU
 NW HENNEPIN HUMAN SERVICES
 NW MIGRANT REGION
 NW REGIONAL DEVEL. COMM.
 NW REGIONAL INTERDISTRICT COUNCIL
 NW SUB. CABLE COMM.
 OLMSTED COUNTY SWCD
 OTTERTAIL LAKES AREA SEWER DIST.
 PENNINGTON COUNTY SWCD
 PENNINGTON-RED LAKE COUNTY INTER
 COUNTY NURSING SERVICE
 PELICAN RIVER WATERSHED DIST.
 PINE COUNTY SWCD
 PINE POINT EXP. SCHOOL
 PINE RIVER SANITARY DISTRICT
 PINE TO PRAIRIE COOPERATIVE CENTER
 PIONEERLAND LIBRARY SYSTEM
 PIPESTONE COUNTY SWCD
 PLAINVIEW-ELGIN WASTEWATER DIST.
 PLUM CREEK LIBRARY SYSTEM
 POPE COUNTY SWCD
 PRIOR LAKE-SPRING LAKE WATERSHED DIST.
 PERA
 RANGE ASSN. OF MUNICIPALITIES
 RED LAKE WATERSHED DISTRICT
 REGION 8 SW & W CENTRAL ECSU
 RED LAKE COUNTY SWCD
 RED LAKE FALLS AREA SPECIAL ED. COOP
 RED RIVER VALLEY VOC. COOP CNT.
 REDWOOD-COTTONWOOD RIVER CONTROL
 AREA
 REDWOOD COUNTY SWCD
 REGION 5 DEVELOPMENT COMM.
 REGION 1 ESV
 REGION 9 SOUTH CENTRAL ECSU
 RENVILLE COUNTY SWCD
 RICE COUNTY SWCD
 ROSEAU COUNTY SWCD
 RICE CREEK WATERSHED DISTRICT
 RIVER BEND SPECIAL ED. COOP
 ROCK COUNTY RURAL WATER SYSTEM
 RUNESTONE COMM. CENTER
 RUNESTONE ED. DIST. #6014
 RURAL FIRE ASSN.
 ST. BONIFACIUS-MINNESTRITA POLICE COMM.
 ST. CLOUD AREA PLANNING ORGANIZATION
 ST. CLOUD METRO TRANSIT COMM.

Statistical Section

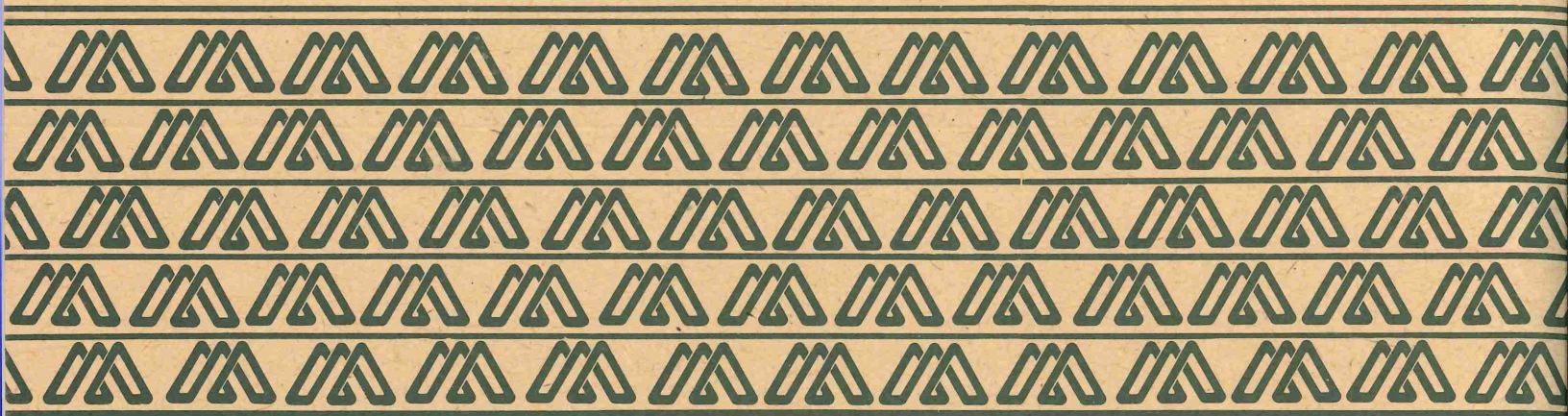
ST. LOUIS COUNTY NORTHWOODS
SOLID WASTE COMM.
SAUK CENTRE WATERSHED DIST.
SCOTT COUNTY SWCD
SCOTT JOINT CITY PROSECUTION
SHERBURNE COUNTY SWCD
SIBLEY COUNTY SWCD
SO CENTRAL ED. COOP SERV UNIT
SO CENTRAL EDUCATIONAL DIST.
SO CENTRAL MINNESOTA
INTER-LIBRARY EXCHANGE
SE MINN ED. COOP SERVICE UNIT
SOUTHERN MN MUN POWER AGENCY
SO LAKE MINNETONKA PUBLIC SAFETY DEPT.
SO ST. LOUIS COUNTY SOLID
WASTE COMMISSION
SO ST. LOUIS COUNTY SWCD
SW MULTI-CO. INTERLIB EXCHANGE
SW & W CENTRAL ED. COOP SERV UNIT

SW REGIONAL DEVELOPMENT COMM.
SPRING GROVE AMBULANCE CORP.
STATE COMM. COLLEGE BD.
STATE OF MN. MILITARY
AFFAIRS FIREFIGHTERS
STATE SUPREME COURT JUDICIAL DISTRICTS
STEARNS COUNTY SWCD
STEELE COUNTY SWCD
STEVENS COUNTY SWCD
SUB SCHOOL EMP. #284
SUNNYSIDE NURSING HOME
SWIFT COUNTY SWCD
TODD COUNTY SWCD
TOWNSHIP MAIN ASSC.
TRAVERSE COUNTY SWCD
TRAVERSE DES SIOUX LIBRARY SYSTEM
UPPER MN. RIVER WATERSHED DISTRICT
UPPER MN. VALLEY REGIONAL
DEVELOPMENT COMM.

U OF M POLICE OFFICERS
VIKING REGIONAL LIBRARY SYSTEM
WADENA COUNTY SWCD
WASECA COUNTY SWCD
WASHINGTON COUNTY SWCD
WATONWAN COUNTY SWCD
WEST CENTRAL AREA ON AGING
WEST CENTRAL ECSU
WESTERN LAKE SUPERIOR SANUITARY DIST.
WEST HENNEPIN CO. HUMAN SERVICES
WEST HENNEPIN PUBLIC SAFETY DEPT.
WEST OTTERTAIL COUNTY SWCD
WEST POLK COUNTY SWCD
WILKIN COUNTY SWCD
WINDOM AREA HOSPITAL
WINONA COUNTY SWCD
WRIGHT VOC. CENTER
YELLOW MEDICINE COUNTY SWCD

Notes

Notes



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514 St. Peter Street, Suite 200
St. Paul, MN 55102-1090